



Annual Report 2017–2018

AUSTRALIAN INSTITUTE FOR TEACHING AND SCHOOL LEADERSHIP

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

Dear Minister,

The Board of Directors has pleasure in submitting the *Annual Report 2017-18* 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



I am pleased to present the *Annual Report 2017–2018* of the Australian Institute for Teaching and School Leadership (AITSL).

AITSL's aim of fostering a world-class teaching profession that leads the learning of Australia's school students was significantly advanced this year. To reach this goal, the Board focused on enabling AITSL and education leaders in all jurisdictions, to progress national reforms to drive quality teaching and school leadership.

The Board oversaw the Teacher Education Ministerial Advisory Group (TEMAG) Forum, at which school-university partnerships were strengthened, and consensus was reached on the next steps to achieve the initial teacher education (ITE) reforms. The Board's efforts were also bolstered by Education Council directives that advance this critical and challenging work.

AITSL held the 2018 Highly Accomplished and Lead Teachers (HALT) Summit where a growing number of nationally certified teaching experts committed to sharing their expertise in their local schools where it really counts. That's a great result.

Deputy Chair Chris Wardlaw leads the National Review of Teacher Registration Expert Panel, which consulted widely with the profession, and will report its findings to Education Council next financial year.

After extensive consultation with the profession, the Australian guidelines for leadership development 'Leading for Impact' were released and are now being used. This represents our ninth foundation policy, collectively driving national reform across ITE, teaching and school leadership. There's still a long way to go to realise the world class education system Australia deserves, and the determined AITSL team will stay the course.

I'd like to acknowledge former Directors Jennifer Gale, Stephen Elder, Melanie Saba, Professor Tania Aspland, Trevor Fletcher and Dr Geoffrey Newcombe. They are wise, passionate and expert; and exercised their duties with the utmost diligence. Late in the year, we welcomed new Directors Mark Mowbray, Renee Lammon, Professor Donna Pendergast, Beth Blackwood and Dr Peter Lind.

Finally, thanks to CEO Lisa Rodgers, her executive team and all AITSL staff for delivering in the first full year of the 2017-2020 AITSL Strategic Plan. Let's keep the momentum going.

Laureate Professor John Hattie
Chair

A handwritten signature in black ink, reading 'John Hattie'. The signature is stylized, with a large 'J' and 'H'.

FROM THE CEO



AITSL's genuine desire to achieve the best outcomes for education is underpinned by a collaborative model that sees us work closely with teachers, school leaders, systems, sectors, higher education providers, professional associations and others, to produce high-quality, evidence-based tools and resources, and help drive the reform agenda for the benefit of student outcomes.

One of AITSL's key strategic objectives is to 'strengthen leadership engagement, broaden participation in leadership and enhance the capability of aspiring and emerging leaders'. This year, we have focused on giving specific advice to those in sectors and schools on how to foster leadership skills and prepare future principals, through the leadership development guidelines.

In addition, AITSL continues to support leadership from within the classroom through Highly Accomplished and Lead teacher (HALT) certification, which had its most successful year to date. These certified expert teachers are increasingly found in roles that allow them to impact practice across their schools and beyond.

Continuing to improve initial teacher education (ITE) was also a primary focus. All ITE programs in Australia have now been submitted for assessment against the new national standard, and the majority have been approved. Twenty-one universities have worked together to develop two Teaching Performance Assessment tools, which will

significantly enhance confidence in the quality of ITE graduates in Australia. This is significant policy reform, and we look forward to working on further improvements in the upcoming year.

Further highlights from 2017–2018 can be found later in this report.

In closing, my gratitude goes to the Board who provide outstanding guidance, counsel and expertise to me and the Company. My sincere thanks go to those Directors who left the Board this year, and I welcome our new Directors.

Finally, my thanks go to the AITSL staff for their hard work over the past 12 months.

Lisa Rodgers
Chief Executive Officer

A handwritten signature in black ink that reads "L. Rodgers."

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.

“

Teaching is the profession that creates all others ”

Author unknown



ABOUT AITSL

2017–2020 STRATEGIC PLAN

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; and under AITSL's 2017–2020 Strategic Plan the Company relied on that foundation to develop guiding principles and structure around clear focus areas, actions and goals. Through AITSL's 2017–2020 Strategic Plan, the Company takes a much more prominent role in system leadership, delivering more resources and tools to lift individual student achievement and establishing an outcomes-driven knowledge environment.

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 2017–2020 Strategic Plan includes a one-page outline of AITSL's goals, Focus Areas, Guiding Principles and 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. This occurs as part of the review of the Board Metrics Report, and are reflected in the Corporate Plan.

The AITSL 2017–2020 Strategic Plan can be found at 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 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
- ▶ Consults 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 (TEMAG)
- ▶ 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

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

PERFORMANCE MEASURES 2017–2018

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 2017–2018 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

- ▶ AITSL and key education stakeholders have worked collaboratively to make major changes to the initial teacher education (ITE) accreditation system in a short time-frame, laying the foundations for a strong national system that will ensure classroom-ready graduates.
- ▶ All ITE providers submitted applications for assessment against the Accreditation of initial teacher education programs in Australia: Standards and Procedures.

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

- ▶ Over 787,000 unique visitors to the AITSL website
- ▶ Close to 594,000 unique page views of the Teacher Standards
- ▶ The My Induction app was downloaded over 10,000 times
- ▶ On average, over 29,000 unique page views per month of the Illustrations of Practice
- ▶ Over 44,000 Teacher Self-Assessment Tool (T-SAT) questionnaires have been started with 34,520 completions since its launch in February 2017
- ▶ The School Leader Self-Assessment Tool (SL-SAT) usage increased significantly this year, providing an additional 7,300 leaders with guided reflection of their practice against the Principal Standard
- ▶ The 360° Reflection Tool has now been used more than 5,400 times since its launch.

AITSL delivers its agreed work plan within the available budget

- ▶ 100 per cent of agreed milestones within AITSL's 2017–2018 work plan were achieved

AITSL HIGHLIGHTS

AITSL helps to shape national teaching and school leadership reforms, which is the biggest driver of system improvement:	
AITSL has brought together influential teacher education stakeholders from across Australia to showcase the achievements of the Australian Government’s Teacher Education Ministerial Advisory Group (TEMAG) reforms and to develop next steps in the educational reform process.	
Through two separate consortia, in 2017–2018 AITSL worked with twenty-one initial teacher education (ITE) providers to develop authentic, valid, reliable and moderated teacher performance assessments to support the consistent and rigorous assessment of pre-service teachers.	
AITSL established an expert advisory group to provide advice on the development, implementation and monitoring of teacher performance assessments to ensure they support the consistent and rigorous assessment of pre-service teachers.	
In 2017–2018, AITSL trained 140 panellists for the purpose of assessing and accrediting initial teacher education courses.	
In 2017–2018, AITSL progressed a suite of recommendations made to Education Council to further strengthen and embed the TEMAG reforms.	
AITSL is focussed on improving teaching practice and professional growth.	
In 2017–2018, over 10,000 beginning teachers downloaded the My Induction app . The app provides access to expert advice supporting a teacher’s transition from Graduate to Proficient, as described in the Teacher Standards, which will positively impact the learning of their current and future students.	
In 2017–2018, AITSL’s <i>Illustrations of Practice</i> online videos were viewed, on average, over 29,000 times per month , showing the Teacher Standards in action across a range of contexts and supporting teachers to reflect on and improve their practice.	
By the end of 2017-2018, there were over 470 nationally certified Highly Accomplished and Lead teachers , a quarter of which were certified during the year under review. Certified teachers have demonstrated significant impact on their students and colleagues by providing credible instructional leadership expertise to drive improvements within and beyond their schools.	
AITSL is the skills assessing authority for school teacher occupations for Australia’s skilled migration program.	
In 2017–2018, over 1,300 new applications were received, with 87% of applicants determined as suitable . We continued to meet our required benchmark with 97% of applications investigated and completed within 10 weeks of submission.	

As agreed by Education Council, AITSL is undertaking a national review of teacher registration within Australia.

In 2017–2018, AITSL conducted an online survey with **over 6,500 valid responses from teachers and leaders**; accepted 90 written submissions; and conducted meetings and forums in each jurisdiction with participation from more than 147 stakeholder organisations.

AITSL is focussed on developing capacity in school leaders across Australia.

In 2017–2018, AITSL released the Australian guidelines for school leadership development ***Leading for impact: Australian guidelines for school leadership development*** and identified tools and resources to support its implementation at a local level.

In 2017–2018, AITSL facilitated participation of **over 7,000 users of the online School Leader Self-Assessment Tool**, and over 700 users of the 360° Reflection Tool.

In 2017–2018, AITSL evaluated **new principal preparation resources** to inform future promotion and content enhancements.

AITSL's work is grounded in evidence and impactful.

In 2017–2018, the **Australia Teacher Workforce Data (ATWD) strategy** officially commenced. The ATWD will provide a comprehensive picture of the teaching experience from entry into the profession to exit, and will help inform the future of the teaching profession, and support improved student outcomes.

In 2017–2018, AITSL published three Spotlights: **“Bullying in Australian Schools”**; **“The rise of online initial teacher education: what do we know”**; and **“Preparing for the rewards and challenges of a school principal”**.

In 2017–2018, more than 30 evidence-informed research, data and evaluation projects supported AITSL's work across a broad range of topics.

AITSL maintains a strong connection with the profession by regularly communicating through a variety of channels.

Subscription to AITSL's monthly e-News continues to grow steadily and is now close to **160,000 subscribers**.

More than **70,000 people** follow and engage with AITSL across social media.

Traffic to the website sits at **787,000 unique visitors per year** with most accessing our tools and resources and other services.

