



**aitsl** Australian Institute  
for Teaching and  
School Leadership  
Limited

# Annual Report 2018–19

AUSTRALIAN INSTITUTE FOR TEACHING AND SCHOOL LEADERSHIP

AITSL is funded by the Australian Government

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## Melbourne office

Australian Institute for Teaching and School Leadership (AITSL)

PO Box 299  
Collins Street West VIC 8007  
Australia

[www.aitsl.edu.au](http://www.aitsl.edu.au)

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8 October 2019

The Hon. Dan Tehan, MP  
Minister for Education  
Parliament House  
Canberra ACT 2600

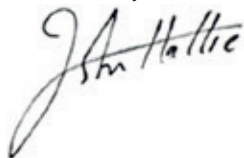
Dear Minister,

The Board of Directors has pleasure in submitting the *Annual Report 2018-19* for the Australian Institute for Teaching and School Leadership Limited.

The report is presented in accordance with the *Public Governance, Performance and Accountability Act 2013*.

The report has also been prepared to conform to the requirements of the *Australian Charities and Not-for-profit Commission Act 2012* and the *Corporations Act 2001*.

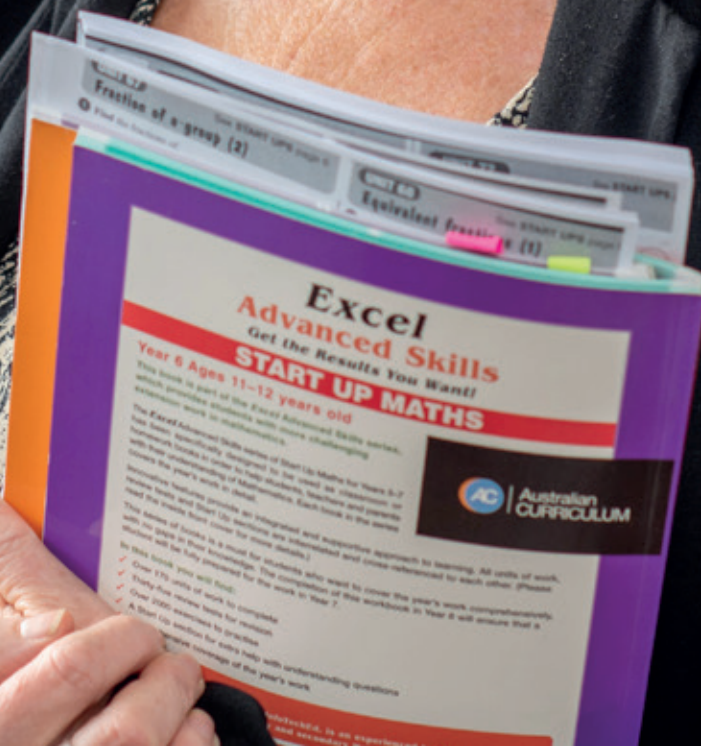
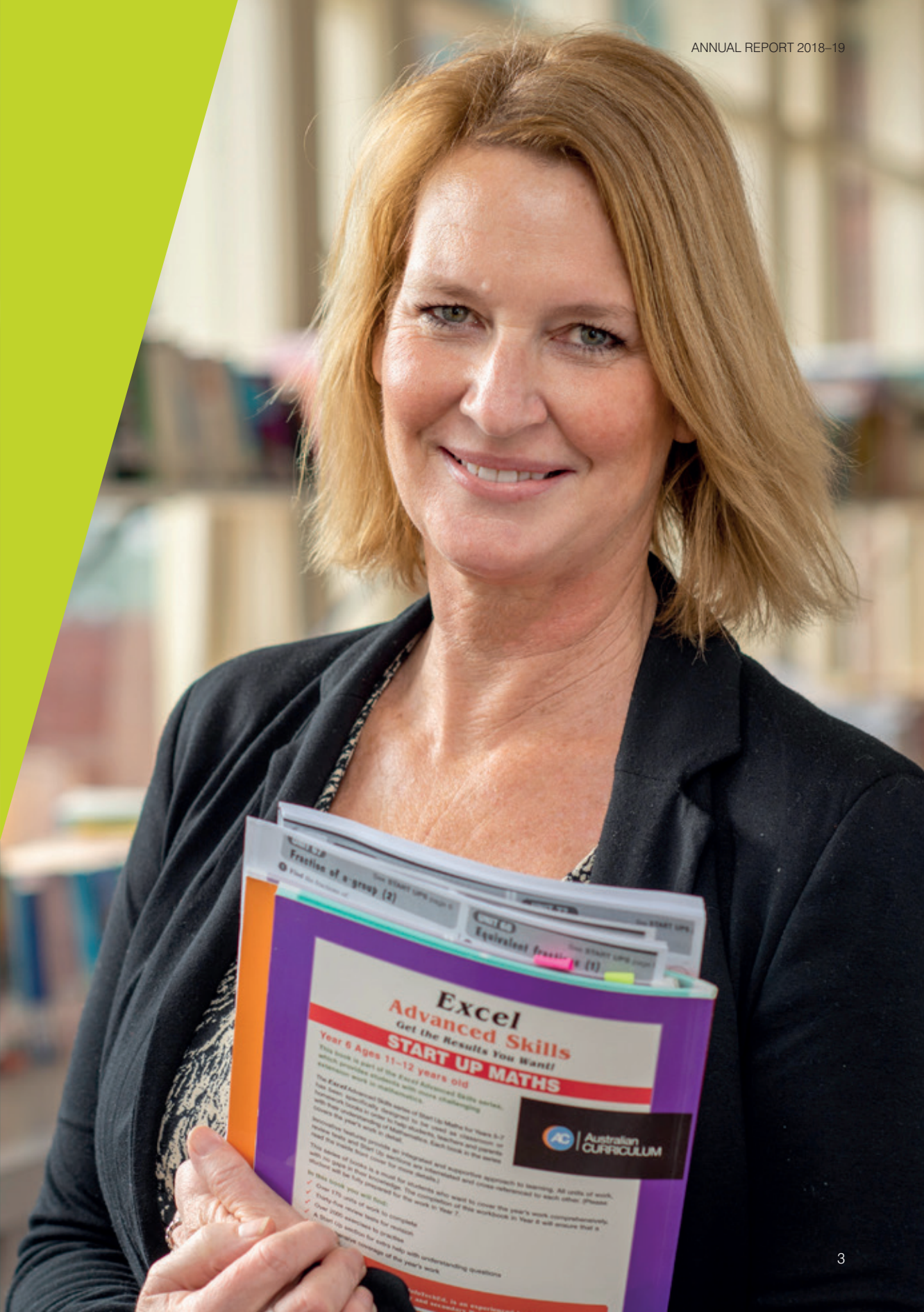
Yours sincerely



Laureate Professor John Hattie  
Chair  
Australian Institute for Teaching and School Leadership

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# FROM THE CHAIR



It gives me great pleasure to present the Annual Report 2018–19 of the Australian Institute for Teaching and School Leadership (AITSL).

The world of education is changing rapidly and there is nothing more important to the AITSL Board of Directors than realising our vision of a world-class education system so that learners across Australia can succeed as curious, well informed, and collegial citizens. Our Board, which has experts from the profession, along with wise, expert perspectives across the education landscape, oversaw several foundational achievements this year aimed at enhancing the expertise of teachers and school leaders.

Together, we worked with the Australian Government and Education Council on many of the agreed reforms outlined in the National Schools Reform Agreement. Our focus remained on assisting all jurisdictions to scope or implement these programs so our students and educators benefit.

AITSL's development and release of the 2018 Initial Teacher Education (ITE) Data Report unearthed emerging, positive signs in enhancing the quality within Australia's teacher education sector. Combined with the successful adoption by many ITE providers of the new teaching performance assessments that require graduates to demonstrate their in-class impact on student learning to pass a program, the sector is now in better shape to develop graduates who are classroom ready from day one.

Significant progress was also achieved on the landmark Australian Teacher Workforce Data project, with all jurisdictions set to adopt it in 2020. This will give Australia, for the first time, a truly national, evidence-based picture of teacher workforce patterns, characteristics, and career choices that will aid decision makers and teachers themselves for many years to come. The evidence base will be foundational and is an exciting development.

As a strong voice of the teaching profession and advocate for excellence, AITSL provided strategic advice to the Australian Government during its Inquiry into the Status of the Profession and for its Review of the Melbourne Declaration.

AITSL's commitment to put evidence-based tools into the hands of teachers to use in their schools continued with vigour this year. The company delivered a suite of online resources from the AITSL website to improve teacher professional learning. These new guides, videos, case studies, and templates were well received and demonstrated again the value of providing powerful and practical resources.

AITSL Deputy Chair Chris Wardlaw led the Expert Panel for the National Review of Teacher Registration to develop and release 17 recommendations in its report *One Teaching Profession: Teacher Registration in Australia*. While a significant achievement, work continued on the important aspects of implementation planning aimed at delivering a stronger registration system.

Departing CEO Lisa Rodgers oversaw significant operational improvements during her tenure and I thank her warmly for her contribution. In April, we welcomed CEO Mark Grant who has already led the delivery of refreshed tools and resources for the profession, and progressed the company's *Strategic Plan 2019–2022*. I'd like to thank and congratulate the AITSL team for their achievements this year.

My thanks go to my fellow Directors for their commitment and contribution during the year. Their counsel and deep expertise are invaluable.

Finally, thank you to all those who have supported AITSL this year in its commitment to enhancing the expertise of Australia's teachers and school leaders. It is a privilege, but above all a great responsibility, to serve the profession and students at a national level with the ongoing support of partners who share our vision.

**Laureate Professor John Hattie  
Chair**



## FROM THE CEO



2018–19 has been a big year for AITSL, with much of the credit due to my predecessor Ms Lisa Rodgers. What stands out to me is the potential that exists to continue building on the impressive work of hundreds of thousands of teachers and school leaders in schools around the country every day.

To harness this, we must continue to work together, across systems, sectors and jurisdictions, to empower teachers and school leaders to maximise their expertise and impact on students.

AITSL has made significant progress in 2018–19 and is well positioned to continue doing so.

As part of our commitment to work with all stakeholders to ensure teaching graduates are classroom ready, Education Council agreed to strengthen the standards and procedures for accrediting initial teacher education (ITE) programs. This was an important step in building stronger teacher training systems nationally and just part of ongoing reform work to maximise new teachers' impact on students.

AITSL has maintained a strong focus on induction for beginning teachers, with works progressing on upgrades to induction resources. The expertise of mentors is such an important part of induction, so another highlight has been the rise in nationally certified Highly Accomplished and Lead Teachers (HALTs).



This boosted the effectiveness of AITSL's national HALT Network and the annual HALT Summit in Darwin during May. Both provided opportunities for this growing cohort of expert teachers, who have achieved certification aligned to the *Australian Professional Standards for Teachers*, to share expertise and further develop their practice and that of their colleagues.

A major development is that HALT trials are set to start in Tasmania and in Victorian Catholic schools, meaning students and schools in every state and territory will soon be benefitting from HALT expertise.

As a former teacher and principal, I know how important it is for Australia's educators to have access to meaningful professional learning.

Following extensive consultation with the profession, AITSL launched new resources to assist teachers and school leaders in planning and getting the most out of professional learning. With some cohorts of teachers still experiencing access barriers, AITSL will continue working with the profession and all jurisdictions to improve professional learning opportunities for all, no matter where they teach or lead.

Strong focus was given to strengthening school leadership and principal preparation by helping systems and sectors to apply the policy framework, *Leading for impact: Australian guidelines for school leadership development*, along with the introduction of new resources to assist school leaders nationally.

We also held the latest iteration of the AITSL Stakeholder Survey. With thousands of teachers, school leaders and education stakeholders having their say about AITSL's work and how we can better support them, analysis of feedback is underway.

Having joined AITSL in April 2019, I am grateful to the AITSL Board, my predecessor Ms Lisa Rodgers, my fellow executives, and the committed AITSL staff who have worked tirelessly to further quality teaching and school leadership.

The significant progress we have made to enhance expertise in the profession across ITE, teaching, and school leadership is testament to AITSL's determination to make a real difference and support the profession to effectively lead the learning of students across Australia. While there is still much work to do, I am proud to present this report as we maintain focus on the things that matter.

**Mark Grant**  
Chief Executive Officer



# ABOUT AITSL

At AITSL, we believe student learning comes first. We're committed to improving teacher expertise.

## AITSL'S VISION

Australia has a high-quality education system in which teachers and leaders have the greatest impact on the educational growth and achievement of every learner.

## AITSL'S MISSION

Promoting excellence so that teachers and leaders have the maximum impact on learning in all Australian schools and early childhood settings.

The Australian Institute for Teaching and School Leadership was formed to provide national leadership for the Commonwealth, state, and territory governments in promoting excellence in the profession of teaching and school leadership with funding provided by the Australian Government.

## STRATEGIC PLAN 2019–2022

Ensuring children receive the very best education is one of the most important things we can do for them. It is also one of the most important government investments made in this country.

AITSL has worked hard to build its reputation, deliver quality work and form strong relationships in the education sector. AITSL's *Strategic Plan 2019–2022* builds on that foundation to develop guiding principles and clear focus areas, actions and goals.

AITSL's forward planning has traditionally been limited to a one-year cycle through an annual statement of intent document, outlining our mission, aspiration and areas of focus. However, with the benefit of extended funding, a longer-term strategic planning approach was identified to:

- ▶ support planning and scoping of work beyond the yearly funding cycle and work plan
- ▶ make clear AITSL's position within the education landscape
- ▶ articulate a plan for how the organisation will support education reform
- ▶ set longer-term goals
- ▶ replace the Statement of Intent.

The AITSL *Strategic Plan 2019–2022* includes a one-page outline of AITSL's goals, focus areas, guiding principles, areas for action, and a more detailed account of the actions that will address AITSL's priorities. The long-term goals articulated in the Strategic Plan have been developed into shorter-term and medium-term organisational performance measures. These measures are reflected in the *Corporate Plan 2019–2022*.