SENIOR MANAGEMENT

As at 30 June 2018:

SENIOR OFFICERS



Lisa Rodgers

BSc (Hons)

Chief Executive Officer

Lisa Rodgers was appointed CEO of AITSL in 2016. She is a powerful voice and respected advocate in the education sector. An experienced executive, Lisa has provided exemplary service for the profession, governments and the public in various jurisdictions including the United Kingdom, New Zealand and Australia.

Prior to joining AITSL, Lisa was the Deputy Secretary in the Ministry of Education in New Zealand, responsible for the New Zealand curriculum, assessment and workforce policy and prior to that was the Deputy Secretary for the Data and Research Group.

Lisa has held several other posts in justice and health and has served with the British Army. She is a current Board director of the Foundation for Young Australians and is a member of the advisory Board of the Asia Education Foundation.



Edmund Misson

BA (Hons) EMPA

Deputy Chief Executive Officer

Edmund Misson joined AITSL in 2011 as a General Manager. With a career focus on policy development and implementation, Edmund's current responsibilities include work on initial teacher education, research and evaluation, project and portfolio delivery, and the assessment of teacher qualifications for migration.

Prior to joining AITSL, Edmund had a 15-year career in the Victorian Government, advising on a range of education, training and other social policy issues.

Edmund's qualifications include an Executive Master of Public Administration awarded by ANZSOG.



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 aspect 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)

Chief Advisor

Joining AITSL in 2017, Dianne Jickell has extensive experience in management, marketing, communications and strategic stakeholder engagement in Australia and the United Kingdom. At AITSL, Dianne provides hands-on policy and management support and leads the communications and external relations function.

Prior to joining AITSL, Dianne was a senior executive at Australian peak body, Philanthropy Australia, where she delivered a number of key initiatives to support the organisation's business objectives. Dianne was also key driver of the development of a refreshed direction for the organisation.

Dianne's qualifications include a Bachelor of Arts with Honours.



Lisa Molloy

BSc LLB MPIC T GAICD AMIIA

Company Secretary

Lisa Molloy joined AITSL in 2017 as the Company Secretary and General Manager of Corporate Strategy, Finance and Governance. Lisa's responsibilities include providing support and legal advice to the Board and executives, ensuring regulatory compliance, and developing excellence in company operations.

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, and an associate member of the Institute of Internal Auditors.



Daniel Pinchas

BEcon PGDipEd

General Manager, Teaching and School Leadership

After spending several years as a teacher, principal and numeracy coach in remote communities in Western Australia, Daniel Pinchas joined AITSL in 2013. As General Manager, he is responsible for leading the 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.

INITIAL TEACHER EDUCATION

Initial teacher education (ITE) is recognised as an essential foundation to develop successful and fulfilled teachers for our classrooms, giving them the best possible preparation to succeed from day one.

In 2017–2018, AITSL continued to implement the Australian Government's response to the Teacher Education Ministerial Advisory Group (TEMAG) report.

Much of our work focussed on implementing the strengthened Standards and Procedures for the Accreditation of Initial Teacher Education in Australia, which supports consistency and rigour of accreditation judgements and ensures accreditation decisions are made based on evidence of impact.

Work was also undertaken to implement the Australian Teacher Workforce Data Strategy (see following page) to continue to support evidence-based decision-making.

TEMAG EVALUATION FRAMEWORK

During the 2017–2018 financial year, AITSL set up an evaluation framework to monitor the implementation and impact of the TEMAG recommendations.

As part of the evaluation, AITSL hosted the first TEMAG Forum in September 2017, where leaders in the education sector met in Canberra to discuss the ITE reforms underway. Fifty-two high-level representatives attended the forum from ITE providers, teacher regulatory authorities, teacher employers, principals, parent groups and government agencies.

Chair of AITSL, Laureate Professor John Hattie launched a TEMAG Report Card, which illustrates the progress made to date in implementing the reforms. Participants

reiterated their commitment to the TEMAG reforms and discussed the implementation of the reforms and how to capitalise on work undertaken to date.

Forum attendees agreed on four propositions for the future state of ITE, representing the next steps in the TEMAG reforms. Based on these propositions, AITSL developed proposals for further reform that the Education Council agreed to in June 2018.

STRENGTHENING THE ITE ACCREDITATION PROCESS

AITSL continued its work to support the implementation of a strengthened national approach to the accreditation of ITE programs.

During the financial year, AITSL's ITE team ran six sessions to train a further 140 individuals to become ITE accreditation panellists, bringing the total number of trained assessors to 447. Since the new standards were agreed on, 350 ITE courses have been submitted and assessed, and two thirds have so far been assessed as meeting the new standards.

LAUNCH OF NEW TEACHING PERFORMANCE ASSESSMENTS

During the 2016–2017 financial year, AITSL awarded grant funding to two university consortia representing almost half of Australia's ITE providers to develop teaching performance assessments (TPA) to increase the rigour and comparability of assessments in ITE in Australia.

The projects proved successful, and as a result, assessment tools were available for use for the start of the 2018 academic year.

CASE STUDY 1

Informing the future of the teaching profession – The Australian Teacher Workforce Data Strategy

While data on teachers is collected in a number of places, Australia does not currently have a single point of truth to help us understand the characteristics, deployment, supply and career trajectory of the teaching workforce in Australia.

If a teacher graduates in one state, starts working in a public school in another state, and then moves to an independent school, we do not have meaningful data that represents such career choices. This prevents us from, for example, calculating the employment rate of graduates from different types of ITE programs, getting a picture of how many teachers leave the profession in the first few years, or understanding the make-up of the workforce in each jurisdiction.

To remedy this, AITSL partnered with the Australian Government Department of Education and Training, the states and territories and teacher regulatory authorities to launch the Australian Teacher Workforce Data (ATWD) strategy in July 2017, an initiative funded by all state, territory and Commonwealth governments.

The strategy will give us access for the first time to nationally consistent data on how many teachers are graduating, how many get jobs, their professional development, whether or not they stay in the profession and their career pathways.

These data will give AITSL and government stakeholders critical insights to better understand teacher supply, track the outcomes of initial teacher education and

evaluate the success of particular projects to, in turn, support better-informed decision making for policies and workforce strategies.

Data privacy and security are important elements of the project, and data will be held by the Australian Institute of Health and Welfare (AIHW), an accredited data integration authority. At all stages of data collection, processing, storage and reporting for the ATWD strategy, the privacy of individuals is protected. Personal data will be removed by the AIHW and only de-identified data is included in the ATWD strategy. Reporting from the ATWD will look at aggregate workforce trends, not individual teachers, so teachers will be anonymous.

An Oversight Board, which includes representatives from across the education sector, was established by the Education Council to provide governance on all aspects of the ATWD strategy. The Board held its first meeting in September 2017.

During 2017–2018, AITSL launched a proof of concept in South Australia, which saw AIHW collect and upload data on ITE students and registered teachers into its database. AITSL also ran a teacher survey to gather further data not captured by the Teachers Registration Board of South Australia.

The ATWD strategy will be developed over the next four years, after which the data will be renewed annually to paint an accurate picture of our teaching workforce, enabling us to see patterns of movements and better plan for the future of Australian teaching.

TEACHING AND SCHOOL LEADERSHIP IN AUSTRALIA

TEACHING

In the 2017–2018 financial year, AITSL focused on teacher certification, professional learning and registration in relation to teachers.

Getting the best from your teachers

Acknowledging how principals are key enablers of teachers gaining national teacher certification, during 2017–2018 AITSL developed resources to help school leaders better support staff who choose to become Highly Accomplished and Lead teachers (HALTs). The *Getting the best from your teachers* guide:

- ▶ highlights the value of nationally certified teachers to a school,
- ▶ provides leaders with a greater understanding of their role and responsibility in supporting teachers through national teacher certification,
- ▶ helps school leaders understand the steps to enable teachers to pursue certification and suggests ways to work with existing nationally certified HALTs to share their expertise across the school and beyond.

The guide was released in March 2018 and has already been accessed and downloaded more than 2,000 times.

Building a culture of professional growth

In the 2017–2018 financial year, the Education Council commissioned AITSL to provide options for improving the quality of professional learning and to find out how teachers and school leaders could better implement learnings once back in the classroom.

AISTL undertook extensive consultation with teacher regulatory authorities and other stakeholders, conducted research and ran a national survey for all teachers, school leaders, professional learning providers and systems and sectors, which attracted more than 1,500 responses.

Survey findings showed that while teachers are broadly selecting professional learning with the right intention, there is a gap in the implementation and evaluation of that learning once back in the classroom. Based on further research and evidence, AITSL developed a range of recommendations, which were endorsed by the Education Council in December 2017 and will result in the development and launch of supporting tools and resources.

National Review of Teacher Registration

The Education Council also asked AITSL to undertake a national review of teacher registration to help determine its rigour and whether it is effectively supporting teacher quality.

Teacher registration is an important mechanism to ensure the quality of the teacher workforce. Registration also provides a critical regulatory function to ensure only people who have the necessary qualifications and are fit and proper can be employed as teachers.

As part of a broad consultation process, AITSL:

- ▶ appointed an independent expert panel chaired by Mr Chris Wardlaw PSM, currently Chair of the Victorian Curriculum and Assessment Authority and AITSL Deputy Chair;

- ▶ undertook a stocktake of the current registration requirements;
- ▶ collected more than 90 written submission for the expert panel;
- ▶ ran a national survey of teachers and principals with more than 6,500 responses;
- ▶ facilitated consultation forums in every state and territory with 147 organisations represented.

As a result of this consultation, recommendations and findings will be submitted to the Education Council in late 2018.

Further activity

Our interactive online tools and resources that support teachers across Australia, including the Teacher Self-Assessment Tool (T-SAT), Illustration of Practice and My Induction app also continued to perform well, with:

- ▶ commencement of over 44,000 T-SAT questionnaires since its launch in February 2017, with over 34,500 completions;
- ▶ over 1.5 million views of the Illustrations of Practice online resources since 2011, with an average of 29,000 unique views per month; and
- ▶ More than 10,000 downloads of the My Induction app.

SCHOOL LEADERSHIP

Significant work was undertaken to support current and future school leaders, including the development and launch of *Leading for Impact: Australian guidelines for school leadership development* (see following page for detail), which were endorsed by the Education Council.

In September 2017, the then Minister for Education and Training, Senator, the Hon Simon Birmingham, announced AITSL had been tasked with exploring the development of pre-principal certification to better prepare aspiring principals for the role and ensure they maximise their impact.

AITSL conducted an assessment of impact of implementing a national principal certification process and scoped requirements for demonstrating principal readiness. This work, undertaken in collaboration with the profession, is helping assess the need for, and design of a national voluntary process for assessing whether an individual is ready to step into a principal role. Findings will be presented to states and territories in the 2018–2019 financial year.

AITSL also worked to review, develop and improve tools and resources to support leadership preparation, consulting with various stakeholders in government and schools, including principals and aspiring principals.

Website and social media analysis, and one-on-one deep dive interviews with professional learning providers and individual users of AITSL resources, revealed that the new leadership scenarios, principals' case studies, connections between the standards case studies and the evaluation framework are all considered valuable tools.

Usage of our School Leader Self-Assessment Tool increased 40 per cent this year, with the tool being used by more than 11,000 users since launch in the 2016–17 financial year. Our 360° Reflection Tool has been used more than 5,400 times since launch.



CASE STUDY 2

Leading for Impact: Australian Guidelines for School Leadership Development

This year, AITSL developed and released new Australian guidelines for school leadership development to assist the education system to find and develop future leaders, and ensure pathways to leadership are clear and inclusive.

Research from the OECD¹ and the Department of Education² into the supply of Australian principals highlights several issues, for example, an increasing number of principals are nearing retirement, with 74 per cent of those surveyed aged over 50 years. For the same group of principals it took an average of 27 years to be appointed to the role, well above the OECD average of 21 years. In primary schools, 81 per cent of teachers are female but only 66 per cent of leaders are female, and, in secondary schools, 58 per cent of teachers are female but only 48 per cent of leaders are female, suggesting untapped leadership capacity.

Similar under-representation in leadership from other groups is evident, including Aboriginal and Torres Strait Islander teachers and school leaders. Thirty-five per cent of Australian principals surveyed said they received no school administration or principal training as part of their formal education, and 30 per cent said they received no instructional leadership training.

Further consultation by AITSL reinforced the need for clarity around what school leadership looks like, to address misconceptions about the role and inspire teachers from a diverse range of backgrounds to pursue leadership.

School leadership is the second biggest in-school influence on student learning and outcomes, and research shows diversity in leadership teams correlates with improved performance and contributes to increased innovation.

The Australian Guidelines for School Leadership Development Project had clear objectives: to help those involved in leadership development provide early-career teachers with more opportunities, to gain a clear picture of what leadership roles entail, and help them see themselves as leaders. AITSL also wanted to provide guidance for the preparation of aspiring principals and ongoing support of those in the role.

AITSL conducted a literature review of effective leadership development, looking within and beyond the sector. This led to the creation of initial evidence-based guidelines, which were tested with stakeholders to ensure they resonated. To complement the guidelines, AITSL developed clear recommendations to help increase the quantity, quality and diversity of potential leaders in all geographical locations.

Leading for impact: Australian Guidelines for School Leadership Development were developed to help systems, sectors, principals and others involved in leadership development reflect on current approaches, affirm what is working well and identify actions for improvement. The guidelines will reinforce a coherent, standards-based approach to leadership development across Australia and help ensure that school leaders at all levels are supported to have maximum impact on student learning.

The release of the guidelines in March 2018 attracted significant interest, with more than 7,800 unique page visits in just five months.

¹ Organisation for Economic Cooperation and Development, *Teaching and Learning International Survey*, 2013

² Department of Education, *Staff in Australia's Schools (SiAS) Survey*, 2013

RESEARCH AND EVIDENCE-BASED INSIGHTS

At AITSL, we believe efforts to enhance the quality of teaching and school leadership in Australia must derive from a credible evidence base. AITSL's work is underpinned by sound evidence and data that demonstrate impact.

Our in-house research and evaluation team ensures we put useful and credible information in the hands of teachers and school leaders.

THE SPOTLIGHT SERIES

During the 2017–2018 year, three new Spotlights, a series of evidence-based summaries sharing real facts and findings on topics important to education professionals, were launched on the following topics:

- ▶ **Preparing for the rewards and challenges of a school principal**
Acknowledging the significant impact that effective principals have on student learning, this Spotlight explored how aspiring leaders can be better prepared for leadership and empowered to have greater impact.
- ▶ **Bullying in Australian schools**
Bullying and cyberbullying is an issue facing each school and teacher. This

Spotlight explores the extent of bullying in Australian schools, the challenges for and efficacy of teachers in prevention and intervention and resources to assist teachers in responding.

- ▶ **The rise of online initial teacher education: what do we know?**

The age of digitisation has seen a radical shift in the delivery of higher education in Australia. This Spotlight explores the issues and uptake of online education in Australia today (see page 24 for details).

Our website analytics show increased interest for these resources, which were accessed more than 4,500 times in this financial year.

Initial teacher education Data Report

The ITE Data Report was first published in 2013 to provide key insights into the future of teaching. 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 the undergraduate and post graduate level.

AITSL developed the sixth edition of the data report during 2017–2018. The report brings together available data on all ITE students and courses collected by the Higher Education Information Management System (HEIMS), and in addition, data on student perceptions and graduate outcomes from the Quality Indicators for Learning and Teaching (QILT) surveys, and data on early career teachers from the AITSL Stakeholder Survey. The 2018 edition of the report will be released shortly.

Further research

AITSL conducted the first census of certified Highly Accomplished and Lead teachers (HALTs), which saw nearly 70 per cent of certified teachers take part. Results explored the characteristics and post-certification experiences of certified HALT teachers. The results will be published in the 2018–2019 financial year.

Ensuring the rigour of judgements made in certification of Highly Accomplished and Lead teachers and ITE course accreditation is a priority for AITSL. To achieve this, in 2017–2018

AITSL has undertaken qualitative research on the decision making processes undertaken by certifying assessors. Results will be utilised in 2018 to improve training of assessors.

As part of consultation on teacher registration, AITSL ran a stakeholder survey across teachers, pre-service teachers and early childhood educators, and gathered more than 6,000 responses. Results will be presented in the next financial year.

Measuring our impact

AITSL is committed to measuring the impact of its work. Across 2018 AITSL engaged with stakeholders to define the evaluation framework for measuring the impact of the Highly Accomplished and Lead teacher certification, the implementation of the ITE reforms under TEMAG and the effectiveness of the principal preparation resources and guidelines. AITSL will work with stakeholders and universities across Australia in 2018–2019 to establish research partnerships to further this work at the system level.



CASE STUDY 3

The rise of online initial teacher education: what do we know?

The age of digitisation has seen a radical shift in the delivery of higher education in Australia. Where face-to-face tutorials and lectures once characterised on-campus attendance in higher education, the integration of a range of pedagogical tools – including online learning platforms, video conferencing and recorded lectures – has blurred the distinction between on- and off-campus study and opened the opportunity for online initial teacher education.

One of AITSL's Spotlight publications in 2017–2018 investigated the rapid growth of online study in higher education, particularly initial teacher education (ITE). The past decade has seen a dramatic rise in the numbers of ITE students choosing to prepare themselves for teaching by enrolling away from campus. In fact the rapid rise in online enrolments for ITE courses in Australia is outstripping the average growth for all (non-ITE) online tertiary courses by a staggering six-to-one.

Using existing research and data, and interviews with ITE providers with large online enrolments, AITSL investigated the growing online ITE trend in Australia – who studies it, where they live, what influence it has on outcomes and graduate quality, and what quality assurance mechanisms are in place to support quality delivery.

Our research and resulting Spotlight publication challenges the traditional view that ITE needs to be delivered face-to-face on campus to be effective. The data shows that, when provided with an appropriate and targeted online pedagogy, online ITE can provide quality outcomes. AITSL supports quality ITE – programs that meet accreditation standards and deliver good outcomes for students – whether on campus or online.

In addition, data showed that for aspiring teachers living in regional or remote locations and juggling work and family commitments, the rise of online ITE courses in Australia has brought higher education within reach. This increased access to ITE has great potential to diversify the workforce, as students enter higher education from increasingly varied pathways and at varied life stages.

While completion rates of online ITE are lower than face-to-face, analysis of the data has shown that this can be attributed to the type of students that choose online options – such as older students, people with existing work and family responsibilities, people in remote areas – rather than the nature of online studies suggesting the importance of implementing pedagogy that works for these types of students accessing their studies online.

With the increased popularity of off-campus enrolment in ITE, it can no longer be assumed that students live in the same state or territory as the campus location of their ITE provider. This may present logistical challenges for providers in supporting off-campus ITE students to access professional experience placements in schools.

What is important, as ITE provision becomes more diverse, is to ensure that there are strong quality assurance mechanisms for ITE programs, and robust assessment of graduates to ensure that we have confidence in the quality of all graduates, no matter how they study.

KEY EVENTS

THE HALT SUMMIT

In March 2018, AITSL hosted its third Highly Accomplished and Lead teacher (HALT) Summit. A record 250 participants from across the country – including HALTs, school leaders, system and sector representatives and academics – gathered to discuss how HALTs can have the greatest impact across the profession to improve education outcomes.

The Summit featured HALTs and other guests who shared their insights and expertise – including Distinguished Professor Viviane Robinson from the University of Auckland; Peggy Brookins, President and CEO of the US National Board for Professional Teaching Standards; Dr Simon Breakspear, Executive Director of Agile Schools; and AITSL Board Chair, Laureate Professor John Hattie.

The Summit was a chance for HALTs to share their knowledge, learn from and connect with each other, with many commenting on how rare and important it is for expert educators to meet face-to-face.