The AITSL *Strategic Plan 2019–2022* can be found at [www.aitsl.edu.au](http://www.aitsl.edu.au)

## Guiding principles

- ▶ Every child experiences a quality education
- ▶ Graduate teachers are well-prepared to teach when they enter the profession
- ▶ Improving professional practice is central to maximising impact on learners
- ▶ Leadership is a team effort at all levels
- ▶ Aboriginal and Torres Strait Islander education needs are understood, respected and supported in all actions
- ▶ Evidence and knowledge drive our decisions and we evaluate and learn as we progress

## Focus areas

- ▶ Placing impact of initial teacher education, teaching and leadership at the centre of our work
- ▶ Building, enhancing, and sustaining effective teaching and leadership at every level
- ▶ Advocating for quality and rigour in the design and implementation of national policies, tools and resources
- ▶ Supporting the professional education community to make evidence-based decisions
- ▶ Affirming the status of the profession

## Actions

- ▶ Promote and support implementation of the *Australian Professional Standards for Teachers* and the *Australian Professional Standard for Principals* in partnership with jurisdictions to increase their impact
- ▶ Strengthen leadership engagement, broaden participation in leadership, and enhance the capability of aspiring and emerging leaders

- ▶ Consult with the Indigenous community and stakeholders to identify services to benefit Indigenous teachers and teachers of Indigenous students and studies
- ▶ Play a key role in national initiatives to support quality teaching and leadership
- ▶ Promote Australian, curriculum-mapped formative and diagnostic tools to better enable teachers and leaders to understand more clearly their impact and support individual learner progress
- ▶ Strengthen the evidence base about the teaching profession, sponsor research, and support the use of evidence in decision making and professional practice
- ▶ Drive and support improvement of excellent initial teacher education
- ▶ Develop and implement a strategy to affirm the status of the teaching profession and seek to enhance teacher professionalism through all projects and initiatives
- ▶ Provide accurate and efficient skills assessments for teacher migration to Australia
- ▶ Strengthen collaboration and cooperation with stakeholders and all educators
- ▶ Use new technologies to enhance and strengthen AITSL's capacity and capabilities
- ▶ Consolidate and strengthen our resource base and use resources efficiently to maximise our impact

## Goals

- ▶ Strengthened capability and a shared commitment to professional growth
- ▶ Use evidence to inform practice and improve learner outcomes
- ▶ A valued profession

## PERFORMANCE MEASURES 2018–19

AITSL has established performance measures and targets to ensure it delivers on its priorities and has maximum impact. AITSL's performance against these measures for 2018–19 was as follows:

AITSL plays a key role in successfully delivering the government's response to the Teacher Education Ministerial Advisory Group (TEMAG) report, measured through progress against the agreed workplan.

The work related to TEMAG covers six key reform areas: selection, quality assurance, robust assessment, induction, professional experience, and national research and workforce planning. Key progress against these measures in 2018–19 includes:

- ▶ **Selection:** 37 out of 48 ITE providers have updated their websites to include information on the inclusion of non-academic capabilities in their selection processes.
- ▶ **Quality Assurance:** AITSL has established and convenes a Standard Setting Advisory Group, which provides independent expert advice across the range of AITSL's standards-based assessment work. The group has provided advice to AITSL on the operational principles for the Expert Advisory Group (EAG) and methodologies for accreditation, standard-setting, and teaching performance assessment (TPA) benchmarking.
- ▶ **Robust Assessment:** AITSL has established and convenes a Teaching Performance Assessment EAG to ensure that all TPAs used by ITE providers deliver an equivalent level of rigour and align with the requirements of Program Standard 1.2 of the *Accreditation of initial teacher education programs in Australia: Standards and Procedures*.

- **Induction:** Baseline data on the four key focus areas of Professional Practices, Professional Knowledge, Wellbeing, and Orientation (as outlined in *Graduate to Proficient: Australian guidelines for teacher induction into the profession*), gathered through the 2016 AITSL Stakeholder Survey and reported in the ITE Data Report 2018, show that induction practices align quite strongly with these areas, but improvement is needed in supporting teacher wellbeing.

- **Professional Experience:** The 2018 report, *TEMAG evaluation: school-university partnerships* (PTR Consulting Pty Ltd, 2018), highlights that stakeholders believe good progress is being made in establishing partnership agreements, determining professional experience models and building sustainable relationships.

- **Workforce Planning:** Four jurisdictions provided data to the Australian Teacher Workforce Data (ATWD) Strategy in 2018, and a fifth will join in 2019. The remaining three will submit data once the necessary legislative changes have been made.

Increased awareness, positive attitudes toward, knowledge and use of the *Australian Professional Standards for Teachers*, the *Australian Professional Standard for Principals* and AITSL tools, measured through a survey.

The 2019 AITSL Stakeholder Survey revealed an overall high awareness of AITSL's flagship policies and use of AITSL's resources. AITSL was found to maintain high levels of engagement, satisfaction and performance:

- Awareness of the *Australian Professional Standards for Teachers* increased from 91% of stakeholders in 2016 to 97% of responders in 2019.
- Awareness of the *Australian Professional Standard for Principals* and the *Leadership Profiles* was maintained at 62% of responders.

- 75% of responders in 2019 were aware of the *Graduate to Proficient: Australian guidelines for teacher induction into the profession*.
- Awareness of the *Accreditation of initial teacher education programs in Australia: Standards and Procedures* increased from 46% in 2016 to 60% in 2019.
- 60% of teachers who responded to the survey had used the *Teacher Self-Assessment Tool* and 70% of those teachers rated the tool's usefulness 7 out of 10 or greater.
- There has been an increase in responder agreement that AITSL's work has a strong evidence base (62% of stakeholders rating 7 or greater out of 10 in 2019, compared to 54% in 2016).

Use of AITSL resources, as measured by traffic to and within the AITSL website

- Over 900,000 unique visitors to the AITSL website
- Close to 687,000 unique page views of the Teacher Standards
- The My Induction app was downloaded over 5,000 times
- Over 500,000 unique page views per month of the Illustrations of Practice
- The Teacher Self-Assessment Tool was used by more than 26,000 users
- The School Leader Self-Assessment Tool was used by more than 8,900 users
- The 360° Reflection Tool was used by more than 560 users

AITSL delivers its agreed work plan within the available budget

- 100% of agreed milestones within AITSL's 2018–19 Work Plan were achieved

# STAKEHOLDER GUIDE

**Federal Minister for Education**

**Education Council**

**Initial Teacher Education (ITE) sector**

ITE providers and students

Australian Council of Deans of Education

**State and Territory authorities**

Teacher Regulatory Authorities

Education Departments

**Advisory groups and unions**



## Aboriginal and Torres Strait Islander peoples

### Students

All school and early  
childhood settings

### Early childhood sector

### Local school networks and parents

### Teachers and School leaders

Primary and secondary  
school principal  
associations



aitsl

# SENIOR MANAGEMENT

As at 30 June 2019:

## SENIOR OFFICERS



### Mark Grant

*Dip Teach BEd MStudEd PCiL MACE*

#### Chief Executive Officer

Mark Grant joined AITSL as CEO in April 2019, bringing a significant breadth and depth of operational experience as a teacher, principal and executive to the role. During a career dedicated to education, he has maintained a passion for quality teaching and school leadership, and the resulting benefits these bring to students in the classroom.

Prior to joining AITSL, Mark held the position of Executive Director, Leadership and High Performance at the Department of Education, NSW. Mark combines this executive experience with a background in schools as a teacher and leader. During his tenure as principal at three NSW schools, Mark drove improvement initiatives to benefit student growth and outcomes.

Most recently, Mark led complex, integrated strategic work, which has included school improvement measures; teacher quality, induction, professional development and leadership support for all school-based staff; and needs-based funding budgets to all schools.

Mark has a deep commitment to making a broad and significant contribution to education, and to the lives of children and young people across the nation.



## Edmund Misson

*BA (Hons) EMPA*

### Deputy Chief Executive Officer

Edmund Misson is the Deputy CEO of AITSL and is a respected leader in the national education landscape.

Edmund's considerable experience across education research, policy development, and policy implementation has seen him successfully lead AITSL's work with all jurisdictions to deliver solutions that promote quality teaching and school leadership across Australia.

Since joining AITSL in 2011, Edmund's focus has been on using the evidence to support teachers in all systems and sectors to excel at every stage of their teaching careers.

He has led AITSL's role in helping to shape national reforms to initial teacher education for graduate teachers, and several of AITSL's landmark national policies and frameworks now being used by the profession in all states and territories.

Edmund previously held leadership roles with the Victorian Government, advising on a range of education, training and other social policy issues.

He has a Master's degree in Public Administration.



## Donald Abell

*BCom GradDip FCA*

### Chief Financial Officer

Don Abell joined AITSL in 2011 following a distinguished 30-year career in professional accounting culminating in a 25-year partnership at prestigious chartered accounting firm, KPMG. At AITSL, Don is responsible for all aspects of managing AITSL's accounting and financial affairs.

Don holds a Bachelor of Commerce and a Diploma of Taxation Law and is a Fellow of the Institute of Chartered Accountants.



### **Dianne Jickell**

*BA (Hons)*

#### **General Manager, Communications and External Relations**

Dianne Jickell joined AITSL in May 2017. As General Manager, she leads AITSL's communications, external and stakeholder relations, people and culture, and business services functions.

Dianne provides high level strategic and operational advice with a focus on strengthening AITSL's internal engagement and external reach.

Dianne has extensive experience in strategic leadership and change management, marketing, communications and stakeholder engagement across a wide range of sectors internationally.

Prior to joining AITSL, Dianne was a senior executive at an Australian peak body, Philanthropy Australia, where she delivered several key initiatives to support the organisation's objectives and worked as part of the executive team to design and develop a refreshed direction for the organisation.



### **Lisa Molloy**

*BSc LLB MPICT GAICD FGIA AMIIA*

#### **General Counsel and Company Secretary**

Lisa Molloy joined AITSL in 2017. As General Counsel and Company Secretary, Lisa's responsibilities include leading the Legal and Governance Team, the Assessment for Migration function, and providing support and legal advice to the Board, executives, and company in general, ensuring regulatory compliance, risk management, and developing excellence in company governance.

Lisa is a qualified legal professional with extensive experience working on boards of directors and providing legal, risk, and strategic advice to government and the private sector. Prior to joining AITSL, Lisa worked with the Australian Government and in private practice.

In addition to her legal qualifications, Lisa holds a Master of Policing, Intelligence and Counter Terrorism, she is a graduate of the Australian Institute of Company Directors, a Fellow of the Governance Institute and an associate member of the Institute of Internal Auditors.



## Daniel Pinchas

*BEcon PGDipEd*

### General Manager, Teaching and School Leadership

Daniel Pinchas joined AITSL in 2013 after spending several years as a teacher, principal and numeracy coach in remote communities in Western Australia. As General Manager, he is responsible for leading the Initial Teacher Education, Teaching and School Leadership teams. During his previous role at AITSL, as manager of the Quality Teaching team, Daniel supported the implementation of the *Australian Professional Standards for Teachers* through a range of policy initiatives and development of online resources.

Additionally, Daniel brings to his current role educational leadership experience gained at the Victorian Department of Education and Early Childhood Development.

Daniel's qualifications include a Bachelor of Economics and a Postgraduate Diploma of Education.



## Xian-Zhi Soon

*BA LLB GDLP*

### General Manager, Evidence and Impact

Zhi Soon joined AITSL as the General Manager, Evidence and Impact in March 2019. He is responsible for building a robust and credible research foundation for use in developing and delivering evidence-based policy and programs, and also leads AITSL's work measuring its impact in the sector.

Previously, Zhi worked as Director of Education Policy and a global executive member of the Behavioural Insights Team (BIT), an international research and policy organisation that originated at the heart of the Government of the United Kingdom. At BIT, Zhi also served as the Director of the Behavioural Research Centre for Adult Skills and Knowledge, and as the Director responsible for economic growth, productivity, consumer markets, and environmental sustainability policy.

Zhi has held positions in the Australian Government, including in the Prime Minister's Office and the Department of Foreign Affairs and Trade as a diplomat. At state level, he has worked at the NSW Department of Premier and Cabinet and as a Board Member on the NSW Board of Studies. He also has private-sector experience as a management consultant.

# INITIAL TEACHER EDUCATION

In September 2018, Education Council agreed:

- ▶ AITSL will lead standard-setting processes to establish sound national agreement on what it means to meet the accreditation standards and identify priorities for improvement.
- ▶ AITSL's expert advisory group will provide advice to all teacher regulatory authorities on whether all teaching performance assessments (TPAs) used by initial teacher education (ITE) providers align with the accreditation requirements.
- ▶ AITSL will lead benchmarking of the passing standard between different TPAs.
- ▶ AITSL will conduct national analysis of data collected by jurisdictions on the impact of ITE programs.

AITSL's work in 2018–19 has focused on establishing comprehensive processes to support a collaborative and productive approach to implementing these national ITE reforms, fundamental aspects of which are quality assurance and standard-setting for program accreditation.

With multiple authorities responsible for decision-making against national standards, it is critical that all ITE programs are assessed consistently, to the same level of quality. AITSL has continued to progress implementation of a strengthened national approach to the accreditation of ITE programs of providers.

In late 2018, AITSL established two new groups:

- ▶ The Standard Setting Advisory Group (SSAG) provides independent expert advice across AITSL's standards-based assessment work. The group has convened to advise on the operational principles for the TPA Expert Advisory Group, TPA benchmarking, and methodology for accreditation standard-setting.
- ▶ The ITE Stakeholder Working Group ensures ongoing collaboration and provides input into how best to implement the proposed reforms. The group has expertise across a range of stakeholder representatives including employers, teacher regulatory authorities, ITE providers and peak bodies, and the Federal Department of Education.

In early 2019, AITSL developed a proposed standard-setting methodology in consultation with key stakeholders and the SSAG. Work on this methodology will continue into the next financial year.

During 2018–19, AITSL led three ITE accreditation panellist training sessions, training 211 individuals and bringing the total number of trained assessors to 608. In response to the requirement that all panels be led by trained chairs selected from a national pool on the basis of agreed criteria, AITSL offered three training sessions for 57 panel chairs, bringing the total pool of trained chairs to 77.

TPAs have been another major focus of work for AITSL in relation to ITE reform, with significant work undertaken to support development and quality assurance of TPAs.



## CASE STUDY 1

### Teaching Performance Assessments – A robust assessment of graduate preparedness

The *Accreditation of initial teacher education programs in Australia: Standards and Procedures (Standards and Procedures)* requires all pre-service teachers to successfully complete an authentic, valid, reliable and moderated assessment of teaching performance at the culmination of their initial teacher education studies.

During 2018–19, AITSL established an Expert Advisory Group (EAG) to ensure that all TPAs developed by ITE providers are consistent in their rigour and align with the requirements of the *Standards and Procedures*. The EAG will help ensure that all ITE program providers develop and implement TPAs that robustly assess their graduates against the *Australian Professional Standards for Teachers Graduate Teacher Standards*, prior to graduation. EAG members bring together expertise in standard-setting, ITE delivery, accreditation, and assessment.

As of June 2019, three TPAs have been endorsed by the EAG:

- ▶ the Graduate Teacher Performance Assessment
- ▶ the Assessment for Graduate Teaching
- ▶ the Queensland Teaching Performance Assessment.

These TPAs cover 27 ITE providers. All other TPAs in development must be assessed by the EAG by the end of 2019.

In addition to the EAG, AITSL has introduced a TPA support service involving Formative Advisors who can advise ITE providers on the development and implementation of a TPA.

A robust accreditation system should also have mechanisms in place to ensure that all graduates, regardless of where they study, are assessed against the same passing standard. AITSL has worked collaboratively with jurisdictions, authorities and other key experts to establish a nationally agreed benchmarking framework for TPAs. Providers are required to participate in this national benchmarking activity, or in a cross-institutional activity that aligns with the framework and is approved and assured through AITSL's EAG.

### In 2019 all teaching performance assessments must be reviewed by the Expert Advisory Group



# TEACHING AND SCHOOL LEADERSHIP IN AUSTRALIA

## TEACHING

In the 2018–19 financial year, AITSL focused on professional learning, teacher certification, the National Review of Teacher Registration, cultural competency, and the development of a formative assessment tool.

### Improving the quality of professional learning

AITSL continued its work on improving the quality of professional learning for all Australian teachers. This followed initial research and consultations that took place in 2017–18.

During consultations, AITSL uncovered specific challenges facing three cohorts of teachers in accessing high quality professional learning: early childhood teachers, casual/relief teachers, and teachers in regional, rural, and remote locations. AITSL conducted a national dialogue with these cohorts in November 2018 and is continuing to scope further work to support them.

An initial suite of online resources was released to improve the quality of professional learning in schools, including practical guides for implementation, video case studies, and the research and evidence base.

### Scaling up national teacher certification

National teacher certification continues to grow, with 573 teachers certified as of 31 December 2018. This financial year, Tasmania and Catholic Education Melbourne announced they will conduct pilots of the program, which will result in HALTs in all states and territories by the end of 2020.

To support the scaling up of national teacher certification, a Stage 2 video observation pilot was conducted in Queensland and the Northern Territory. A change to the policy was approved by Education Council in May 2019, giving certifying authorities the option to use video for their HALT assessments. This change in policy will be particularly relevant to jurisdictions with schools in remote areas, and will make certification more accessible.

A Spotlight report on the HALT Census findings was launched in May. Over 300 nationally certified teachers completed the Census, which found that having a HALT in a school isn't just beneficial to the individual teacher and their students, but contributes to an increased culture of learning across and beyond the school.

## National Review of Teacher Registration

With AITSL as secretariat, the Expert Panel for the National Review of Teacher Registration made 17 recommendations in its report *One Teaching Profession: Teacher Registration in Australia*. The report was considered by Education Council in September 2018, and released publicly to the profession. Three themes emerged from the 17 recommendations in the report: strengthening children's safety, improving and reinforcing teacher quality, and streamlining teacher registration processes.

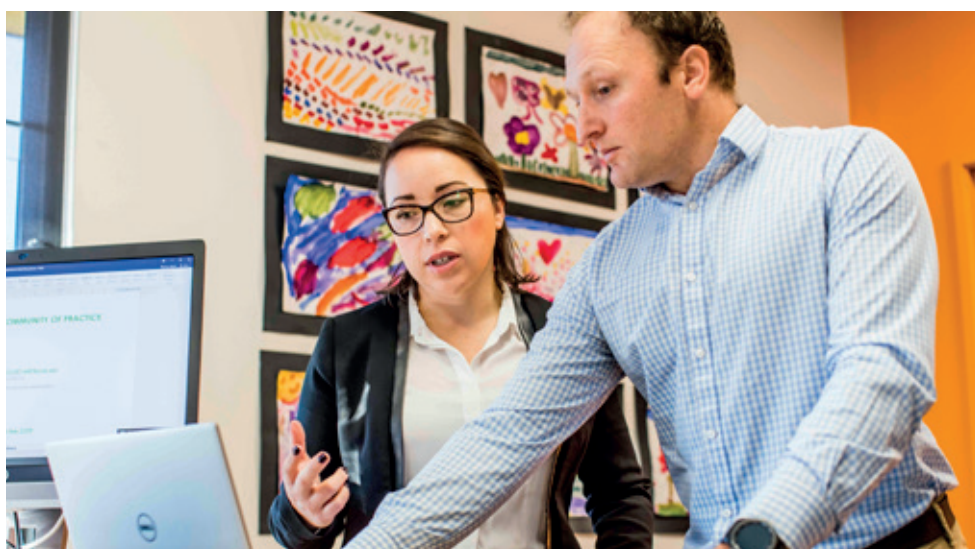
Education Council noted the recommendations and directed AITSL to work with jurisdictions to develop an implementation strategy. AITSL is progressing this work with all jurisdictions, with priority given to enabling the child safety recommendations.

AITSL will present a more detailed plan for implementing all the Expert Panel's recommendations to all Education Ministers in late 2019.

## Improving the cultural competency of teachers and school leaders

AITSL recently appointed a Senior Advisor, Aboriginal and Torres Strait Islander Education and established the Advisory Group for Aboriginal and Torres Strait Islander Education (AGATSIE) to explore existing programs and best practice across jurisdictions. The AGATSIE met twice — first in Melbourne, Victoria and then in Cabbage Tree Island, New South Wales.

Alongside these external consultations, AITSL has begun its foundational work to develop its own cultural competency with a number of staff engaging in professional learning. It is this foundational work that will support AITSL's engagement with Indigenous and non-Indigenous communities to map out the company's work program.



## Learning progressions and online formative assessment

Education ministers agree that learning progressions and online formative assessment should be a national priority for education. AITSL is collaborating with the Australian Curriculum, Assessment and Reporting Authority (ACARA) and Education Services Australia (ESA) to carry out the initial discovery phase of the national learning progressions and online formative assessment initiative in 2019.

The discovery phase has three main focuses: learning progressions and aligned assessments, engagement with teachers to understand what they need and how they want to be able to work, and research into effective practices.

A user-centred design approach will investigate the needs and capabilities of teachers and students. Future work will be co-designed with teachers to provide on-demand resources and wraparound support to help them optimise the learning growth and attainment of their students.

## Further activity

AITSL continues to maintain and develop interactive tools and resources used by teachers and leaders across Australia, including:

- ▶ enhancements to the My Induction app, including support for mentoring. The My Induction mobile app was downloaded by over 5,000 users in 2018–19, bringing the total to over 10,000
- ▶ refreshing the Illustrations of Practice to include further resources to support the development of cultural competency. Illustrations were viewed over 500,000 times in 2018–19
- ▶ maintaining the Teacher Self-Assessment Tool, which was used by more than 26,000 users, bringing the total to over 81,000 since it was launched in 2017.

## SCHOOL LEADERSHIP

Following the launch of *Leading for impact: Australian guidelines for school leadership development (Leading for impact)* in March 2018, AITSL has worked with practising and aspiring school leaders, systems, and sectors to develop tools and resources to support its implementation. This work is complemented by ongoing monitoring of the implementation of *Leading for impact* to understand where gaps are, and how support can be provided at both the system and sector, and school levels.

AITSL has developed guides that unpack what high-impact school leadership is, and how it can be demonstrated through the lens of the five Professional Practices of the *Australian Professional Standard for Principals*. These guides are strengthened by case studies highlighting leaders at all levels demonstrating the five professional practices. Building on an extensive research base about what high-impact school leadership is, AITSL has developed reflection tools for use by schools and systems and sectors to review current approaches to leadership development opportunities and pathways.

Another focus this year has been exploring how to strengthen school leadership in Australia. In February 2019, AITSL commenced scoping what might be needed to strengthen the preparation and ongoing support of school leaders and principals. AITSL worked with principal associations, systems and sectors, and principals and school leaders to develop a proposed series of actions. The next steps will be informed by a School Leadership Roundtable in July 2019.

Usage of school leadership tools has continued to be popular. During 2018–19, the School Leader Self-Assessment Tool was used by more than 8,868 users, bringing the total to 20,718 since it was launched in 2017. The 360° Reflection Tool was used by 564 users during the financial year, bringing the total to more than 5,900 since its launch in 2013.

# RESEARCH AND EVIDENCE-BASED INSIGHTS

AITSL's work is evidence-based, underpinned by robust research and data. This ensures that as an organisation, we are putting the most credible and impactful information in the hands of teachers and school leaders.

## THE SPOTLIGHT SERIES

During 2018–19, four new Spotlights — a series of evidence-based summaries sharing facts and findings on topics important to education professionals — were developed.

The Spotlights were on the following topics:

### ► **Highly Accomplished and Lead Teachers**

Nationally certified Highly Accomplished and Lead Teachers (HALTs) are expert teachers who lead and support colleagues towards better outcomes for learners. The HALT Spotlight looks at the findings from AITSL's HALT Census, providing insight for the first time about who HALTs are, where they are working, and the impact of certification on the profession.

### ► **Attendance matters**

The relationship between teacher quality and student achievement is mediated by the amount of time students spend in the classroom. Irrespective of the reasons for absences, non-attendance affects student outcomes. This Spotlight explores and describes the trends in student attendance

rates across Australia, providing evidence on the impacts of non-attendance, factors influencing it, and ways schools and communities can address it.

### ► **Diversity in School Leadership**

School leaders play a crucial role in the education system. Research shows that the learning needs of a diverse student population is better served by a diverse workforce. The Diversity in School Leadership Spotlight explores the data around diversity in school leaders, why diversity is important in these roles, and what can be done to address the challenge of diversity.

### ► **Professional Learning for Casual/Relief Teachers**

Over the duration of their education, students spend 10–15% of their schooling with casual/relief teachers (CRTs). As a result, CRTs have a greater impact on student outcomes than many might think. This Spotlight looks at the CRT population, their professional learning and the role of schools, systems and sectors in supporting CRT professional learning to support student learning.

Initial Teacher Education Data Report

The Initial Teacher Education (ITE) Data Report was first published in 2013 to provide key insights into the future of teaching. AITSL developed the sixth edition of the data report during 2018–19. It is the only comprehensive publication in Australia to bring together aggregate, national data on ITE across Australia, and provides data on the characteristics and study of commencing, continuing and completing ITE students studying at both undergraduate and post-graduate levels.

The report brings together available data on all ITE students and courses collected by the Higher Education Information Management System. Data on student perceptions and graduate outcomes is collected from the Quality Indicators for Learning and Teaching surveys, and data on early career teachers is collected from the AITSL Stakeholder Survey. The 2019 edition of the report is under development and will be released towards the end of 2019.

Measuring our impact

AITSL is committed to measuring the impact of its work. We collect ongoing longitudinal measurements of awareness, use and behaviour changes related to AITSL’s policies, tools and resources, and stakeholder engagements. Based on an overarching theory of change and program-evaluation frameworks, work undertaken by AITSL is monitored according to its expected outputs and outcomes. Metrics are mapped against short, medium and long-term outcomes and impacts for each body of work. Evaluation plans include program logic models, key indicators for success, data sources and analysis methods.

The impact of AITSL is broader than the sum of the individual programs of work. AITSL’s overall impact is measured under the theory that awareness, engagement, satisfaction, use of tools, resources and initiatives, and perceived image drive change. This overall impact is measured through stakeholder engagement research, which included a large-scale stakeholder survey administered between April and June of 2019.





## CASE STUDY 2

### High-quality professional learning for Australian teachers: what do we know?

It is well-known that teacher quality is the single most important in-school factor influencing student achievement. Effective ongoing professional learning, sustained by a culture of learning and collaboration within schools, will enable teachers to better support their learners.

While this holds true for all teachers, there are three cohorts of educators whose circumstances make it difficult for them to plan and undertake professional learning effectively: early childhood teachers (ECTs), casual/relief teachers (CRTs), and teachers in rural, regional and remote (RRR) contexts. Available evidence suggests these cohorts represent a significant proportion of teachers. The average student will be taught by a CRT for up to one year in total over their schooling life. Clearly, their teaching matters.

In 2018, AITSL investigated the distinct challenges faced by these teachers through consultations, three targeted surveys with each cohort, and a desktop review of relevant research and publications. The findings focused on current professional learning for each cohort, including their motivations, barriers and facilitating factors.

While professional learning for teachers is recommended at around 20 hours per year on average (*One Teaching Profession: Teacher Registration in Australia*, 2018), the research found that 43% of CRTs, 22% of ECTs and 20% of RRRs reported undertaking less than 10 hours of professional learning in the preceding 12 months.

For these cohorts, the major perceived barriers in accessing quality professional learning are: funding for fees and expenses, time to travel and undertake the learning, CRT coverage, lack of access to school-based learning, and the accessibility and relevance of external and online options.

Misconceptions about what constitutes high-quality professional learning and who this learning is meant for suggests these teacher cohorts may be under-reporting the amount and nature of the learning they undertake. While these teacher cohorts agree mentorship and collegial and collaborative opportunities with other teachers are valuable for their professional growth, they do not always identify these as high-quality professional learning. There was a tendency among these teacher cohorts to view professional learning as primarily external — akin to a conference — as opposed to job embedded, ongoing and collaborative. This perception is not uncommon throughout the teaching profession. In the case of the early childhood sector, professional learning tends to be perceived as a reward rather than a necessity.

However, these findings suggest there is a need for more nuanced approaches to providing professional learning for these specific groups of teachers as they work in diverse contexts and have different needs.

One recommendation is to diversify and make school-based or local professional learning opportunities more available to these teachers, including exploring strategies for providing tailored, in-house opportunities. Learning content and strategies could be catered to teachers' specific needs and contexts. Online and technological options hold promise, but they need to be optimally functioning, and their content and structure quality assured.

Initiatives are in place or being trialled within different jurisdictions to address some of these issues. There is opportunity to evaluate these initiatives and scale them throughout the Australian professional learning landscape.

# REACH INTO THE PROFESSION



## 900,000+

UNIQUE VISITS A YEAR



## 164,315

EMAIL SUBSCRIBERS

## 30,432

LIKES



## 19,844

FOLLOWERS



## 36,104

FOLLOWERS



## STAKEHOLDER REACH

AITSL spoke or presented at more than 30 events across Australia to more than 3,000 education sector representatives, including teachers and school leaders from all states and territories.

## WORLD TEACHERS' DAY 2018

Supporting World Teachers' Day 2018 on 26 October to celebrate educators across Australia, AITSL ran a high-impact and energetic campaign with the theme 'Teacher Difference,' reinforcing AITSL's mission to promote and support excellence in the teaching profession.

The grassroots campaign reached approximately 1.7 million Australians. Held throughout the month of October leading up to World Teachers' Day, the campaign focused on online engagement to promote teachers who made or make a difference in our lives, and was supported by news editorials and radio advertising to reach the general public in every state and territory.

The main online event of the campaign was 'Hattie chat,' with AITSL Chair Laureate Professor John Hattie. This was an interactive and real-time event with Professor Hattie, who engaged with the public and education stakeholders during a one-hour Twitter chat on the eve of World Teachers' Day, with over 26,000 Twitter users tuning in. Together with AITSL representatives from the Quality Teaching and School Leadership teams, he answered questions on several topics including pedagogy, Highly Accomplished and Lead Teachers and diagnostic testing of learners.

# KEY EVENTS

## THE HALT SUMMIT

In May 2019, AITSL hosted its fourth Highly Accomplished and Lead Teacher (HALT) Summit. Almost 200 of Australia's expert teachers plus jurisdictional, teacher regulatory authority, and system and sector representatives gathered in Darwin to share expertise and knowledge for the benefit of Australia's students.

During the Summit, delegates worked with leading educational thinkers, including Dr Lyn Sharratt from the Ontario Institute for Studies in Education at the University of Toronto, AITSL Chair Laureate Professor John Hattie, and Dan Haesler, Director of Cut Through Consulting and Coaching, to examine how they can effectively lead their colleagues and expand their impact in their schools.