“Having a strong network of teachers committed to improving student outcomes really helps foster a culture of genuine collaboration,” said AITSL CEO Lisa Rodgers.

Jurisdictional breakout sessions during the Summit allowed their representatives to discuss the future of HALT certification in Australia, inspiring more state and territory-based networks that will meet regularly throughout the year.

The success of the Summit is testament to the growing interest in teacher certification, and a recognition of the positive impact of HALTs on their colleagues and students. Certification offers a pathway for their leadership from within the classroom.

2017 was the biggest year for national teacher certification with more than a quarter of current HALTs certified in that period.

“

You could feel the drive, desire and commitment to making HALT relevant and accepted practice in Australia.”

*Right: Yvette Berry MLA, Deputy Chief Minister of the ACT
Below: AITSL Chair, Laureate Professor John Hattie (front)
and Facilitator, Simon Breakspear (rear)*



“

The HALT Summit is the one professional learning event that I look forward to each year. It gives me a buzz, an inspiration that transpired for the rest of the year! Looking forward to 2019 and another inspiring Summit!”

Right: AITSL Deputy Chair, Chris Wardlaw

Below right: AITSL CEO, Lisa Rodgers

Below left: Peggy Brookins, President and CEO of the

US National Board for Professional Teaching Standards

Bottom: AITSL Director, Renee Lammon



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 Minister for Education and Training.

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; and
- ▶ 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 has established an Audit and Risk Committee, a Finance Committee and a Remuneration Committee.

The Board is supported by an organisation 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); and
- ▶ *Corporations Act 2001*.

This statement, which was approved by the Board on 27 August 2018, 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 Training and the Minister for Finance based on the reporting timetable detailed in AITSL's Grant Agreement and other requests from the Minister. AITSL is also subject to Parliamentary scrutiny through the Senate Estimates process.

The Minister for Education and Training is the sole owner and member of AITSL. During 2017–2018 the Minister for this portfolio was Senator the Hon Simon Birmingham.

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

The CEO is accountable to the Board and responsible for the operational and day-to-day management of the company with the powers and delegations authorised by the Board.

Appointments

In accordance with AITSL's constitution, the Board is to comprise a minimum of three and a maximum of 11 directors.

Directors are appointed by the Commonwealth Minister for Education and Training 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 32.

Expert Board of Directors

AITSL operates under an expert Board, and, when appointing Directors, the Minister for Education and Training has regard for their skills and expertise in a number of 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 2017–2018 there were 14 transactions with related entities with an aggregate value of \$392,400. Further information on related party transactions for 2016–2017 can be found in note 9 of the Financial Report on page 63.

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 have 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 2017 to 30 June 2018 are set out in the Directors' Report on page 42.

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 in the Financial report on page 50.

Board committees

To assist in the performance of its responsibilities, the Board currently has three Board committees, each is 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 to a charter must be approved by the Board. Each committee is chaired by an AITSL Director who provides a verbal or written report to the Board outlining the matters considered and any actions taken at their committee meeting. The three Board 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, reporting and administrative arrangements.

Finance Committee

The primary objectives of the Finance Committee are 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, 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 72 to 77 of this annual report.

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 and New Zealand Standard: AS/NZS ISO 31000:2009*. 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.

Risks are assessed on a regular basis, and AITSL's Audit and Risk Committee and the Board receive regular reports on how risks are being managed. The Audit and Risk Committee and Board also review AITSL's strategic risk profile every two years.

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*.

This year AITSL undertook a review of its fraud control framework against the Australian Government's Fraud Rule and Fraud Policy, based on the August 2017 update of the Commonwealth Fraud Control Framework. A risk assessment was undertaken in June 2018 to ensure that the fraud controls remained appropriate within the context of the AITSL operating environment. There have been no significant fraud risks identified.

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

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 2014*. 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. The Australian National Audit Office has contracted with Crowe Horwath (Aust) Pty Ltd to audit AITSL on behalf of the Auditor-General.

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. AITSL has developed a number of governance policies 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.

EQUAL OPPORTUNITY

As a Commonwealth authority, AITSL complies with the *Equal Opportunity (Commonwealth Authorities) Act 1987*.

LOCATION

The organisation has two locations: Melbourne and Canberra.

FUNDING

AITSL is funded by the Australian Government.

DIRECTORS' REPORT

BOARD OF DIRECTORS DURING 2017–2018

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 80 million students from around the world and brought together 50,000 smaller studies. Visible Learning found that positive teacher-student interaction is the most important factor in effective teaching.

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 has been a Director of the Melbourne Education Research Institute since 2011 and he is also the past president of the International Test Commission and Associate Editor of the British Journal of Educational Psychology and American Educational Research Journal.

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

Mr Christopher Wardlaw PSM

BEc (Hons) DipEd

Deputy Chair/Non-Executive Director

Mr Christopher Wardlaw is currently the chair of the Victorian Curriculum and Assessment Authority. With an early career as a teaching fellow, 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.



Professor Tania Aspland was appointed to the AITSL Board on 2 June 2015. She completed her tenure on 16 June 2018

Professor Tania Aspland

DipTeach GDip(SpecialEd) MGCAE BEd BA MEd PhD

Non-Executive Director

Professor Tania Aspland is the Executive Dean, Faculty of Education and Arts at the Australian Catholic University (ACU). She has provided strategic leadership through a period of extensive growth and change at ACU, having previously held other senior positions including National Head of Education and Head of Education NSW/ACT. She is also the current President of the Australian Council of Deans of Education.

Prior to ACU, Tania was a Professor in Education at the University of Adelaide and has been a leader in course development in Teacher Education for many years. She has worked on a number of research projects involving higher education pedagogies in teacher education undergraduate and graduate courses, and one on the quality of offshore teaching funded by the Australian Learning and Teaching Council.



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 then 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 a Senior Research Fellow of the Centre for Independent Studies (CIS), where she has been researching and writing on education policy for almost 20 years. She currently leads the CIS "FIVE from FIVE" literacy project, which aims to bridge the gap between research and practice in reading instruction.

Jennifer has published papers and articles on school funding, international assessments, NAPLAN and My School, teacher training and employment, 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 focussed on literacy and social disadvantage. She is widely published and is a council member of Learning Difficulties Australia and an associate investigator with the ARC Centre of Excellence in Cognition and its Disorders, a world-leading cognitive science centre.



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.



Mr Stephen Elder OAM was appointed to the AITSL Board on 1 January 2010, and reappointed on 2 June 2015. He completed his tenure on 16 June 2018

Mr Stephen Elder OAM

BEd DipEd

Non-Executive Director

A former teacher, Mr Stephen Elder has been Executive Director of Australian Catholic Education Melbourne since December 2006 and is Executive Director of the Catholic Education Commission of Victoria. A former member of the Victorian Parliament from 1988–1999, he was Parliamentary Secretary to the Minister for Education from 1992–1999.

In 2002, the Victorian Aboriginal Education Association presented Stephen with an award for the Highest Contribution to the Benefit of Koori Education. In 2016, he was awarded a Medal of the Order of Australia for service to the Catholic Church in Australia and to the community of Victoria.

Among his many appointments, Stephen is a Senator of the Australian Catholic University, a Commissioner of the National Catholic Education Commission, and sits on the Board of the Victorian Registration and Qualifications Authority.



Mr Trevor Fletcher was appointed to the AITSL Board on 2 June 2015. He completed his tenure on 16 June 2018

Mr Trevor Fletcher

BEd DipEd

Non-Executive Director

Recently retired, Mr Trevor Fletcher was the Principal of Eastern Fleurieu School in South Australia, where he had been instrumental in overseeing its transformational change from the time of his appointment in October 2011. He was previously the Deputy Director General, Schools, for the New South Wales Department of Education and Training for six years.

Having enjoyed a varied career in education as a teacher, curriculum consultant and principal, Trevor has also held other senior posts in the Education Departments of Victoria, South Australia and Abu Dhabi. Trevor was one of eight members of the National Teacher Education Ministerial Advisory Group (TEMAG) in 2014. In 2015, he was invited to join the Board of the Australian College of Educators and he sat on the Parent Engagement Expert Reference Group, which looked at parent engagement for the Commonwealth Government.



Ms Jennifer Gale was appointed to the AITSL Board on 2 May 2016. She resigned her appointment on 1 December 2017

Ms Jennifer Gale

BEd DipTeach

Non-Executive Director

Ms Jennifer Gale has been Secretary of the Tasmanian Department of Education since January 2016. Previously, she was Acting Secretary of the Education Department from 2010 to 2011, and served as the Tasmanian Deputy Premier's Chief of Staff 2014–2015.

Jenny has a 39-year career in education, having started teaching mathematics and working across primary, secondary and senior secondary schools as a teacher and principal for 22 years before taking up the position of Director, Office for Educational Review in 2000. Since then she has worked in a number of senior leadership roles supporting schools, leading the development of school improvement standards and reporting, and on behalf of the Tasmanian Government negotiating national education policy and strategy.

Jenny has worked on various boards and committees at both state and national level, most recently the Tasmanian Qualifications Authority and the Australian Children's Television Foundation.



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 an impact coach leading teams of teachers at Casuarina Street Primary School in Katherine in the Northern Territory. For the past 13 years, Renez has supported the implementation of a visible learning approach within her own school as well as regionally as a mentor for teachers across Katherine and its wider communities.

Renez has led change at national and territory level promoting the value of the Highly Accomplished and Lead teacher (HALT) network 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 difference they are making to 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 UNESCO'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 is in a similar role for the IFTRA conference to be held in Wellington, New Zealand in 2018.



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 Straight Island enrolments in NSW. Mark has been a teacher in the Maitland-Newcastle area for 40 years, and a principal for the past 29. 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 MAICD MACEL

Non-Executive Director

Mr Robert Nairn is the former Executive Director of the Australian Secondary Principals Association and an adjunct Associate Professor at Edith Cowan University, where he is also a Director of the Education Research Advisory Board. He has extensive experience in metropolitan and regional senior high schools in Western Australia, particularly in low socio-economic areas, and is passionate about ensuring high-quality secondary education is provided to every young person, no matter their geographic, social or personal circumstances.