The Summit program featured a series of facilitated workshops where delegates worked together to tackle three hot topics: student growth, the status of the profession, and women in leadership.

In the days leading up to the Summit, some delegates participated in school visits in the Katherine, Jabiru, Gunbalanya and Darwin regions, reporting back on what a valuable and insightful experience it was to see unique teaching and learning contexts in the Northern Territory.

In his first keynote address as AITSL CEO, Mark Grant spoke to delegates about the vital impact of HALTs on school communities and student learning across the country.

Mr Grant said: 'AITSL is committed to building the nation's capacity for excellence in teaching...all of our programs help to expand our impact, but there is more we can do and I really believe that the HALT cohort is one key to future success.'

The success of the Summit is a testament to the growing interest in teacher certification.



**KEY EVENTS** CONTINUED

“  
I have taken away so many unique, wonderful, incredible moments from this Summit. It was a privilege to have so many school leaders with me. I know she has lots of take-always and so many ideas for our school going forward, including projects we can collaborate on.”

*Right: AITSL CEO Mark Grant  
Below left: AITSL Chair Laureate Professor John Hattie  
Below right/bottom: Highly Accomplished and Lead Teachers*





## NATIONAL DIALOGUE ON HIGH QUALITY PROFESSIONAL LEARNING

On 14 November 2018, AITSL convened a National Dialogue on High Quality Professional Learning in partnership with Education Services Australia (ESA). There were over 100 participants, including teachers and leaders, senior system and sector representatives, teacher regulatory authorities and professional and principal associations.

The National Dialogue was an opportunity to examine the challenges and co-create national solutions to the challenges faced by three cohorts in accessing high quality professional learning: early childhood, casual/relief, and regional/rural/remote teachers.

In her welcome address, Lisa Rodgers, then CEO of AITSL, challenged participants to think outside the box. She emphasised the shared commitment of AITSL and ESA to enabling change 'so that access to high quality professional learning is the rule, not the exception.'

Important progress was made in raising awareness of the issues faced by the three cohorts. A clear message on the day was that these teachers have significant influence on young people's education, and for them to have maximum impact on the growth and achievement of their learners, access to high quality professional learning is critical.

The Dialogue also surfaced a range of recurring issues centred around four themes: the need for a coordinated national approach to professional learning with consistent expectations and requirements, the importance of collaborative opportunities and partnerships, the need for structural changes as enablers, and leadership support. Drawing on local expertise was identified as a vital solution that needs to be encouraged, along with getting expertise out to the regions that need it most.

Participants played an important role in three breakout sessions addressing the needs of each cohort. The diverse knowledge and experience of the stakeholders present allowed for significant progress to be made in generating practical ideas and implementation approaches. This will continue to inform AITSL's ongoing work to improve teacher professional learning.



# CORPORATE GOVERNANCE STATEMENT

## PURPOSE

AITSL was formed to provide national leadership for Commonwealth, state and territory governments in promoting excellence in the profession of teaching and school leadership with funding provided by the Australian Government.

AITSL plays a key role in leading significant educational reform across Australian governments, and its work program is set in accordance with directions received from the Commonwealth Minister for Education.

## CORPORATE STRUCTURE AND GOVERNING LEGISLATION

AITSL was registered and commenced operations in January 2010 and is:

- ▶ a Commonwealth company as defined in Section 89 (1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act)
- ▶ a company subject to the *Corporations Act 2001*
- ▶ wholly-owned by the Commonwealth of Australia
- ▶ a public company limited by guarantee.

AITSL operates under its own constitution with a Board of Directors that has decision-making authority. The Board is responsible for setting AITSL's strategic direction and governing its operations and performance.

The Board is supported by a company headed by a Chief Executive Officer, who is responsible for ongoing management and leadership within the broad framework and strategic direction set by the Board.

AITSL is committed to meeting high standards of corporate governance, which it considers essential to its long-term performance and sustainability, and to be in the best interests of its stakeholders.

AITSL's governance framework is regularly reviewed to ensure it aligns to the government, regulatory and legislative requirements.

AITSL's governance practices continue to evolve, having regard to the:

- ▶ PGPA Act and *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule 2014)
- ▶ *Corporations Act 2001*.



This statement, which was approved by the Board on 27 August 2019, outlines the most significant aspects of AITSL's corporate governance framework.

- ▶ As AITSL is wholly owned by the Commonwealth of Australia, under Section 250 N (4) of the *Corporations Act 2001*, it is not required to hold an annual general meeting.

AITSL regularly reports to the Minister for Education and the Minister for Finance based on the reporting timetable detailed in AITSL's Grant Agreement and other requests from the ministers. AITSL is also subject to parliamentary scrutiny through the Senate Estimates process.

The Commonwealth of Australia is the sole owner of AITSL, and the Minister for Education is its representative. During 2018–19, the Minister responsible for this portfolio was:

- ▶ Senator the Hon Simon Birmingham – 1 July 2018 to 28 August 2018
- ▶ the Hon Dan Tehan MP, Minister for Education – 28 August 2018 to 30 June 2019

The Minister for Education provided AITSL with a letter of Instruction in February 2019, expanding its agenda over the forward years to include:

- ▶ strengthening the approach to initial teacher education accreditation
- ▶ supporting improved cultural competency of teachers
- ▶ developing resources to support high quality professional learning for teacher impact
- ▶ assessing and evaluating links between the *Australian Professional Standards for Teachers* and teacher effectiveness
- ▶ strengthening the preparation and ongoing support of school leaders and principals.

## THE BOARD AND COMMITTEES

### The Board

AITSL's constitution defines the corporate powers of AITSL, which are exercised by the Board.

The Board has also adopted a Board charter that sets out the Board's role and responsibilities and the role and responsibility of the Chief Executive Officer.

The Board is responsible for setting AITSL's overall strategic direction and goals; overseeing and monitoring organisational performance and the achievement of strategic goals and objectives; monitoring financial performance and accountability; setting specific limits of authority for management; reviewing and monitoring AITSL's risk management and compliance systems; setting appropriate standards of corporate governance and codes of conduct; and protecting and enhancing AITSL's reputation.

The Board has also adopted a code of conduct that sets out the legal requirements and ethical standards that each Director is expected to adhere to.

### Appointments

In accordance with AITSL's constitution, the Board is to comprise a minimum of three and a maximum of eleven directors.

Directors are appointed by the Minister for Education in a formal letter of appointment setting out the key terms and conditions of the appointment. The maximum term of office for a Director is for a period of up to three years, with serving Directors eligible for re-appointment on the expiry of their term of office.

Full details of current Directors including names, appointment dates and qualifications are included in the Directors' Report on page 37.

### Expert Board of Directors

AITSL operates under an expert Board, and, when appointing Directors, the Minister for Education has regard for their skills and expertise in a number areas, including: teacher education; regulation and accreditation of initial teacher education courses; school leadership; teacher practitioner expertise; public policy; governance, including audit, risk and finance; and government liaison.

Upon appointment each Director is requested to complete a declaration of personal interests and have an ongoing obligation to keep the Board informed of any arising interests that could potentially conflict with the interests of AITSL. Any conflicts and related party transactions are dealt with in accordance with the Board Charter, AITSL's Procurement Policy and Conflict of Interest Policy. During 2018–19 there were nine transactions with related entities with an aggregate value of \$110,209. Further information on related party transactions for 2018–19 can be found in note 9 of the Financial Report on page 65.

### Independent advisors

In order to allow Directors to fulfil their responsibilities and to exercise independent judgment when making decisions, the Board collectively, and each Director individually, has access to any information in the possession of AITSL. The Board also has capacity to invite up to two persons with expertise in a specific area to attend a meeting and provide advice to the Board.

### Induction

Upon appointment, each Director receives a letter from AITSL confirming their appointment along with key documents, policies and contact information relevant to their appointment. Meetings with the AITSL Board Chair and other key staff are arranged, as well as training which covers their obligations as a Director.

In order to improve both their own and the Board's performance, Directors are encouraged, where appropriate, to undertake professional development.

### Meetings

Details of the number of Board meetings each Director was eligible to attend and the number of meetings attended during the period from 1 July 2018 to 30 June 2019 are set out in the Directors' Report on page 44.

## Performance

The performance of AITSL's Board is reviewed at least every two years. The method and extent of each review is determined and agreed to by the Board. The Chair will action each review, obtain any assistance required and address any relevant findings that affect the Board's responsibilities and operations.

## Remuneration

The Remuneration Tribunal determines the remuneration and travel allowances payable to Directors. Full details of Directors' remuneration are included below and on page 34.

## Board committees

To assist in the performance of its responsibilities, the Board currently has three committees, each governed by a formal charter setting out its purpose, role, responsibilities, composition, structure and membership. Each committee charter is reviewed annually by the committee and any proposed changes must be approved by the Board. Each committee is chaired by an AITSL Director, who provides an oral or written report to the Board outlining the matters considered and any actions taken at their committee meeting.

The three committees of the Board are the Audit and Risk Committee, Finance Committee and Remuneration Committee.

### Audit and Risk Committee

The primary objectives of the Audit and Risk Committee are to provide independent assurance and assistance to the Board of Directors on AITSL's risk control and compliance framework and to fulfil the functions required under section 92 of the *Public Governance, Performance and Accountability Act 2013*. The Committee's charter outlines its composition, purpose, role and responsibilities, and reporting and administrative arrangements.

### Finance Committee

The primary objective of the Finance Committee is to assist the Board in its responsibilities for financial oversight and accountability of the company under the *Corporations Act 2001* and *Public Governance, Performance and Accountability Act 2013*. The Committee's charter outlines its composition, purpose, role and responsibilities, and reporting and administrative arrangements.

### Remuneration Committee

The Remuneration Committee advises the Board of Directors on the salary, conditions and performance of the CEO.

Details of AITSL's other committees and consultation groups are available on pages 71 to 77 of this annual report.

## Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the AITSL, directly or indirectly, including any Director of AITSL.

The number of key management personnel that are included in the following table are 5 Executive Managers and 9 part-time Directors (2018: 7 Executive Managers and 12 part-time Directors).

The remuneration of the Deputy Chief Executive Officer includes a three-month period during which he performed the role of Acting Chief Executive Officer. That period extended from the termination date of the former Chief Executive Officer in January 2019 until the appointment of the current Chief Executive Officer in April 2019.

	Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits			Termination benefits	Total remuneration
			Base salary	Bonus	Other benefits and allowances		Superannuation contributions	Long service leave	Other long-term benefits		
	GRANT, MARK	Chief Executive of AITSL	78,417	-	-	5,274	1,332	-	-	-	85,023
	MISSON, EDMUND	Deputy Chief Executive Officer	330,935	-	-	22,603	6,799	-	-	-	360,337
	PINCHAS, DANIEL	GM, School Leadership & Quality Teaching	261,778	-	-	22,837	11,970	-	-	-	296,585
	SOON, XIAN-ZHI	GM, Evidence & Impact	64,675	-	-	5,820	1,144	-	-	-	71,639
	RODGERS, LISA	Chief Executive of AITSL (Former)	207,323	-	-	12,033	(11,298)	-	-	-	208,058
	Total Executive Managers			943,128	-	-	68,567	9,947	-	-	1,021,642
	HATTIE, JOHN	Chair	99,007	-	-	9,406	-	-	-	-	108,413
	WARDLAW, CHRISTOPHER	Deputy Chair	74,208	-	-	5,735	-	-	-	-	79,943
	BUCKINGHAM, JENNIFER	Non-Executive Director	7,181	-	-	331	-	-	-	-	7,512
	NAIRN, ROBERT	Non-Executive Director	13,927	-	-	1,323	-	-	-	-	15,250
	BLACKWOOD, BETHLYN	Non-Executive Director	10,880	-	-	1,034	-	-	-	-	11,914
	PENDERGAST, DONNA	Non-Executive Director	7,616	-	-	724	-	-	-	-	8,340
	MOWBRAY, MARK	Non-Executive Director	10,663	-	-	1,013	-	-	-	-	11,676
	LAMMON, RENEZ	Non-Executive Director	13,056	-	-	1,240	-	-	-	-	14,296
	LIND, PETER	Non-Executive Director	13,882	-	-	306	-	-	-	-	14,188
	Total Part-time Directors			250,420	0	0	21,112	0	0	0	271,532
	Total key management personnel			1,193,548	0	0	89,679	9,947	0	0	1,293,174

## Remuneration for senior executives

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
245,000-270,000	2	235,497	2,500		20,595	4,506			263,098
270,000-295,000	1	251,216			21,593	3,808			276,617

## RECOGNISING AND MANAGING RISK

AITSL's risk management policy and framework communicates the principles, tolerance, appetite and responsibilities with regard to risk management throughout AITSL. Risk management has been integrated into AITSL's governance, planning and reporting framework.

### Internal control framework

The Board is responsible for the overall internal control framework and for reviewing its effectiveness. The framework is intended to provide assurance that appropriate internal controls have been implemented to identify, evaluate and manage significant risks to the achievement of AITSL's objectives. These internal controls cover strategic, financial, operational, information technology and compliance risk, and take the form of appropriate financial delegations, financial planning and reporting, strategic and operational planning, and internal audit practices.

## Risk management

AITSL operates under a risk management policy that is consistent with the *Australian Standard: AS ISO 31000:2018 risk management – Guidelines*. The policy allows for the proactive identification, assessment and management of risks.

The Board is ultimately accountable for the management of risk and ensuring effective risk management practices are in place across AITSL. In order to fulfil its risk management responsibilities, the Board is assisted by the Audit and Risk Committee.

In order to ensure that the AITSL risk management framework is not only fit-for-purpose but also meets the requirements of a maturing business, AITSL worked with Deloitte and Comcover to grow and further develop AITSL's risk management framework.

As part of this process, AITSL will be working with Deloitte and the Audit and Risk Committee over the next 18 months to embed risk in the company and develop a standard framework across the organisation.

### Fraud control

AITSL maintains appropriate fraud prevention detection, investigation and reporting procedures and processes that are compliant and aligned to section 10 of the *Public Governance, Performance and Accountability Rule 2014* and the *Commonwealth Fraud Control Guidelines 2017*.

AITSL has an online fraud learning module that must be successfully completed by all staff annually.

There have been no significant fraud risks identified in this financial year.

### Internal audit

Internal audit is a key component of AITSL's governance framework. It provides independent and objective assurance and consulting activities designed to add value and improve AITSL's operations.

The internal audit function is an independent, outsourced function, overseen by the Board through the Audit and Risk Committee. Internal audit reports are provided to the Audit and Risk Committee for review in compliance with Section 28 of the PGPA Rule. The Audit and Risk Committee then advises the Board on any recommendations and actions.

### External audit

Under Section 98 of the PGPA Act, the Auditor-General is responsible for auditing the financial statements of Commonwealth companies.