In addition to his role as a Director of AITSL, Rob is a Director of the Principals Australia Institute, executive member of the International Confederation of Principals and member of *beyondblue* National Education Initiative Council. In 2017, Rob was awarded a Churchill Fellowship to research leadership development.



Dr Geoffrey Newcombe AM was appointed to the AITSL Board on 1 January 2010, and was reappointed on 2 June 2015. He completed his tenure on 16 June 2018

Dr Geoffrey Newcombe AM

BSc DipEd MEdAdmin PhD GAICD

Non-Executive Director

Dr Geoffrey Newcombe has been Chief Executive of the Association of Independent Schools of New South Wales (AIS) since January 2005, and was previously AIS Director of School Governance and Industrial Relations.

Geoffrey has extensive school governance and management experience, including as a school head and business manager in several independent schools, and holds a PhD, which focussed on financial management in schools.

Since 2013, Geoffrey has been a Director of the Non-Government Schools Superannuation Fund (NGS Super) following a previous period of directorship between 1997 and 2005. In June 2011, he was appointed Adjunct Associate Professor in the School of Education at the University of New South Wales. In 2014, the New South Wales Government appointed him to the Study NSW International Education Advisory Board. He was appointed to the New South Wales Education Standards Authority (NESA) in January 2017.



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 and published extensively, including several books of relevance to contemporary teacher work.



Ms Melanie Saba

MHA

Non-Executive Director

Ms Melanie Saba was CEO of the Victorian Institute of Teaching from 2010 until September 2017. In November 2017 she was appointed the Chief Executive of the Royal Australasian College of Medical Administrators.

Melanie has a strong professional background in the regulation of various professions, having previously held senior positions with Consumer Affairs Victoria, the Nurses Board of Victoria and at the Psychologists Registration Board of Victoria. She has developed policy and standards at both a state and national level for several professions, as well as holding roles in national organisations such as the Council of the Psychology Registration Board of Australasia and the Australasian Teacher Regulatory Authorities.

Ms Melanie Saba was appointed to the AITSL Board on 1 July 2013, and reappointed on 2 June 2015. She completed her tenure on 16 June 2018



COMPANY SECRETARY'S QUALIFICATIONS AND EXPERIENCE

Ms Lisa Molloy BSc LLB MPICT GAICD AMIIA joined AITSL in 2017 as the Company Secretary. She is also General Manager of Corporate Strategy, Finance and Governance. Lisa's responsibilities include providing support and legal advice to the Board and executives, ensuring regulatory compliance, and developing excellence in company operations.

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, and an associate member of the Institute of Internal Auditors.

BOARD OF DIRECTORS' MEMBERSHIP

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

Board Members as at 30 June 2018

- ▶ 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

The Board would like to acknowledge and thank the former directors for their significant contributions to AITSL over many years who ceased or resigned during 2017–2018:

- ▶ Professor Tania Aspland
- ▶ Mr Steven Elder OAM
- ▶ Mr Trevor Fletcher
- ▶ Dr Geoffrey Newcombe AM
- ▶ Ms Melanie Saba
- ▶ Ms Jennifer Gale

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

BOARD OF DIRECTORS' MEETINGS

Director	Board meetings		Audit and Risk Committee meetings		Finance Committee meetings		Remuneration Committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Professor Hattie	7	7			7	5	2	2
Mr Wardlaw	7	6			7	5		
Professor Aspland*	6	6						
Dr Buckingham	7	4						
Mr Cook	7	5			7	3		
Mr Elder*	6	4	4	4	7	7		
Mr Fletcher*	6	4						
Ms Gale**	3	3					2	1
Mr Nairn	7	6						
Dr Newcombe*	6	6	4	4	7	7	2	2
Ms Saba*	6	5						
Mr Mowbray	1	1						
Ms Lammon	1	1						
Professor Pendergast	1	0						
Ms Blackwood	1	1						
Dr Lind	1	0						

*Ceased 16 June 2018 ** Resigned 1 December 2017

Jenny Morison attends the Audit and Risk Committee as an independent external member. Ms Morison attended all four meetings held in 2017–2018.

PRINCIPLE ACTIVITIES

The principle activities of the 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. It 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 \$1,604,649. The statement of comprehensive income on page 50 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 2017–2018 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 2017–2018 year:

- ▶ Ms Jennifer Gale
(resigned 1 December 2017)
- ▶ Professor Tania Aspland
(ceased 16 June 2018)
- ▶ Mr Stephen Elder OAM
(ceased 16 June 2018)
- ▶ Mr Trevor Fletcher (ceased 16 June 2018)
- ▶ Dr Geoffrey Newcombe AM
(ceased 16 June 2018)
- ▶ Ms Melanie Saba (ceased 16 June 2018)
- ▶ Ms Beth Blackwood
(appointed 17 June 2018)
- ▶ Ms Renee Lammon
(appointed 17 June 2018)
- ▶ Dr Peter Lind (appointed 17 June 2018)
- ▶ Mr Mark Mowbray
(appointed 17 June 2018)
- ▶ Professor Donna Pendergast
(appointed 17 June 2018)

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 46 of the financial report and forms a part of the Directors' Report for the financial year ended 30 June 2018.

DIRECTORS' BENEFITS

Disclosure relating to Directors' remuneration is included in Note 8 on page 62 of the financial report.

Sitting fees for Board Directors were paid in accordance with relevant determinations of the Remuneration Tribunal, together with reimbursement for reasonable out-of-pocket expenses.

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

27 August 2018

FINANCIAL REPORT

For the year ended 30 June 2018

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DIRECTORS' DECLARATION

For the year ended 30 June 2018

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 2018 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. In the Directors' opinion 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 27 August 2018 in accordance with a resolution of the Directors.



.....
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 2017–18
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 2018, 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

27 August 2018

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 member 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 for the year ended 30 June 2018 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 Australian Institute for Teaching and School Leadership Limited's financial position as at 30 June 2018 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 Australian Institute for Teaching and School Leadership Limited, which I have audited, comprises the following statements as at 30 June 2018 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 Australian Institute for Teaching and School Leadership Limited in accordance with 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* and section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Australian Institute for Teaching and School Leadership Limited, 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.

Directors' Responsibility for the Financial Report

The directors of the Australian Institute for Teaching and School Leadership Limited 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.

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In preparing the financial report, the directors are responsible for assessing the Australian Institute for Teaching and School Leadership Limited's ability 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 those charged with governance 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.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Australian National Audit Office



Josephine Bushell
Senior Director

Delegate of the Auditor-General
Canberra

27 August 2018

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Notes	2018 \$	2017 \$
INCOME			
Government funding		13,092,000	12,061,000
Sales of services		2,448,101	1,270,638
Interest		50,701	68,897
Other revenue		99,186	99,787
Surplus on disposal of assets		430	66
TOTAL INCOME		15,690,418	13,500,388
EXPENSES			
Board of Directors		359,079	325,550
Employee benefits		7,531,216	7,372,140
Administration	2.4	2,682,672	2,613,581
Programs	2.4	3,370,904	3,026,475
Depreciation and amortisation	4	141,898	160,458
TOTAL EXPENSES		14,085,769	13,498,204
Net surplus from ordinary activities		1,604,649	2,184
Total comprehensive income for the year attributable to members of the entity		1,604,649	2,184

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	5,978,503	4,235,365
Held-to-maturity investments		1,336,381	1,316,630
Trade and other receivables		102,635	166,784
Other assets		93,800	87,772
Total current assets		7,511,319	5,806,551
Non-current assets			
Furniture, equipment, software and cultural	4	792,510	758,011
Total non-current assets		792,510	758,011
TOTAL ASSETS		8,303,829	6,564,562
LIABILITIES			
Current liabilities			
Supplier and other payables		941,504	674,957
Employee provisions	6	568,533	399,216
Other provisions	6	-	45,075
Total current liabilities		1,510,037	1,119,248
Non-current liabilities			
Employee provisions	6	149,446	205,221
Other provisions	6	344,346	544,742
Total non-current liabilities		493,792	749,963
TOTAL LIABILITIES		2,003,829	1,869,211
NET ASSETS		6,300,000	4,695,351
EQUITY			
Retained surplus		6,300,000	4,695,351
TOTAL EQUITY		6,300,000	4,695,351

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	Retained earnings		Total equity	
	2018 \$	2017 \$	2018 \$	2017 \$
Opening Balance at 1 July	4,695,351	4,693,167	4,695,351	4,693,167
Comprehensive Income				
Surplus attributable to the entity	1,604,649	2,184	1,604,649	2,184
Total Comprehensive Income for the year	1,604,649	2,184	1,604,649	2,184
Balance at 30 June	6,300,000	4,695,351	6,300,000	4,695,351

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

	Notes	2018 \$	2017 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash received			
Government funding		14,401,200	16,589,100
Sales of services		2,581,385	1,310,500
Interest		50,701	68,897
Other		109,412	112,627
Total cash received		17,142,698	18,081,124
Cash used			
Board of Directors		(359,079)	(325,550)
Employees		(7,417,674)	(7,293,657)
Suppliers		(6,618,476)	(6,655,935)
Net GST paid to the Australian Taxation Office		(806,450)	(724,382)
Total cash used		(15,201,679)	(14,999,524)
Net cash from operating activities	7	1,941,019	3,081,600
CASH FLOW FROM INVESTING ACTIVITIES			
Cash from/(used in)			
Purchase of furniture and equipment		(176,873)	(36,358)
Present value adjustment to make good		(1,687)	15,404
Sale of furniture and equipment		430	66
Purchase of Held-to-maturity investments		(19,751)	-
Net cash (used in) investing activities		(197,881)	(20,888)
Net increase in cash held		1,743,138	3,060,712
Cash at the beginning of the financial year		4,235,365	1,174,653
Cash at the end of the financial year	7	5,978,503	4,235,365

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

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 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 early adopted. The adoption of these standards is not expected to have an impact on AITSL's financial statements in the period of initial application.