## GOVERNANCE POLICIES

The Board and employees of AITSL are expected to behave honestly and with integrity in their relationships with all AITSL's stakeholders and to uphold the good reputation of AITSL. A number of governance policies have been developed to assist Directors and employees to understand what is expected of them. Core policies include: standards of conduct, fraud control, gifts and hospitality, instruments of delegations, privacy, public interest disclosure, valuing diversity and inclusion, and work health and safety.

AITSL has also implemented a set of values that underpin and guide AITSL's work as individuals and an organisation. The values established are excellence, ethical behaviour, engagement, expertise and effectiveness.

## LOCATION

The organisation is located in Melbourne. The organisation had an office in Canberra which closed 14 June 2019.

## FUNDING

AITSL is funded by the Australian Government.

# DIRECTORS' REPORT

## BOARD OF DIRECTORS DURING 2018–19

### Directors' qualifications and experience



*Laureate Professor John Hattie was appointed Chair of the AITSL Board on 1 July 2014, and reappointed effective from 1 July 2017*

#### **Laureate Professor John Hattie**

*BEd DipEd Med PhD*

#### **Chair/Non-Executive Director**

Laureate Professor John Hattie's work is internationally acclaimed. His influential 2008 book *Visible Learning: A synthesis of over 800 meta-analyses relating to achievement* is believed to be the world's largest evidence-based study into the factors that improve student learning. This ground-breaking study involved more than 300 million students from around the world and brought together 50,000 smaller studies.

Through his role as Chair, John is able to provide national leadership in promoting excellence so teachers and school leaders have maximum impact on learning.

In addition, John is a Laureate Professor, and has been a Director of the Melbourne Education Research Institute since 2011 and he is also the past president of the International Test Commission.

John was awarded the New Zealand Order of Merit in the 2011 Queen's Birthday Honours, is a fellow of the Australian Council for Educational Leaders and the American Psychological Association, and has published and presented more than 1,200 papers, and supervised over 200 thesis students.





*Mr Christopher Wardlaw PSM was appointed to the AITSL Board as Deputy Chair on 2 May 2016, and reappointed effective from 2 May 2019*

### **Mr Christopher Wardlaw PSM**

*BEd (Hons) DipEd*

#### **Deputy Chair/Non-Executive Director**

Mr Christopher Wardlaw is currently Chair of the Victorian Curriculum and Assessment Authority. With an early career as a teaching fellow at university and then as a secondary teacher, Chris has gained extensive experience relating to curriculum, assessment and quality assurance for pre-primary, basic and senior secondary education. Chris also has vast experience in the government and education sectors as a result of working in senior leadership roles in Australia and Hong Kong.

Chris was awarded the Public Service Medal in the 2013 Queen's Birthday Honours and was made a Fellow of Monash University in 2013.

During a parallel sporting career, Chris is an Olympian who represented Australia in long-distance running in 1976 and 1980. He was also head coach of the Australian track and field team at the Sydney Olympics Games in 2000 and has coached a range of elite distance runners. In 2000, Chris was awarded the Australian Sports Medal. He joined the Board of Athletics Australia in 2016.



*Ms Beth Blackwood was appointed to the AITSL Board on 17 June 2018*

### **Ms Beth Blackwood**

*BA DipEd*

#### **Non-Executive Director**

Ms Beth Blackwood was appointed as the CEO of the Association of Heads of Independent Schools of Australia in 2016. Prior to this she had a 30-year career in the education sector, as teacher, head, deputy principal and principal of various schools throughout Australia.

Beth is committed to the education and equality of young women, and has served previously as President and Executive Board member of the Alliance of All Girls' Schools Australasia. Beth has been a member of many committees and working parties for the Association of Independent Schools of Western Australia. She is currently a Director of the Australian Council on Children and the Media.

Other areas of interest include the education of Indigenous students, international baccalaureate programs, positive psychology, technology as an educational tool and women's leadership.



*Dr Jennifer Buckingham was appointed to the AITSL Board on 2 June 2015, and reappointed effective from 2 June 2018*

## **Dr Jennifer Buckingham**

*BSc (Hons) PhD*

### **Non-Executive Director**

Dr Jennifer Buckingham is Director of Strategy and Senior Research Fellow at MultiLit. She is also the founder of the FIVE from FIVE reading project, which aims to bridge the gap between research and practice in reading instruction. Jennifer was previously Senior Research Fellow and Head of Education Research at the Centre for Independent Studies (CIS).

Jennifer has published papers and articles on literacy, teacher education, school funding, international assessments, NAPLAN and My School, class size, and educational disadvantage. In early 2017, Jennifer chaired an expert advisory panel for the Australian Government on the introduction of a national Year 1 literacy and numeracy assessment. Jennifer's doctoral research focused on literacy and social disadvantage.



*Mr Tony Cook PSM was appointed to the AITSL Board on 2 June 2015, and reappointed effective from 2 June 2018*

## **Mr Tony Cook PSM**

*BEd DipTeach*

### **Non-Executive Director**

With a background in primary teaching, Mr Tony Cook has worked as a teacher and a deputy principal in schools and preschools in Queensland and the United Kingdom. He has worked in several senior executive education positions, including in the Australian Public Service as the Associate Secretary for schools and youth within the Department of Education and Training, and Deputy Secretary positions in the Victorian Department of Premier and Cabinet and the Victorian Department of Education and Training. In 2018, he was appointed Director-General of the Queensland Department of Education.

In 2013, Tony was made an honorary Fellow of the Australian Council for Educational Leaders and in 2014 he was awarded a Public Service Medal for driving schools policy and funding reform in Australia.



*Ms Alex Gordon was appointed to the AITSL Board on 9 November 2018*

### **Ms Alex Gordon**

*BSc MSc*

#### **Non-Executive Director**

Alex Gordon is the Deputy Secretary for the Schools and Youth Cluster in the Commonwealth Department of Education.

Since joining the department in 2010, Alex has held a number of senior leadership roles driving major reforms in school funding, data collection and analytics, national curriculum and assessment, quality teaching and preschool.

Alex has worked across a range of public policy issues within government, community organisations and the private sector. This includes working on issues of social policy, energy and climate change, water, infrastructure and regional development.

Alex holds a Bachelor of Science from the University of Sydney and a Master of Science from the University of Oxford.



*Ms Renez Lammon was appointed to the AITSL Board on 17 June 2018*

### **Ms Renez Lammon**

*BEd*

#### **Non-Executive Director**

Ms Renez Lammon is a nationally certified Highly Accomplished teacher and the Assistant Principal at Casuarina Street Primary School in Katherine in the Northern Territory. Renez, a Lead Impact Coach, leads teams of teachers and provides coaching and mentoring to support her colleagues.

Renez has led change at both national and territory levels, promoting the value of Highly Accomplished and Lead Teachers (HALTs) and the place of national certification supporting teachers to lead improvement in their own schools.

Renez is passionate about unleashing the expertise already in place in schools across the country, and the importance of evidence and the national professional standards in supporting teachers to recognise and articulate the impact they are having on their colleagues, their communities and most importantly, their students.



*Dr Peter Lind was appointed to the AITSL Board on 17 June 2018*

## **Dr Peter Lind**

*BEd MA PhD*

### **Non-Executive Director**

As Registrar of the Teachers Registration Board of South Australia since 2014, Dr Peter Lind brings a wealth of practical and academic experience throughout the education sector. He was previously Director of the New Zealand Teachers Council and Director of Teacher Education at Massey University of New Zealand. Peter started his career as a teacher, primary school principal and university lecturer.

Peter also has extensive international experience, including advising the The United Nations Educational, Scientific and Cultural Organization's International Task Force on Teachers for Education in 2017, and is a member of an expert panel that reviewed the teacher registration standards for Saudi Arabia in 2016. Peter is also a key member of the International Forum of Teacher Registration Authorities (IFTRA) and was on the steering committee planning its biennial meeting in Dublin, Ireland in June 2016 and the IFTRA conference held in Wellington, New Zealand in 2018. He is in a similar role for the biennial IFTRA Conference to be held in Edinburgh, Scotland in 2020.



*Mr Mark Mowbray was appointed to the AITSL Board on 17 June 2018*

## **Mr Mark Mowbray**

*MEdPol (Intl)*

### **Non-Executive Director**

Mr Mark Mowbray is currently the principal of St Joseph's Primary School in Taree, a multi-cultural school with one of the fastest growing Aboriginal and Torres Strait Island enrolments in New South Wales. Mark has been a teacher in the Maitland–Newcastle area for 41 years and a principal for the past 30. His most recent study was a Master of Education Policy (International).

Mark was previously the National President of the Australian Catholic Primary Principals Association, a Director on the Board and member of the National Advisory Council of the Australian Primary Principals Association, and he is a former commissioner with the New South Wales Catholic Education Commission.

Mark is passionate about education, especially in the areas of equity and leadership.



*Mr Robert Nairn was appointed to the AITSL Board on 1 January 2015, and reappointed effective from 2 June 2018*

### **Mr Robert Nairn**

*BEd DipTeach CF MAICD*

#### **Non-Executive Director**

Mr Robert Nairn is Associate Professor at Edith Cowan University, a Churchill Fellow, a Member of the Australian Institute of Company Directors (MAICD), a Member of the Beyond Blue National Education Initiative Advisory Council and Lead Fellow for Schools Plus teaching fellowship program.

Previously, he was the Executive Director of the Australian Secondary Principal's Association (ASPA), Director at Principals Australia Institute (PAI Ltd) and Executive Member of the International Confederation of Principals (ICP). He was also Director of the Asia Education Foundation (AEF) Advisory Board and a member of The Smith Family Principals Advisory Group.

He has worked in metropolitan and regional senior high schools in Western Australia, particularly in low socio-economic areas. He is passionate about shaping the direction of educational reform and ensuring that every school has a quality leader who provides high quality education to every young person regardless of their geographic, social, or personal circumstances.



*Professor Donna Pendergast was appointed to the AITSL Board on 17 June 2018*

### **Professor Donna Pendergast**

*BAppSci GradDipTeach MEd PhD*

#### **Non-Executive Director**

As Dean and Head, School of Education and Professional Studies at Griffith University, Professor Donna Pendergast is a passionate educator and researcher with a global profile in the fields of middle schooling and young adolescent teaching and learning, and individual and family wellbeing. Donna leads a dynamic school of teacher and professional educators, who are committed to preparing the next generation of teachers and related professionals through agile and socially-just educational practices.

Donna has previously worked in P-10, secondary and secondary colleges as a classroom teacher and administrator. Donna's academic career more recently included her appointment to lead and develop the first dedicated middle years' teacher education program in Australia, and she has been a prominent player in the state and national agendas related to junior secondary reform. Donna has also conducted a number of national research projects of significance, published extensively, including several books of relevance to contemporary teacher work.

## COMPANY SECRETARY'S QUALIFICATIONS AND EXPERIENCE

For the qualifications of the Company Secretary please refer to page 16.

## BOARD OF DIRECTORS' MEMBERSHIP

AITSL is governed by an independent expert Board of Directors appointed by the Minister for Education.

### Board Members as at 30 June 2019

- ▶ Laureate Professor John Hattie, Chair/Non-Executive Director
- ▶ Mr Christopher Wardlaw PSM, Deputy Chair/Non-Executive Director
- ▶ Dr Jennifer Buckingham, Non-Executive Director
- ▶ Mr Tony Cook PSM, Non-Executive Director
- ▶ Mr Rob Nairn, Non-Executive Director
- ▶ Mr Mark Mowbray, Non-Executive Director
- ▶ Ms Renee Lammon, Non-Executive Director
- ▶ Professor Donna Pendergast, Non-Executive Director
- ▶ Ms Beth Blackwood, Non-Executive Director
- ▶ Dr Peter Lind, Non-Executive Director
- ▶ Ms Alex Gordon, Non-Executive Director

AITSL's organisational structure and Board committees are reported on page 78.

## BOARD OF DIRECTORS' MEETINGS

Director	Board		Audit and Risk		Finance Committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Laureate Professor Hattie	6	6			3	1	2	2
Mr Wardlaw	6	6	4	3	3	3		
Ms Blackwood	6	6						
Dr Buckingham	6	5			3	3	2	2
Mr Cook	6	5			3	2	2	2
Ms Gordon	4	4						
Ms Lammon	6	6						
Dr Lind	6	6			3	2		
Mr Mowbray	6	5	4	4				
Mr Nairn	6	6	4	4				
Professor Pendergast	6	6						

Jenny Morison attends the Audit and Risk Committee as an independent external member. Ms Morison attended all four meetings held in 2018–19.

Mr Stephen Elder attends the Finance Committee as an independent external member. Mr Elder attended two of the three meetings held in 2018–19.

## PRINCIPAL ACTIVITIES

The principal activities of AITSL during the year were to play a lead role in national work on teacher quality and in promoting excellence in teaching and school leadership for the Australian, state and territory governments. AITSL does this by leading significant educational reforms to improve the quality of teaching and leadership and to strengthen the professionalism of teaching.

## OPERATING RESULT

The operating result for the year was a surplus of \$4,000,593. The statement of comprehensive income on page 52 of the company's Financial Report provides further information on the operating result.



## SIGNIFICANT ACTIVITIES

The Board determined that no significant activities or changes occurred during 2018–19 that have affected the operations or structure of AITSL.

### Board appointments, cessations, resignations and re-appointments

The following movements on the Board of Directors occurred during the 2018–19 year:

- ▶ Ms Alex Gordon  
(appointed 9 November 2018)
- ▶ Mr Christopher Wardlaw PSM  
(reappointed 2 May 2019).

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required by division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and section 307C of the *Corporations Act 2001* is set out on page 49 of the Financial Report and forms a part of the Directors' Report for the financial year ended 30 June 2019.

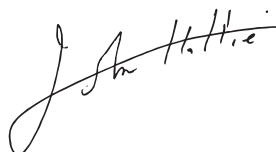
## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the year, the company paid insurance premiums to Comcover to indemnify its Directors and Officers for the professional risks associated with their responsibilities and role as director or officer.

## EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matters or circumstances have arisen since the end of the financial year that significantly affected, or may significantly affect, the operations of the company and the results of those operations.

Signed in accordance with a resolution of the Board of Directors.



Laureate Professor John Hattie  
Chair

8 October 2019

# FINANCIAL REPORT

For the year ended 30 June 2019

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## DIRECTORS' DECLARATION

For the year ended 30 June 2019

The Directors of the Australian Institute for Teaching and School Leadership Limited declare that:

1. The financial statements and accompanying notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001* including:
  - a) Giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year ended on that date.
  - b) Complying with the Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations), the *Corporations Regulations 2001* and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made on 8 October 2019 in accordance with a resolution of the Directors.