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 authorised for issue by the Board of Directors on 27 August 2018.

2.2 Economic dependency

AITSL is dependent on the Department of Education and Training 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 and Training 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 judgment, 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 Administration expense in the Statement of Comprehensive Income includes expenses incurred for Information Communication Technology. In the previous year the expense was allocated to Programs expense. The prior year comparatives have been adjusted accordingly. In the prior year comparatives the expense of \$212,181 has been reallocated from Programs to Administration.

2.5 Going concern

The current funding agreement with the Department of Finance expires on 30 June 2019. At the date of reporting AITSL has received advice from the Minister of his intention to provide funding of \$23.7 million for the three year period to 30 June 2022. These financial statements have been prepared on a going concern basis.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue

Revenue is recognised when:

- ▶ the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- ▶ the probable economic benefits associated with the transaction will flow to the entity.

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

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

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.

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.

All lease incentives for the agreement of a new or renewed operating lease shall be recognised as an integral part of the net consideration agreed for the use of the lease asset, irrespective of the time pattern in which economic benefits from the lease asset are consumed.

NOTE 4. NON-CURRENT ASSETS

Reconciliation of opening and closing balances (2017–2018) Furniture, Equipment, Software and Cultural

	Equipment \$	Furniture & fittings \$	Software \$	Make good \$	Cultural \$	Total \$
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AS AT 1 JULY 2017

Gross book value	541,511	951,622	-	286,729	12,000	1,791,862
Accumulated depreciation / amortisation	(513,265)	(392,180)	-	(128,406)	-	(1,033,851)
Net book value 1 July 2017	28,246	559,442	-	158,323	12,000	758,011

MOVEMENTS

Purchase of assets	64,510	11,833	100,100	-	-	176,443
Assets sold	(1,733)	-	-	-	-	(1,733)
Present value adjustment	-	-	-	1,687	-	1,687
Depreciation and amortisation expense	(21,148)	(97,738)	-	(23,012)	-	(141,898)
Net book value 30 June 2018	69,875	473,537	100,100	136,998	12,000	792,510

NET BOOK VALUE AS OF 30 JUNE 2018 REPRESENTED BY:

Gross book value	581,385	963,455	100,100	288,417	12,000	1,945,357
Accumulated depreciation	(511,510)	(489,918)	-	(151,419)	-	(1,152,847)
Closing net book value	69,875	473,537	100,100	136,998	12,000	792,510

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.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. 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, together with recognition of a provision at present value in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Carrying amount

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

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 equipment - 3 years
- ▶ 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 (2017: Infinite life)

AITSL has 2 paintings (2017: 2) with an aggregate fair value of \$12,000 (2017: \$12,000) painted by Australian artists Bessie Sims and Yumutjin Wununmurra. 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	2018 \$	2017 \$

NON-FINANCIAL ASSETS

Cultural	Level 2	12,000	12,000
Total Non-financial assets		12,000	12,000
Total fair value measurement of assets in the statement of financial position		12,000	12,000

- ▶ 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

	2018 \$	2017 \$
--	------------	------------

EMPLOYEE PROVISIONS

Annual leave	414,595	377,535
Long service leave	303,384	226,902
Total employee provisions	717,979	604,437

Employee provisions expected to be settled in:

No more than 12 months	568,533	399,216
More than 12 months	149,446	205,221
Total employee provisions	717,979	604,437

OTHER PROVISIONS

Provision for make good	344,346	330,633
Unused lease incentive	-	259,184
Total other provisions	344,346	589,817

Other provisions expected to be settled in:

No more than 12 months	-	45,075
More than 12 months	344,346	544,742
Total other provisions	344,346	589,817

AITSL currently has an agreement for the leasing of premises at 440 Collins Street, Melbourne. The lease has a provision 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.

MOVEMENTS IN THE OTHER PROVISIONS

	Make Good		Lease Incentives	
	2018 \$	2017 \$	2018 \$	2017 \$
Opening balance	330,633	334,445	259,184	304,259
Borrowing cost adjustment	12,026	11,592	-	-
Present value adjustment	1,687	(15,404)	-	-
Amortisation of provision	-	-	(259,184)	(45,075)
Balance at 30 June	344,346	330,633	-	259,184

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 twelve 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.

Those liabilities that are not expected to be settled within 12 months are also recognised in the provision for employee benefits as non-current liabilities, but 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.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is recognised as a current liability, even where it is not expected to be settled within 12 months because AITSL will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of the current LSL liability are measured at:

- ▶ nominal value-component that AITSL expects to settle within 12 months: and
- ▶ present value-component that AITSL does not expect to settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

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. The liability for superannuation recognised represents the outstanding contributions for the final pay period of the year.

NOTE 7. CASH FLOW RECONCILIATION

	2018 \$	2017 \$
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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	5,978,503	4,235,365
Statement of financial position items comprising cash	5,978,503	4,235,365
Difference	-	-

RECONCILIATION OF OPERATING RESULT TO NET CASH FROM OPERATING ACTIVITIES

Surplus for the year	1,604,649	2,184
Depreciation and amortisation	141,898	160,458
Net write-down and sale of non-financial assets	1,303	2,534

CHANGE IN ASSETS AND LIABILITIES

Decrease (increase) in receivables	64,577	3,393,883
Decrease (increase) in other assets	(4,295)	(81,500)
Increase (decrease) in supplier payables	264,816	(425,557)
Increase (decrease) in other provisions	(245,471)	(48,887)
Increase (decrease) in employee provisions	113,542	78,485
Net cash from operating activities	1,941,019	3,081,600

NOTE 8. 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.

	2018		2017	
	Executive Managers \$	Part-time Directors \$	Executive Managers \$	Part-time Directors \$
Short-term employee benefits	1,724,583	258,954	1,458,517	252,217
Post employment benefits	139,793	-	157,053	-
Other long-term benefits	31,436	-	25,622	-
Termination benefits	35,644	-	-	-
	1,931,456	258,954	1,641,192	252,217

The number of key management personnel that are included in the above are 7 Executive Managers and 12 Part-time Directors (2017: 10 Executive Managers and 11 Part-time Directors).

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 Year ended 30 June		Balance Outstanding Year ended 30 June	
	2018 \$	2017 \$	2018 \$	2017 \$
Purchase of goods and services	392,400	547,071	4,274	33,308

NOTE 10. FINANCIAL INSTRUMENTS

	2018 \$	2017 \$
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CATEGORIES OF FINANCIAL INSTRUMENTS

Financial assets

Loans and receivables

Cash at bank	5,978,503	4,235,364
Trade and other receivables	102,635	166,784
Held to maturity investments	1,336,381	1,316,630
Carrying amount of financial assets	7,417,519	5,718,778

Financial liabilities

Financial liabilities at amortised cost

Trade creditors	874,221	598,713
Carrying amount of financial liabilities	874,221	598,713

Net Income and expense from financial assets

Loans and receivables

Interest revenue	50,701	68,897
Net income from loans and receivables	50,701	68,897
Net income from financial assets	50,701	68,897

Net income and expense from financial liabilities

There was no income or expense from financial liabilities.

NOTE 10. FINANCIAL INSTRUMENTS CONTINUED

Non-derivative financial assets

AITSL initially recognises loans and receivables on the date that they originated. All other financial assets (including assets designated at fair value through surplus or deficit) are recognised initially on the trade date at which AITSL becomes a party to the contractual provisions of the instrument.

AITSL derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by AITSL is recognised as a separate asset or liability.

Loans and receivables

Trade and other receivables

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs.

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 used by AITSL in the management of its short-term commitments.

Held-to-maturity investments

Held-to-maturity investments are cash deposits with a specified maturity and subject to insignificant risk of changes in fair value. They are used by AITSL in the management of financial commitments.

Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date at which AITSL becomes a party to the contractual provisions of the instrument. AITSL derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

NOTE 11. COMMITMENTS

	2018 \$	2017 \$
Commitments payable		
Contracts for services	2,767,770	688,630
Operating Leases	4,048,062	522,044
Total commitments payable	6,815,832	1,210,674

By maturity

Operating lease commitments

AITSL leases premises at 440 Collins Street, Melbourne and at Callam, Canberra. AITSL does not have an option to purchase either leased asset at the expiry of the lease period. AITSL has provided a bank guarantee to the lessor of \$316,630, in support of the lease commitment for the Melbourne property.

A lease incentive received in regard to the previous lease of the Melbourne property, was apportioned evenly over the term of the lease and recorded in current liabilities as 'Unused lease incentive'. A new lease for the Melbourne property was negotiated during the year. As a result the balance of the lease incentive has been fully amortised in the current year.

Payable - minimum lease payments

- Not more than 12 months	628,380	522,044
- Greater than 12 months but not later than 5 years	2,802,968	-
- Greater than 5 years	616,714	-
Total operating lease commitments	4,048,062	522,044
Net operating lease commitments	4,048,062	522,044

Contracts for services

- Not more than 12 months	1,666,072	688,630
- Greater than 12 months but not later than 5 years	1,101,698	-
Total Contracts for services commitments	2,767,770	688,630
Net Contracts for services commitments	2,767,770	688,630

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. BUDGETARY REPORTS AND EXPLANATIONS OF MAJOR VARIANCES

The following tables provide a comparison of the original budget as presented in the 2017-18 Portfolio Budget Statements (PBS) to the 2017-18 final outcome as presented in accordance with Australian Accounting Standards for AITSL. The Budget is not audited.

Statement of Comprehensive Income for the year ended 30 June 2018

	Budget estimate		
	Actual \$'000	Original \$'000	Variance \$'000
INCOME			
Government funding	13,092	11,861	1,231
Sales of services	2,448	1,202	1,246
Interest	51	70	(19)
Other revenue	100	104	(4)
TOTAL INCOME	15,691	13,237	2,454
EXPENSES			
Employee benefits	7,531	7,801	270
Suppliers	6,413	5,304	(1,109)
Depreciation and amortisation	142	132	(10)
TOTAL EXPENSES	14,086	13,237	(849)
Net surplus/(deficit) from ordinary activities	1,605	-	1,605
Total comprehensive income for the year attributable to members of the entity	1,605	-	1,605

NOTE 12. BUDGETARY REPORTS AND EXPLANATIONS OF MAJOR VARIANCES CONTINUED

Statement of Financial Position for the year ended 30 June 2018

	Budget estimate		
	Actual \$'000	Original \$'000	Variance \$'000

ASSETS

Current assets

Cash and cash equivalents	5,978	983	4,995
Held-to-maturity investments	1,336	1,316	20
Trade and other receivables	103	3,375	(3,272)
Other assets	94	-	94
Total current assets	7,511	5,674	1,837

Non-current assets

Furniture, equipment and cultural	793	792	1
Total non-current assets	793	792	1
TOTAL ASSETS	8,304	6,466	1,838

LIABILITIES

Payables

Supplier	942	500	(442)
Total current liabilities	942	500	(442)

Provision

Employee provisions	718	664	(54)
Other provisions	344	609	265
Total provisions	1,062	1,273	211
TOTAL LIABILITIES	2,004	1,773	(231)
NET ASSETS	6,300	4,693	1,607

EQUITY

Retained earnings	6,300	4,693	(1,607)
TOTAL EQUITY	6,300	4,693	(1,607)

NOTE 12. BUDGETARY REPORTS AND EXPLANATIONS OF MAJOR VARIANCES CONTINUED

Statement of Changes of Equity for the year ended 30 June 2018

	Retained earnings			Total equity		
	Actual	Budget estimate		Actual	Budget estimate	
	\$'000	Original \$'000	Variance \$'000	\$'000	Original \$'000	Variance \$'000

Opening balance

Balance carried forward from previous period	4,695	4,693	2	4,695	4,693	2
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Comprehensive income

Surplus for the period	1,605	-	1,605	1,605	-	1,605
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Total comprehensive income	1,605	-	1,605	1,605	-	1,605
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Closing balance as at 30 June	6,300	4,693	1,607	6,300	4,693	1,607
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Statement of Cash Flows for the year ended 30 June 2018

	Budget estimate		
	Actual \$'000	Original \$'000	Variance \$'000

CASH FLOW FROM OPERATING ACTIVITIES

Cash received

Government funding	14,401	13,098	1,303
Sales of services	2,581	1,222	1,359
Interest	51	70	(19)
Other	109	114	(5)
Total cash received	17,142	14,504	2,638

Cash used

Employees	(7,418)	(7,779)	361
Suppliers	(6,978)	(6,120)	(858)
Net GST paid to the Australian Taxation Office	(806)	(667)	(139)
Total cash used	(15,202)	(14,566)	(636)
Net cash from (used in) operating activities	1,940	(62)	2,002

NOTE 12. BUDGETARY REPORTS AND EXPLANATIONS OF MAJOR VARIANCES CONTINUED

Statement of Cash Flows for the year ended 30 June 2018 (Cont.)

	Budget estimate		
	Actual \$'000	Original \$'000	Variance \$'000

CASH FLOW FROM INVESTING ACTIVITIES

Cash (used) / from

Purchase of furniture and equipment	(177)	(150)	(27)
Sale (Purchase) of Held-to-maturity investments	(20)	-	(20)
Net cash (used in) investing activities	(197)	(150)	(47)
Net increase (decrease) in cash held	1,743	(212)	1,955
Cash at the beginning of the financial year	4,235	1,195	3,040
Cash at the end of the financial year	5,978	983	4,995

Explanation of major variances	Affected line items (and statement)
<p>Government funding</p> <p>The government funding was varied by agreement in February 2018. This variation resulted in a further \$1,231,000 being received in the 2017–2018 year.</p>	<p>Government funding, Administration and Program expenses (Statement of Comprehensive Income), Cash and cash equivalents (Statement of Financial Position), Government funding, Suppliers (Statement of Cash Flows).</p>
<p>Sales of services</p> <p>Subsequent to the preparation of the original budget the Education Council requested AITSL to implement the Australian Teacher Data Workforce Strategy. The contracted income in the 2017–2018 year was \$1,142,000. In addition, the income from the migration assessment service exceeded the original budget by \$100,000 due to the high number of applications received.</p>	<p>Sales of services, Administration and Program expenses (Statement of Comprehensive Income), Cash and cash equivalents (Statement of Financial Position), Sales of services, Suppliers (Statement of Cash Flows).</p>
<p>Employee benefits</p> <p>Employee benefits paid in the 2017–2018 year were less than the original budget. This has occurred as a result of planning undertaken when staff vacancies have occurred. Certain positions have been restructured within the organisation. Other positions remained vacant for a period through the planning process.</p>	<p>Employee benefits (Statement of Comprehensive Income), Employees (Statement of Cash Flows).</p>

Explanation of major variances	Affected line items (and statement)
Net surplus	
The original budget anticipated that the result for 2017–2018 would be break even. The additional government funded tasks and the new services contracted have resulted in not all of the AITSL work plans being completed in the current year. These services will be carried over and completed in the 2018-2019 year.	Net surplus (Statement of Comprehensive Income), Retained earnings (Statement of Financial Position), Surplus for the period (Statement of Changes in Equity), Net increase in cash held (Statement of Cash Flows).
Cash and cash equivalents	
The original budget assumed that the final funding instalment for the year would be received in the 2018-2019 year. The amount of \$3,262,000 was included in the budget as a debtor at year end. The instalment was received prior to the year end and was held in cash at year end. A similar situation occurred in the previous year and impacted the cash at the beginning of the financial year in this report. A number of supplier invoices were received late in the month of June and were not paid until July. In addition AITSL reported a surplus for the year resulting in a larger amount of funds being held in cash at year end.	Cash and cash equivalents, Trade and other receivables (Statement of Financial Position), Cash at the end of the financial year (Statement of Cash Flows).
Other provisions	
Since commencement of the lease for the Melbourne office premises, AITSL has amortised a lease incentive that was provided by the lessor. The lease was renegotiated during the year and the balance of the Provision for Lease Incentive of \$259,000 was fully amortised in the 2017–2018 year.	Other provisions, Retained earnings (Statement of Financial Position), Suppliers expense (Statement of Comprehensive Income).

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 outstandings and obligations of the entity. At 30 June 2018 the number of members was one.

NOTE 14. ENTITY DETAILS

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

CONSULTATION GROUPS

SCHOOL LEADERSHIP EXPERT STANDING COMMITTEE (SLESC)

AITSL established the School Leadership Expert Standing Committee (formerly the School Leader Quality Advisory Committee) in response to the changing governance arrangements of the AITSL Board.

The SLESC reviews and shapes initiatives, resources and support related to the school leadership agenda and the promotion of the Australian Professional Standard for Principals (the Standard), and provides advice to the Board.

The School Leadership Expert Standing Committee:

- ▶ ensures alignment of activities and stakeholder engagement associated with the school leadership agenda;
- ▶ provides advice and direction on issues relating to the promotion and promulgation of the standard;
- ▶ considers and advises on engagement strategies focussed on the Standard; and
- ▶ advises on and quality assures development of resources to support school leaders.

SLESC members:

Name	Organisation
Rob Nairn (Chair)	AITSL Board
	Australian Secondary Principals' Association
Dyonne Anderson	National Aboriginal and Torres Strait Islander Principals Association
Simon Breakspear	Learn Labs Global Pty Ltd
Christine Crowther (Observer)	Department of Education and Training (Australian)
Fiona Forbes	Australian Special Education Principals Association
Stephen Harris	Learning Innovations, Barcelona
Phil Lewis	Nazareth Catholic Community
Mary Oski	Catholic Education Melbourne
Sandra Robinson	Department of Education and Training, New South Wales
David Sacks	PwC Australia
Karen Spiller	Independent Schools Queensland
Dennis Yarrington	Australian Primary Principals' Association

TEACHER EDUCATION EXPERT STANDING COMMITTEE (TEESC)

The Teacher Education Expert Standing Committee 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.

The Teacher Education Expert Standing Committee:

- ▶ 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; and
- ▶ 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
John Hattie (Chair)	AITSL Board
Tom Alegounarias	NSW Education Standards Authority (NESA)
Greg Craven	Australian Catholic University
Stephen Dobson	School of Education, University of South Australia
Helen Huntly	CQ University
Terry Lawless	Wembley Primary School
Donna Pendergast	School of Education and Professional Studies, Griffith University
Kaye Price	Indigenous initial teacher education consultant
John Ryan	Queensland College of Teachers
Simone White	Faculty of Education, Queensland University of Technology
John Williamson	Department of Education, Swinburne University
	Faculty of Education, University of Tasmania
Tania Aspland	Faculty of Education and Arts, Australian Catholic University

TEACHING EXPERT STANDING COMMITTEE (TESC)

The Teaching Expert Standing Committee reviews and shapes initiatives, resources and support materials associated with the teaching quality agenda and the promotion of the Australian Professional Standards for Teachers (the Standards).

The Teacher Expert Standing Committee:

- ▶ provides advice and direction on issues relating to teaching quality and the promotion and promulgation of the Standards;
- ▶ ensures alignment of activities, stakeholder engagement and resourcing associated with teacher quality and the promotion and promulgation of the Standards; and
- ▶ advises on and quality assures the development of resources and materials to support teachers.