.....  
**Laureate Professor John Hattie**  
Chair



.....  
**Christopher Wardlaw**  
Director

## AUDITOR'S INDEPENDENCE DECLARATION



Laureate Professor John Hattie  
Chair  
Australian Institute for Teaching and School Leadership Limited  
Level 8, 440 Collins Street  
Melbourne VIC 3000

**AUSTRALIAN INSTITUTE FOR TEACHING AND SCHOOL LEADERSHIP LIMITED  
FINANCIAL REPORT 2018–19  
AUDITOR'S INDEPENDENCE DECLARATION**

In relation to my audit of the financial report of the Australian Institute for Teaching and School Leadership Limited for the year ended 30 June 2019, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* or the *Australian Charities and Not-for-profits Commission Act 2012*; and
- (ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

Josephine Bushell  
Senior Director

Delegate of the Auditor-General

Canberra

8 October 2019

GPO Box 707 CANBERRA ACT 2601  
19 National Circuit BARTON ACT  
Phone (02) 6203 7300 Fax (02) 6203 7777



# INDEPENDENT AUDITOR'S REPORT



## INDEPENDENT AUDITOR'S REPORT

To the members of the Australian Institute for Teaching and School Leadership Limited

### Opinion

In my opinion, the financial report of the Australian Institute for Teaching and School Leadership Limited ('the Company') for the year ended 30 June 2019 is in accordance with the *Corporations Act 2001* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements, the *Corporations Regulations 2001* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The financial report of the Company, which I have audited, comprises the following statements as at 30 June 2019 and for the year then ended:

- Directors' Declaration;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

### Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the relevant ethical requirements for financial report audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is the director's report for the year ended 30 June 2019 but does not include the financial statements and my auditor's report thereon.

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

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

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

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### Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the Corporations Act 2001 and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control the directors determine 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.

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

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

My objective is 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 National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian National Audit Office 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 the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company 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 directors 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.

Australian National Audit Office



Josephine Bushell  
Senior Director

Delegate of the Auditor-General  
Canberra

8 October 2019

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## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

	Notes	2019 \$	2018 \$	Original Budget \$
<b>INCOME</b>				
Government funding		17,747,000	13,092,000	11,761,000
Sales of services		2,834,584	2,448,101	2,756,000
Interest		102,662	50,701	60,000
Other revenue		55,546	99,186	108,000
Surplus on disposal of assets		-	430	-
<b>TOTAL INCOME</b>		<b>20,739,792</b>	<b>15,690,418</b>	<b>14,685,000</b>
<b>EXPENSES</b>				
Board of Directors		446,930	359,079	499,000
Employee benefits		8,675,646	7,531,216	7,930,000
Administration		2,653,212	2,682,672	2,828,000
Programs		4,738,237	3,370,904	3,080,000
Depreciation and amortisation	4	220,779	141,898	348,000
Loss on sale and disposal of assets		4,395	-	-
<b>TOTAL EXPENSES</b>		<b>16,739,199</b>	<b>14,085,769</b>	<b>14,685,000</b>
<b>Surplus from ordinary activities</b>		<b>4,000,593</b>	<b>1,604,649</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>4,000,593</b>	<b>1,604,649</b>	<b>-</b>

The original budget was reported in the 2018–2019 Portfolio Budget Statements published in May 2018.

This statement should be read in conjunction with the accompanying notes.

### **Budget Variance Commentary**

Budget variance explanations are outlined in Note 12.

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Notes	2019 \$	2018 \$	Original Budget \$
<b>ASSETS</b>				
<b>Current</b>				
Cash and cash equivalents	7	6,377,094	5,978,503	4,466,000
Financial assets at amortised cost		4,478,155	1,336,381	1,316,000
Trade and other receivables		206,262	102,635	238,000
Other assets		141,293	93,800	-
<b>Current assets</b>		<b>11,202,804</b>	<b>7,511,319</b>	<b>6,020,000</b>
<b>Non-current</b>				
Furniture, equipment, software and cultural	4	967,383	792,510	308,000
<b>Non-current assets</b>		<b>967,383</b>	<b>792,510</b>	<b>308,000</b>
<b>TOTAL ASSETS</b>		<b>12,170,187</b>	<b>8,303,829</b>	<b>6,328,000</b>
<b>LIABILITIES</b>				
<b>Current</b>				
Supplier and other payables		717,531	941,504	560,000
Employee provisions	6	630,194	568,533	564,000
<b>Current liabilities</b>		<b>1,347,725</b>	<b>1,510,037</b>	<b>1,124,000</b>
<b>Non-current</b>				
Employee provisions	6	154,109	149,446	178,000
Other provisions	6	367,760	344,346	331,000
<b>Non-current liabilities</b>		<b>521,869</b>	<b>493,792</b>	<b>509,000</b>
<b>TOTAL LIABILITIES</b>		<b>1,869,594</b>	<b>2,003,829</b>	<b>1,633,000</b>
<b>NET ASSETS</b>		<b>10,300,593</b>	<b>6,300,000</b>	<b>4,695,000</b>
<b>EQUITY</b>				
Retained surplus		10,300,593	6,300,000	4,695,000
<b>TOTAL EQUITY</b>		<b>10,300,593</b>	<b>6,300,000</b>	<b>4,695,000</b>

The original budget was reported in the 2018-2019 Portfolio Budget Statements published in May 2018.

This statement should be read in conjunction with the accompanying notes.

### Budget Variance Commentary

Budget variance explanations are outlined in Note 12.

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

	Retained earnings		Total equity	
	2019 \$	2018 \$	2019 \$	2018 \$
<b>Opening Balance at 1 July</b>	<b>6,300,000</b>	<b>4,695,351</b>	<b>6,300,000</b>	<b>4,695,351</b>
<b>Comprehensive Income</b>				
Surplus for the year	4,000,593	1,604,649	4,000,593	1,604,649
<b>Total Comprehensive Income for the year</b>	<b>4,000,593</b>	<b>1,604,649</b>	<b>4,000,593</b>	<b>1,604,649</b>
<b>Balance at 30 June</b>	<b>10,300,593</b>	<b>6,300,000</b>	<b>10,300,593</b>	<b>6,300,000</b>

*This statement should be read in conjunction with the accompanying notes.*

## STATEMENT OF CASH FLOWS

### For the year ended 30 June 2019

	Notes	2019 \$	2018 \$	Original Budget \$
--	-------	------------	------------	-----------------------

#### OPERATING ACTIVITIES

##### Cash received

Government funding		17,747,000	14,401,200	12,937,000
Sales of services		2,991,214	2,581,385	2,912,000
Interest		102,662	50,701	60,000
Other		60,963	109,412	119,000
<b>Total cash received</b>		<b>20,901,839</b>	<b>17,142,698</b>	<b>16,028,000</b>

##### Cash used

Board of Directors		(446,930)	(359,079)	(499,000)
Employees		(8,609,322)	(7,417,674)	(7,826,000)
Suppliers		(8,216,321)	(6,618,476)	(6,621,000)
Net GST paid to the Australian Taxation Office		300,210	(806,450)	(733,000)
<b>Total cash used</b>		<b>(16,972,363)</b>	<b>(15,201,679)</b>	<b>(15,679,000)</b>
<b>Net cash provided by operating activities</b>	<b>7</b>	<b>3,929,476</b>	<b>1,941,019</b>	<b>349,000</b>

#### INVESTING ACTIVITIES

##### Cash provided by/(used in)

Purchase of furniture and equipment		(390,486)	(176,873)	(150,000)
Present value adjustment to make good		-	(1,687)	-
Disposal of furniture and equipment		1,375	430	-
Purchase of financial assets		(3,141,774)	(19,751)	-
<b>Net cash used in investing activities</b>		<b>(3,530,885)</b>	<b>(197,881)</b>	<b>(150,000)</b>
<b>Net increase in cash held</b>		<b>398,591</b>	<b>1,743,138</b>	<b>199,000</b>
Cash at the beginning of the financial year		5,978,503	4,235,365	4,267,000
<b>Cash at the end of the financial year</b>	<b>7</b>	<b>6,377,094</b>	<b>5,978,503</b>	<b>4,466,000</b>

The original budget was reported in the 2018-2019 Portfolio Budget Statements published in May 2018.

This statement should be read in conjunction with the accompanying notes.

##### **Budget Variance Commentary**

Budget variance explanations are outlined in Note 12.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

## NOTE 1. OBJECTIVE OF THE ENTITY

The objective of the Australian Institute for Teaching and School Leadership (AITSL) is to provide national leadership for the Commonwealth, state and territory governments in promoting excellence in the profession of teaching and school leadership.

## NOTE 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

The financial statements are a general purpose financial report that has been prepared in accordance with Australian Accounting Standards Reduced Disclosure Requirements (including the Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) that apply for the reporting period, the *Australian Charities and Not-for-profit Commission Act 2012* and the *Corporations Act 2001*.

AITSL has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. These have not had a material impact on the financial statements. New or amended Accounting Standards or Interpretations that are not yet mandatory have not been adopted.

The financial statements have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets, which as noted, are valued at fair value. The financial statements are presented in Australian dollars.

The financial report was approved and authorised for issue by the Board of Directors on 8 October 2019.

### 2.2 Economic dependency

AITSL is dependent on the Department of Education for the majority of the revenue used to carry out its ordinary activities. At the date of this report, the Board of Directors has no reason to believe that the Department of Education will not continue to support AITSL.

## 2.3 Use of estimates and judgments

The preparation of financial statements in conformity with Australian Accounting Standards required management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these assumptions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future period affected.

No estimate or judgment has made a significant impact on the amounts recorded in the financial statements. No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next reporting period.

## 2.4 Adjustment to prior year comparatives

The Key Management Personnel remuneration disclosed in Note 8 includes the remuneration for 5 Executive Managers. In the previous year the information included remuneration for 7 Executive Managers. Further consideration, in the current year, of the definition of Key Management Personnel has concluded that only 3 Executive Managers meet the definition, provided in accounting standard AASB 124, in the prior year. The prior year comparative in Note 8 has been adjusted to include only the 3 Executive Managers that meet the definition. The treatment of part-time Directors has not changed in the comparative figures.

## NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Revenue

Revenue is recognised when the amount of revenue and transaction costs incurred can be reliably measured and collection is probable.

AITSL receives revenue through a funding agreement with the Department of Education. The full amount of funding received during the reporting period is recognised as revenue.

Interest revenue is recognised on an accrual basis using the effective interest method.

### 3.2 Taxation

AITSL is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses, assets and liabilities are recognised net of GST:

- ▶ except where the amount of GST incurred is not recoverable from the Australian Tax Office; and
- ▶ except for receivables and payables.



## **NOTE 3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED**

### **3.3 Impairment**

At each reporting date AITSL reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

### **3.4 Leases**

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets, over the lease term.

### **3.5 Accounting standards issued but not yet effective and not adopted early**

The following new standards will be effective for the financial year ending 30 June 2020.

#### **AASB 15 Revenue from Contracts with Customers**

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue guidance including AASB 118 Revenue, AASB 111 Construction Contracts and IFRIC 13 Customer Loyalty Programs.

AASB 15 is effective for annual reporting periods beginning on or after 1 January 2019 for not-for-profit entities. The adoption of AASB 15 will require AITSL to assess whether any revenue is considered to be unearned at year end in accordance with the new standard. Unearned revenue will be disclosed as a liability in the Statement of Financial Position rather than as revenue in the Statement of Comprehensive Income. The initial application may be applied retrospectively against the prior period or by adjusting any cumulative effect against retained earnings.

#### **AASB 16 Leases**

AASB 16 removes the classification of leases as either operating leases or finance leases for the lessee, effectively treating all leases as finance leases. This will effectively move all off-balance sheet operating leases onto the balance sheet, similar to current finance lease accounting.

AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019. The adoption of AASB 16 will impact the treatment of the lease for the AITSL office premises. That is the only lease contract that has been entered into by AITSL and has, through the current year, been treated as an operating lease in accordance with the previous accounting standard. The impact on the financial results will not be significant. The lease will be recognised on the balance sheet as a 'right-of-use' asset and a lease liability will be recognised for the present value of the lease obligation. The adjustments will have a significant impact on the AITSL balance sheet. The initial application may be applied retrospectively against the prior period or by adjusting any cumulative effect against retained earnings.

## NOTE 4. NON-CURRENT ASSETS

### Reconciliation of opening and closing balances (2018–19) Furniture, Equipment, Software and Cultural

	Equipment \$	Furniture & fittings \$	Software \$	Make good \$	Cultural \$	Total \$
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#### AS AT 1 JULY 2018

Gross book value	581,385	963,455	100,100	288,417	12,000	1,945,357
Accumulated depreciation / amortisation	(511,510)	(489,918)	-	(151,419)	-	(1,152,847)
<b>Net book value 1 July 2018</b>	<b>69,875</b>	<b>473,537</b>	<b>100,100</b>	<b>136,998</b>	<b>12,000</b>	<b>792,510</b>

#### MOVEMENTS

Purchase of assets	293,132	20,454	76,900	-	-	390,486
Assets written off or sold	-	(5,770)	-	-	-	(5,770)
Present value adjustment	-	-	-	10,936	-	10,936
Depreciation and amortisation expense	(61,637)	(99,218)	(24,247)	(35,677)	-	(220,779)
<b>Net book value 30 June 2019</b>	<b>301,370</b>	<b>389,003</b>	<b>152,753</b>	<b>112,257</b>	<b>12,000</b>	<b>967,383</b>

#### NET BOOK VALUE AS OF 30 JUNE 2019 REPRESENTED BY:

Gross book value	755,281	960,638	177,000	299,353	12,000	2,204,272
Accumulated depreciation	(453,911)	(571,635)	(24,247)	(187,096)	-	(1,236,889)
<b>Closing net book value</b>	<b>301,370</b>	<b>389,003</b>	<b>152,753</b>	<b>112,257</b>	<b>12,000</b>	<b>967,383</b>

## NOTE 4. NON-CURRENT ASSETS CONTINUED

### Accounting Policy

#### Furniture, Equipment and Cultural Assets

##### Capitalisation threshold

Purchases of fixtures, fittings and equipment are recognised in the Statement of Financial Position, except for purchases costing less than \$1,000, which are expensed in the year of acquisition, other than where they form part of a group of similar items which are significant in total.

##### Carrying amount

Fixtures, fittings and equipment are carried at cost less, where applicable, accumulated depreciation and impairment losses. Cultural art work is carried at fair value.

AITSL holds a lease agreement to occupy premises at 440 Collins Street, Melbourne. The lease agreement contains a clause to make-good on the company vacating the premises. These costs include the costs of dismantling and removing an asset and restoring the site on which the asset was created.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading reserves except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through surplus and deficit. Revaluation decrements for a class of assets are recognised directly through other comprehensive income except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

##### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the asset's useful life to AITSL commencing from the time the asset is held ready for use. The depreciation rates used for each class of asset are based on the following estimated useful lives for current and comparative periods:

##### Plant and equipment

- ▶ Computer equipment - 3 years
- ▶ Office and other equipment - 3 years
- ▶ Furniture and fittings - 10 years

Depreciation methods, useful lives, and residual values are reviewed at each financial year end and adjusted if appropriate.

##### Cultural

- ▶ Art works - Infinite life (2018: Infinite life)

AITSL has two paintings (2018: 2) with an aggregate fair value of \$12,000 (2018: \$12,000) painted by Australian artists Bessie Sims and Yumutjin Wunungmurra. AITSL has classified them as cultural assets as they are primarily held for purposes that relate to their cultural significance. The paintings are deemed to have indefinite useful lives and hence are not depreciated. AITSL is responsible for ensuring the preservation of these assets.

## NOTE 5. FAIR VALUE MEASUREMENTS

		Fair value measurements at the end of the reporting period	
	Category	2019 \$	2018 \$

### NON-FINANCIAL ASSETS

Cultural	Level 2	12,000	12,000
<b>Total non-financial assets</b>		<b>12,000</b>	<b>12,000</b>
<b>Total fair value measurement of assets in the statement of financial position</b>		<b>12,000</b>	<b>12,000</b>

- ▶ AITSL does not hold any non-financial liabilities.
- ▶ No assets or liabilities have been transferred between value levels during the year.
- ▶ The observable inputs used in the fair value measurement of cultural assets are independent valuations dated 26 June 2015, based on recent sales value.

## NOTE 6. PROVISIONS

	2019 \$	2018 \$
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### EMPLOYEE

Annual leave	414,453	414,595
Long service leave	369,850	303,384
<b>Total employee provisions</b>	<b>784,303</b>	<b>717,979</b>

Employee provisions expected to be settled in:

No more than 12 months	630,194	568,533
More than 12 months	154,109	149,446
<b>Total employee provisions</b>	<b>784,303</b>	<b>717,979</b>

### OTHER

Provision for make good	367,760	344,346
<b>Total other provisions</b>	<b>367,760</b>	<b>344,346</b>

AITSL currently has an agreement for the leasing of premises at 440 Collins Street, Melbourne. The lease has a clause requiring AITSL to restore the premises to its original condition at the conclusion of the lease. A provision has been made to reflect the present value of this obligation which is expected to be settled in more than 12 months.

### MOVEMENTS IN THE OTHER PROVISIONS

	Make Good		Lease Incentives	
	2019 \$	2018 \$	2019 \$	2018 \$
Opening balance	344,346	330,633	-	259,184
Borrowing cost adjustment	12,478	12,026	-	-
Present value adjustment	10,936	1,687	-	-
Amortisation of provision	-	-	-	(259,184)
<b>Balance at 30 June</b>	<b>367,760</b>	<b>344,346</b>	<b>-</b>	<b>-</b>

## NOTE 6. PROVISIONS CONTINUED

### Accounting Policy

#### Provisions

A provision is recognised if, as a result of a past event, AITSL has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

#### Employee Provisions and Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date. Provision for 'short-term employee benefits' (as defined in AASB 119 Employee Benefits) and termination benefits due within 12 months of the end of reporting period are measured at their nominal amounts.

#### Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for personal or carer leave as all personal and carer leave is non-vesting and the average personal and carer leave taken in future years by employees of the entity is estimated to be less than the annual entitlement.

Long service leave liabilities that are not expected to be settled within 12 months are recognised in the provision for employee benefits as non-current liabilities and are measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

#### Superannuation

Contributions are made by AITSL to employee superannuation funds and are charged as expenses when incurred. AITSL makes contributions to the funds in accordance with the superannuation guarantee legislation.

## NOTE 7. CASH FLOW RECONCILIATION

	2019 \$	2018 \$
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### RECONCILIATION OF CASH PER INCOME STATEMENT TO STATEMENT OF CASH FLOWS

Cash at year end as per statement of cash flows	6,377,094	5,978,503
Statement of financial position items comprising cash	6,377,094	5,978,503
<b>Difference</b>	-	-

### RECONCILIATION OF OPERATING RESULT TO NET CASH FROM OPERATING ACTIVITIES

Surplus for the year	4,000,593	1,604,649
Depreciation and amortisation	220,777	141,898
Net write-down and sale of non-financial assets	5,770	1,303
Present value adjustment	(10,936)	-

### CHANGE IN ASSETS AND LIABILITIES

Decrease (increase) in receivables	(103,622)	64,577
Decrease (increase) in other assets	(47,493)	(4,295)
Increase (decrease) in supplier payables	(225,348)	264,816
Increase (decrease) in other provisions	23,414	(245,471)
Increase (decrease) in employee provisions	66,324	113,542
<b>Net cash from operating</b>	<b>3,929,476</b>	<b>1,941,019</b>

## NOTE 8. KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of AITSL, directly or indirectly, including any Directors of AITSL.

	2019 \$	2018 \$
Short-term employment benefits	1,193,548	1,223,644
Post employment benefits	89,679	68,793
Other long term benefits	9,947	21,158
	<b>1,293,174</b>	<b>1,313,595</b>

The number of key management personnel that are included in the above are 5 Executive Managers and 9 part-time Directors (2018: 3 Executive Managers and 12 part-time Directors - Refer to Note 2.4).



## NOTE 9. RELATED PARTY DISCLOSURE

Related parties to AITSL are key management personnel including Directors.

Certain Directors and key management personnel of AITSL hold positions in other entities that result in them having significant influence over the financial or operating policies of those entities.

A number of those entities transacted with AITSL through the financial year. These transactions may be significant due to the nature of the industry in which AITSL operates and the broad industry representation of the persons nominated to the Board of Directors and employed as key management personnel. All of these transactions are carried out in compliance with the terms of the Procurement Policy and Conflict of Interest Policy approved by the Board of Directors and on terms and conditions that were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-related entities.

The aggregate value of transactions and outstanding balances, including commitments, relating to entities over which related parties have significant influence were as follows:

	Transaction value as at 30 June		Balance Outstanding as at 30 June	
	2019 \$	2018 \$	2019 \$	2018 \$
<b>Purchase of goods and services</b>	<b>110,209</b>	<b>392,400</b>	<b>-</b>	<b>4,274</b>

## NOTE 10. FINANCIAL INSTRUMENTS

	2019 \$	2018 \$
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### CATEGORIES OF FINANCIAL INSTRUMENTS

#### Financial assets

##### Loans and receivables

Cash at bank	6,377,094	5,978,503
Trade and other receivables	206,262	102,635
Financial assets at amortised cost	4,478,155	1,336,381
<b>Carrying amount of financial assets</b>	<b>11,061,511</b>	<b>7,417,519</b>

#### Financial liabilities

##### Financial liabilities at amortised cost

Trade creditors	648,837	874,221
<b>Carrying amount of financial liabilities</b>	<b>648,837</b>	<b>874,221</b>

#### Net income and expense from financial assets

##### Loans and receivables

Interest revenue	102,662	50,701
<b>Net income from loans and receivables</b>	<b>102,662</b>	<b>50,701</b>
<b>Net income from financial assets</b>	<b>102,662</b>	<b>50,701</b>

### Net income and expense from financial liabilities

There was no income or expense from financial liabilities.

### New Accounting Standard Adopted

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement*. It makes changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

The adoption of AASB 9 in the current financial year has not required changes to the accounting treatment of financial assets and liabilities in the financial report. No restatement of the prior year financial report is required.

### Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when AITSL becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described over.

## NOTE 10. FINANCIAL INSTRUMENTS CONTINUED

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

### Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- ▶ amortised cost
- ▶ fair value through profit or loss (FVPL)
- ▶ equity instruments at fair value through other comprehensive income (FVOCI).

### Classification and measurement of financial liabilities

The accounting for financial liabilities remains largely unchanged from AASB 139. The financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs, unless the liability is designated a financial liability at fair value through the profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

### Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated FVPL):

- ▶ they are held within a business model which has the objective to hold the financial assets and collect its contractual cash flows
- ▶ the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The cash and cash equivalents, trade and other receivables fall into this category of financial instruments as well as long-term deposits that were previously classified as held-to-maturity under AASB 139.

### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from acquisition date, that are subject to an insignificant risk of changes in their fair value and are held by AITSL in the management of its short-term commitments.

## NOTE 11. COMMITMENTS

	2019 \$	2018 \$
<b>Commitments payable</b>		
Contracts for services	2,313,518	2,767,770
Operating Leases	3,348,813	4,048,062
<b>Total commitments payable</b>	<b>5,662,331</b>	<b>6,815,832</b>

### By maturity

#### Operating lease commitments

AITSL leases premises at 440 Collins Street, Melbourne and does not have an option to purchase the premises at the expiry of the lease period. AITSL has provided a bank guarantee to the lessor of \$419,234 in support of the lease commitment for the Melbourne property.

#### Payable - minimum lease payments

- Not more than 12 months	643,540	628,380
- Greater than 12 months but not later than 5 years	2,705,273	2,802,968
- Greater than 5 years	-	616,714
<b>Total operating lease commitments</b>	<b>3,348,813</b>	<b>4,048,062</b>
<b>Net operating lease commitments</b>	<b>3,348,813</b>	<b>4,048,062</b>

#### Contracts for services

- Not more than 12 months	1,720,669	1,666,072
- Greater than 12 months but not later than 5 years	592,849	1,101,698
<b>Total Contracts for services commitments</b>	<b>2,313,518</b>	<b>2,767,770</b>
<b>Net Contracts for services commitments</b>	<b>2,313,518</b>	<b>2,767,770</b>

*Note: Commitments are GST inclusive where relevant.*

### Accounting Policy

#### Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value inclusive of GST payable or receivable.

## NOTE 12. EXPLANATIONS OF MAJOR BUDGET VARIANCES

The following tables provide explanations of variances between the original budget as presented in the 2018–19 Portfolio Budget Statements (PBS) and the 2018–19 final outcome as presented in accordance with Australian Accounting Standards for AITSL. The Budget is not audited.

Variances are considered to be major based on the following criteria:

- ▶ the variance between the PBS and the final result is greater than 10% of the original budget for a line item; and
- ▶ the variance between the PBS and the final result is greater than \$300,000; or
- ▶ the item is below the threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of the company's performance.

Explanation of major variances	Affected statement line items
<b>Government funding</b>	
<p>The government funding was varied by agreement during the year.</p> <p>This variation resulted in a further \$5,986,000 being received in the 2018–19 year.</p> <p>Funding received for the current year has been remitted without the inclusion of Goods and Services Tax (GST). The budget had included the receipt of \$1,176,000 of GST.</p>	<p><a href="#">Statement of Comprehensive Income</a></p> <ul style="list-style-type: none"> <li>▶ Government funding</li> </ul> <p><a href="#">Statement of Cash Flows</a></p> <ul style="list-style-type: none"> <li>▶ Government funding</li> <li>▶ Net GST paid to the Australian Taxation Office</li> </ul>
<b>Expenses</b>	
<p>The AITSL Financial Report for the 2017–18 year included a surplus for the year of \$1,604,649 against a break even budget. The underspend was carried over to the 2018–19 year to complete the agreed workplans. Further expenditure was also incurred as a result of workplan variations associated with the further government funding in the current year.</p>	<p><a href="#">Statement of Comprehensive Income</a></p> <ul style="list-style-type: none"> <li>▶ Employee benefits</li> <li>▶ Programs</li> </ul> <p><a href="#">Statement of Cash Flows</a> <a href="#">Cash used in operating activities</a></p> <ul style="list-style-type: none"> <li>▶ Employees</li> <li>▶ Suppliers</li> </ul>
<b>Cash and Investments</b>	
<p>AITSL has agreement that the majority of its additional government funding will be carried over and utilised in subsequent years. These funds of approximately \$5.1 million are held in the bank account and bank term deposits.</p>	<p><a href="#">Statement of Financial Position</a></p> <ul style="list-style-type: none"> <li>▶ Cash and cash equivalents</li> <li>▶ Financial assets at amortised cost</li> </ul> <p><a href="#">Statement of Cash Flows</a> <a href="#">Investing activities</a></p> <ul style="list-style-type: none"> <li>▶ Purchase of financial assets</li> </ul>

**NOTE 12. EXPLANATIONS OF MAJOR BUDGET VARIANCES**  
**CONTINUED**

Explanation of major variances	Affected line items (and statement)
<b>Furniture, equipment, software and cultural assets</b>	
At the time of the budget preparation AITSL had made an in principle decision to move its office location in Melbourne. The budget included a write-off of existing assets of \$260,000. A decision to not proceed with the move resulted in that expense not being incurred. A program to update the computer hardware and office facilities for AITSL and its employees has been undertaken at a cost in excess of \$300,000.	<a href="#">Statement of Financial Position Non current assets</a> ▶ Furniture, equipment, software and cultural  <a href="#">Statement of Comprehensive Income</a> ▶ Depreciation and amortisation  <a href="#">Statement of Cash Flows Investing activities</a> ▶ Purchase of furniture and equipment

**NOTE 13. MEMBER’S GUARANTEE**

Australian Institute for Teaching and School Leadership Limited is incorporated under the *Australian Charities and Not-for-profit Commission Act 2012* and the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$20 toward meeting any obligations of the entity. At 30 June 2019 the number of members was one.

**NOTE 14. ENTITY DETAILS**

Australian Institute for Teaching and School Leadership Limited has its head office and principal place of business located at Level 8, 440 Collins Street, Melbourne, Victoria. AITSL is a not-for-profit company limited by Guarantee.

# CONSULTATION GROUPS

## SCHOOL LEADERSHIP AND TEACHING EXPERT STANDING COMMITTEE

The AITSL Board combined the School Leadership Expert Standing Committee (SLESC) and the Teaching Expert Standing Committee (TESC) at the end of 2018 to form the School Leadership and Teaching Expert Standing Committee (SLTESC).

The SLTESC advises AITSL on work it is progressing to promote excellence in teaching and school leadership to maximise impact on student learning in all Australian schools.

The SLTESC:

- ▶ advises on, and helps quality assure, the development of policies, resources, and other AITSL-led initiatives that support teachers and school leaders
- ▶ provides timely advice to AITSL management on the items presented at the Committee meetings and progressed to the AITSL Board
- ▶ gathers advice and opinions from the sector to inform developing work programs.

### SLTESC members:

Member	Organisation
Mr Rob Nairn (Chair)	AITSL Board Director
Ms Renee Lammon (Observer)	AITSL Board Director
Mr Mark Mowbray (Observer)	AITSL Board Director
Ms Christine Crowther (Observer)	Australian Department of Education
Ms Penny Tranter	South Australia Department of Education
Ms Leanne Nixon	Northern Territory Department of Education
Ms Natalie Polak	New South Wales Department of Education and Training
Mr David Sacks	PwC Australia
Ms Julie Sonnemann	Grattan Institute
Dr Mary Oski	Catholic Education Melbourne
Ms Sherryl Saunders	Australian Alliance of Associations in Education (AAAE)
Ms Sue Bell	Victorian Association of Secondary Schools Principals (VASSP)
Ms Valerie Gould	Association of Independent Schools of Western Australia (AISWA)
Ms Ann McIntyre	Australian Council for Educational Leaders (ACEL)



Member	Organisation
Mr Matthew Johnson	Australian Special Education Principals' Association (ASEPA)
Ms Rhonda Livingstone	Australian Children's Education & Care Quality Authority (ACECQA)
Dr Simon Breakspear	Learn Labs Global Pty Ltd
Ms Dyonne Anderson	New South Wales Department of Education and Training
Mr Malcolm Elliott	Australian Primary Principals Association (APPA)

## TEACHER EDUCATION EXPERT STANDING COMMITTEE

The Teacher Education Expert Standing Committee (TEESC) was established to advise the AITSL Board on the implementation, maintenance, and further development of the national approach to accreditation of the initial teacher education programs.