TESC members:

Name	Organisation
Geoffrey Newcombe (Chair)	AITSL Board Association of Independent Schools of New South Wales
David Axworthy	Department of Education, Western Australia
Christina Coogan	Kelvin Grove State College
Shane Frost	Department of Education, Tasmania
Susan Gazis	Australian Professional Teachers' Association
Valerie Gould	Association of Independent Schools of Western Australia
Jayne Johnston	Education Consultant
Coralie McAlister	Education and Training Directorate, Australian Capital Territory
Malcolm McInerney	Australian Alliance of Associations for Education
Catherine Moore (Observer)	Australian Government Department of Education and Training
Fiona Mueller	Australian Curriculum, Assessment and Reporting Authority
Megan Norrington	Humpty Doo Primary School
Natalie Polak	St John's College
Elina Raso	Catholic Education Office – Archdiocese of Melbourne
Judy Rose	Department of Education and Training, Victoria
Melanie Saba	Royal Australasian College of Medical Administrators
Matt Wadewitz	Lead Learn Consulting

TEACHING QUALIFICATIONS EXPERT STANDING COMMITTEE (TQESC)

The Teaching Qualifications Expert Standing Committee (TQESC) was established to advise the AITSL Board 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. TQESC seeks a national approach to skilled migration, while having regard to the responsibilities and requirements of the state and territory teacher regulatory authorities.

The Teaching Qualifications Expert Standing Committee 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; and
- ▶ 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
Melanie Saba (Chair)	AITSL Board
Peter Lind	Australasian Teacher Regulatory Authorities
Mary Mooney	Australian Council of Deans of Education
Lisa McGlyn	Australian Government Department of Education and Training
Rhonda Livingstone	Australian Children's Education and Care Quality Authority

PROFESSIONAL GROWTH NETWORK (PGN)

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

The purpose of the Network is to:

- ▶ share the latest research and thinking in performance and development and professional learning;
- ▶ partner to co-construct resources/tools to support implementation of the Australian Teacher Performance and Development Framework (P&D Framework) and enactment of the Australian Charter for the Professional Learning of Teachers and School Leaders (PL Charter);
- ▶ conduct research related to performance, development and professional learning;
- ▶ showcase practices in performance and development and professional learning in Australian schools; and
- ▶ contribute to the national professional growth agenda.

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.

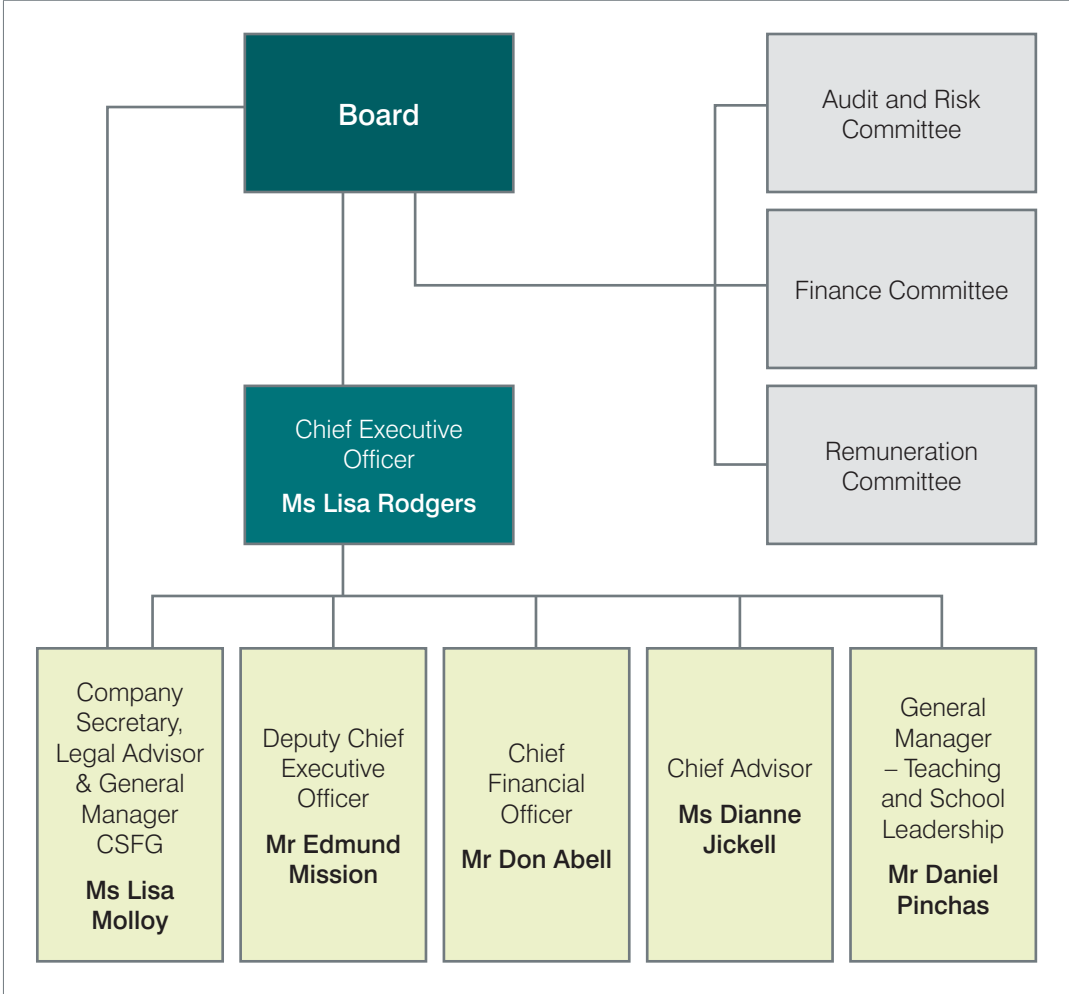
PGN members:

Name	Organisation
Mandy Anderson	Queensland Catholic Education Commission
Neil Barker	Department of Education and Training, Victoria
Patrick Barrett	Catholic Education Commission, New South Wales
Renee Berry	Education and Training Directorate, Australian Capital Territory
Jessie Bice	Independent Schools Council of Australia
Dominic Braybon	Catholic Education Archdiocese of Canberra and Goulburn
Darryl Buchanan	Association of Independent Schools, New South Wales
Donna Bucher	Catholic Education, Tasmania
Aderyn Chatterton	Department of Education, Northern Territory
Sharon Cheers	Association of Independent Schools, New South Wales
Stephanie Condon	Department of Education and Training, Victoria
Monica Conway	Catholic Education, South Australia
Nicola Davidson	Association of Independent Schools, Western Australia
Cath Dillon	Catholic Education Sandhurst
Debra Fisher	Department of Education, Tasmania
Maree Garrigan	Department of Education, Northern Territory
Ian Garrity	Association of Independent Schools of the Australian Capital Territory
Shane Glasson	Catholic Education, Western Australia

Name	Organisation
Peter Glendenning	Department of Education, Western Australia
Ron Gorman	Association of Independent Schools, Western Australia
Saskia Hobbs	Catholic Education, Tasmania
Chris Hodgson	Education and Training Directorate, Australian Capital Territory
Mary Hudson	Association of Independent Schools of South Australia
Sue Kennedy	Department of Education, Tasmania
Liz Latham	Catholic Education Commission, New South Wales
Chris Lennon	Catholic Education Melbourne
Jackie Macreadie	Independent Schools Victoria
Brett Manion	Department of Education, Tasmania
Neil McDonald	Queensland Education Leadership Institute
Anna McKenzie	ACT Teacher Quality Institute
Deb Merrett	Department for Education and Child Development, South Australia
Susan Miels	Department for Education and Child Development, South Australia
Karen Milkins-Hendry	Independent Schools Victoria
Michael Morgan	Department of Education, Western Australia
Bernadette Morriss	Catholic Education Office, Northern Territory
Kath Morwitch	Association of Independent Schools of the Australian Capital Territory
Mark Newham	Independent Schools, Queensland
Leanne Nixon	Department of Education and Training, Queensland
Maria Outtrim	Catholic Education Western Australia
Lee-Anne Perry	Queensland Catholic Education Commission
Catherine Moore	Australian Government Department of Education and Training
Terese Phillips	Independent Schools Tasmania
Mary Pickett	Association of Independent Schools of South Australia
Christopher Pollard	Catholic Education Office, Northern Territory
Ara Popowski	Independent Schools Tasmania
Sandra Robinson	New South Wales Department of Education
Cheryl Salter	Association of Independent Schools, Northern Territory
Lyn Smith	Catholic Education Archdiocese of Canberra and Goulburn
Janita Valentine	Department of Education and Training Queensland
Bruno Viecei	Catholic Education South Australia
Cynthia Wearne	New South Wales Department of Education
Jodee Wilson	Department of Education Tasmania
Josephine Wise	Independent Schools Queensland

APPENDICES

APPENDIX 1: AITSL ORGANISATIONAL STRUCTURE



APPENDIX 2: CONSULTANCIES AND FUNDING CONTRACTS

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

During 2017–2018, 48 new consultancy contracts were entered into involving total actual expenditure of \$1,528,770.64 (inclusive of GST). In addition, 19 ongoing consultancy contracts were active during 2017–2018, involving a total actual expenditure of \$667,950.78 (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	27
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	27
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	32
The annual report provides an outline of the organisational structure	28E(g)	Corporate Governance Statement Directors' Report Appendix 1: AITSL organisational structure	27 32 and 78
The annual report provides an outline of the location of major activities and facilities	28E(h)	Corporate Governance Statement	27
The annual report provides an outline of the main governance practices used during the period	28E(i)	Corporate Governance Statement	27

Subject	Rule	Location	Page
The decision-making process undertaken by the Board in relation to transactions with related entities	28E(j)	Corporate Governance Statement Financial Report (Note 9)	27 and 63
Number and aggregate value of related entity transactions	28E(k)	Corporate Governance Statement Financial Report (Note 9)	27 and 63
Any key activities and changes that affected the operations or structure of the organisation	28E(l)	Directors' Report	32
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 index of mandatory annual report requirements identifying where relevant information can be found in the annual report	28E(p)	Appendix 3: Summary of compliance	79