TEESC:

- ▶ advises the AITSL Board on the implementation, maintenance, and further development of the national approach to the accreditation of initial teacher education
- ▶ advises on reports and summaries on the accreditation process received from regulatory authorities
- ▶ advises on national responsibilities, such as panel training
- ▶ advises on other matters relating to initial teacher education requiring the attention of the AITSL Board
- ▶ ensures advice to the AITSL Board is informed by relevant stakeholders who are consulted on the operation of the system and major pieces of work.

### TEESC members:

Member	Organisation
Prof. Donna Pendergast (Chair)	AITSL Board Director
Ms Beth Blackwood (Observer)	AITSL Board Director
Dr Peter Lind (Observer)	AITSL Board Director
Mr Richard Bolto (Observer)	Australian Department of Education
Mr Damien Stewart	Department of Education Western Australia
Prof. Greg Craven	Australian Catholic University
Prof. Helen Huntly	CQUniversity

Prof. John Williamson	University of Tasmania
Mr Peter Corcoran	Victorian Institute of Teaching
Mr Phil Sweeney	Queensland Department of Education
Ms Shirley Gilbert	Australian Indigenous Lecturers in Initial Teacher Education Association (AILITEA)
Dr Sue Shore	Charles Darwin University
Prof. Tania Aspland	Australian Catholic University
Mr Tom Alegounarias	New South Wales Education Standards Authority (NESA) Board

## TEACHING QUALIFICATIONS EXPERT STANDING COMMITTEE

The Teaching Qualifications Expert Standing Committee (TQESC) was established to advise the AITSL Board of Directors in undertaking the assessment for migration function in a way that furthers the objectives of the skilled migration program, consistent with supporting and advancing the quality of teaching in Australia. The TQESC seeks a national approach to skilled migration, while having regard to the responsibilities and requirements of the state and territory teacher regulatory authorities.

TQESC provides:

- ▶ information and advice to AITSL in setting appropriate criteria for assessment of school teacher occupations for skilled migration, with regard to consistency with requirements across Australia
- ▶ information and advice to assist AITSL with its approach to the assessment of overseas teaching qualifications
- ▶ a forum for discussion and collaboration on school teacher skills assessment and other matters of common interest as these affect school teacher skill assessment.

### TQESC members:

Name	Organisation
Dr Peter Lind (Chair)	AITSL Board Director
Mr Ben Houston	Australian Department of Education
Mr Glenn Chippendale	Queensland Department of Education
Prof. Lynn Bosetti	La Trobe University
Dr Mamta Chauhan	VETASSESS
Ms Maree Garrigan	Teacher Registration Board Northern Territory
Mr Michael Petrie	Australian Children's Education & Care Quality Authority (ACECQA)

# ADVISORY GROUP FOR ABORIGINAL AND TORRES STRAIT ISLANDER EDUCATION

The Advisory Group for Aboriginal and Torres Strait Islander Education (AGATSIE) was established to provide strategic advice to AITSL on work it is progressing that supports teachers and school leaders to ensure that Aboriginal and Torres Strait Islander students achieve their full learning potential and are supported to embrace their culture and identity.

AGATSIE:

- ▶ provides strategic advice to AITSL on the development of policies, resources, and other AITSL-led initiatives that support the teaching profession with their cultural capabilities
- ▶ supports and guides AITSL in its consultation with key stakeholders from Aboriginal and Torres Strait Islander communities
- ▶ assists in the development of AITSL’s Reconciliation Action Plan (RAP), and supports and monitors its implementation.

## AGATSIE members:

Name	Organisation
Ms Carly Jia (Chair)	AITSL
Ms Renez Lammon	AITSL
Ms Dianne Jickell	AITSL
Ms Dyonne Anderson	New South Wales Department of Education and Training
Ms Geraldine Atkinson	Victorian Aboriginal Education Association Inc. (VAEI)
Dr Jessa Rogers	PwC Australia
Mr Joe Sambono	Australian Curriculum, Assessment and Reporting Authority (ACARA)
Ms Judith Ketchell	Department of Education Queensland

## PROFESSIONAL GROWTH NETWORK

The Professional Growth Network (PGN) was initiated by AITSL in March 2014. The PGN comprises individuals from 24 education systems and sectors in Australia who are responsible for professional learning and/or performance and development for teachers and school leaders in their jurisdiction.

The purpose of the PGN is to:

- ▶ contribute to the national education agenda by sharing the latest research and thinking, showcasing current approaches and practices across Australian education jurisdictions, and furthering the development of resources and tools with a focus on promoting excellence in teaching and school leadership
- ▶ partner to support implementation of national policies including the *Australian Professional Standards for Teachers*, the *Australian Professional Standard for Principals*, the *Australian Teacher Performance and Development Framework* and the *Australian Charter for the Professional Learning of Teachers and School Leaders*.

Developing a national network of leaders in this space provides an opportunity for AITSL to work in partnership with systems and sectors to drive the professional growth of Australian educators.

### PGN members:

Name	Organisation
Dominic Braybon	Catholic Education Archdiocese of Canberra and Goulburn
Mary-Jane Carroll-Fajarda	Catholic Education Archdiocese of Canberra and Goulburn
Mandy Kalyvas	Education and Training Directorate ACT
Ian Garrity	Association of Independent Schools of the ACT
Kath Morwitch	Association of Independent Schools of the ACT
Anna McKenzie	ACT Teacher Quality Institute
Liz Latham	Catholic Education Commission NSW
Patrick Barrett	Catholic Education Commission NSW
Leah Anderson	NSW Department of Education
Sandra Robinson	NSW Department of Education
Jenny Davies	Association of Independent Schools NSW
Kelly Borg	Association of Independent Schools NSW
Bernadette Morriss	Catholic Education Office Northern Territory
Jacqui Langdon	Catholic Education Office Northern Territory
Aderyn Chatterton	Northern Territory Department of Education

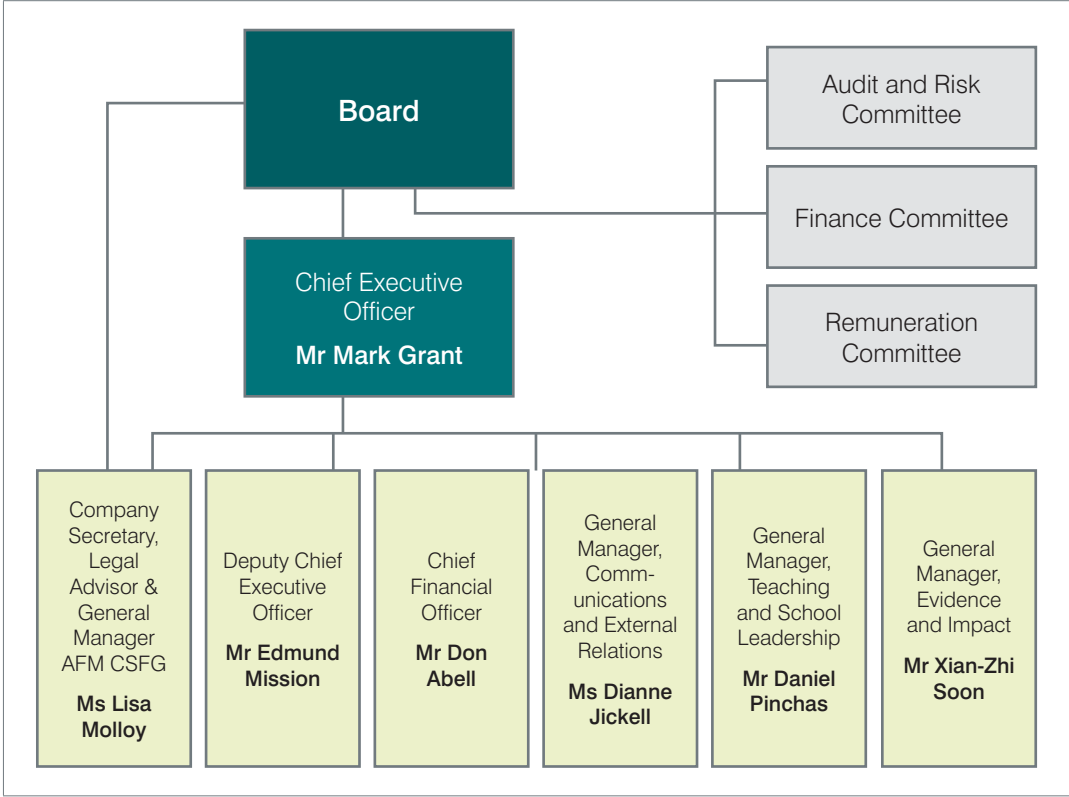
Name	Organisation
Cheryl Salter	Association of Independent Schools NT
Lee-Anne Perry	Queensland Catholic Education Commission
Yvonne Ries	Queensland Catholic Education Commission
Stacie Hansel	Department of Education Queensland
Janita Valentine	Department of Education Queensland
Josephine Wise	Independent Schools Queensland
Gregor Cameron	Independent Schools Queensland
Neil McDonald	Queensland Education Leadership Institute
Monica Conway	Catholic Education South Australia
Bruno Viecei	Catholic Education South Australia
Deb Merrett	South Australia Department for Education
Mary Hudson	Association of Independent Schools of South Australia
Mary Pickett	Association of Independent Schools of South Australia
Donna Bucher	Catholic Education Tasmania
Saskia Hobbs	Catholic Education Tasmania
Anne Fedyk	Department of Education Tasmania
Brett Manion	Department of Education Tasmania
Jodee Wilson	Department of Education Tasmania
Sue Kennedy	Department of Education Tasmania
Ara Popowski	Independent Schools Tasmania
Chrissy Gamble	Independent Schools Tasmania
Michael Davies	Catholic Education Melbourne
Chris Lennon	Catholic Education Melbourne
Stephanie Condon	Department of Education and Training Victoria
Neil Barker	Department of Education and Training Victoria
Jackie Macreadie	Independent Schools Victoria
Karen Milkins-Hendry	Independent Schools Victoria
Shane Glasson	Catholic Education Western Australia

Name	Organisation
Maria Outtrim	Catholic Education Western Australia
Peter Glendenning	Department of Education Western Australia
David Price	Department of Education Western Australia
Ron Gorman	Association of Independent Schools WA
Nicola Davies	Association of Independent Schools WA
Christine Crowther	Australian Government Department of Education
Nikini Weragoda	Australian Government Department of Education
Jessie Bice	Independent Schools Council of Australia

# APPENDICES

## APPENDIX 1: AITSL ORGANISATIONAL STRUCTURE

As at 30 June 2019



During the reporting period there were several changes to AITSL's organisational structure:

- ▶ Former CEO Lisa Rogers departed in January. The Deputy CEO was appointed CEO in an acting capacity, and his direct reports were delegated between the existing senior executive team.
- ▶ New General Manager for Evidence and Impact, Zhi Soon, commenced in March.
- ▶ New CEO, Mark Grant, commenced in April.

### Staffing as at 30 June 2019:

- ▶ Total head count: 81
- ▶ FTE: 65.21 (excluding casuals), 65.78 (including casuals)
- ▶ Full-time employees: 61
- ▶ Part-time employees: 16
- ▶ Casual employees: 4
- ▶ Gender: 58 Females (71%); 23 Males (28%)
- ▶ Staff location: The Canberra office closed 14 June 2019. Three staff were made redundant; one staff member continues to work remotely from Canberra on a casual basis. All remaining staff are based in the Melbourne office.



## APPENDIX 2: CONSULTANCIES AND FUNDING CONTRACTS

AITSL engages consultants with specialist expertise to assist with the fulfilment of the organisation's responsibilities.

During 2018–19, 19 new consultancy contracts were entered into involving total actual expenditure of \$657,155.27 (inclusive of GST). In addition, 33 ongoing consultancy contracts were active during 2018–19, involving a total actual expenditure of \$425,434.38 (inclusive of GST).

## APPENDIX 3: SUMMARY OF COMPLIANCE

Under the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), AITSL is required to provide an index of the mandatory annual report requirements from Section 28E. Below is an index that provides the location of these mandatory requirements within this annual report.

### *Public Governance, Performance and Accountability Rule 2014*

Subject	Rule	Location	Page
The annual report includes the purposes of the company as included in the company's corporate plan for the period	28E(a)	Corporate Governance Statement	30
The annual report includes the names of the persons holding the position of responsible minister or responsible ministers during the period, and the titles of those responsible ministers	28E(b)	Corporate Governance Statement	31
The annual report includes any directions given to the entity by a minister during the period	28E(c)	N/A	N/A
The annual report includes government policy orders (under Section 93 of the PGPA Act) and any instances of non-compliance	28E(d)	N/A	N/A
The annual report includes particulars of non-compliance with a direction or order under 28E(c) or (d)	28E(e)	N/A	N/A
Information about Directors is provided, including names, qualifications, experience, attendance at Board meetings and whether the Director is an executive or non-executive director	28E(f)	Directors' Report	37
The annual report provides an outline of the organisational structure	28E(g)	Corporate Governance Statement	30
		Directors' Report	37
		Appendix 1: AITSL organisational structure	78

Subject	Rule	Location	Page
<p>The annual report provides statistics on the company's employees on an ongoing and non-ongoing basis, including the following:</p> <ul style="list-style-type: none"> <li>▶ statistics on full-time employees</li> <li>▶ statistics on part-time employees</li> <li>▶ statistics on gender</li> <li>▶ statistics on staff location.</li> </ul>	28E(ga)	Appendix 1: AITSL organisational structure	78
The annual report provides an outline of the location of major activities and facilities	28E(h)	Corporate Governance Statement	36
The annual report provides an outline of the main governance practices used during the period	28E(i)	Corporate Governance Statement	36
The decision-making process undertaken by the Board in relation to transactions with related entities	28E(j)	Corporate Governance Statement	30
		Financial Report (Note 9)	65
Number and aggregate value of related entity transactions	28E(k)	Corporate Governance Statement	30
		Financial Report (Note 9)	65
Any key activities and changes that affected the operations or structure of the organisation	28E(l)	From the Chair	5
		Directors' Report	45
		Appendix 1: AITSL organisational structure	78
The annual report provides details of judicial decisions and decisions of administrative tribunals that have had, or may have, significant impact on the operations	28E(m)	N/A	N/A
The annual report provides details of reports about the authority by the Auditor General, a parliamentary committee, the Commonwealth Ombudsman or the Office of the Australian Information Commissioner, Australian Securities and Investments Commission	28E(n)	N/A	N/A
Explanation if any information is missing from a subsidiary that is required to be included in the annual report	28E(o)	N/A	N/A
The annual report provides information about executive remuneration	28E(oa)	Corporate Governance Statement	33
		Financial Report (Note 8)	64



