



Grammarians have a strong sense of family and belonging. You are a Grammarian for life.

2018 Annual Report



The Rockhampton
Grammar School
Established 1881

Every opportunity. Every student. Every day.

BOARD OF TRUSTEES

Chairman:

B.V.R. BEASLEY, LLB (Hons)

Headmaster:

P.A. MOULDS, PhD, BEdSt(Hons), BSc, BMus, GradDipEd, MACEL, MACE, FAIM, GAICD

Secretary:

K.J. JOHNSON, BBus, CPA, MIML, GAICD



The Rockhampton
Grammar School

Established 1861

4 March 2019

The Honourable Grace Grace MP
Minister for Education and Minister for Industrial Relations
PO Box 15033
City East Qld 4002

Dear Minister

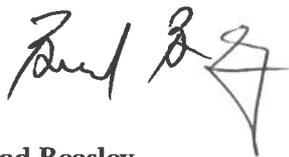
I am pleased to submit for presentation to the Parliament the Annual Report 2018 and Financial Statements for year ended 31 December 2018 for The Rockhampton Grammar School.

I certify that the report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*; and
- the detailed requirements set out in the *Annual Report Requirements for Queensland Government Agencies*.

A checklist outlining the Annual Reporting Requirements can be accessed at www.rgs.qld.edu.au.

Yours sincerely



Brad Beasley
Chairman

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Public Availability of the Annual Report

A copy of the annual report is available from:

Secretary to the Board of Trustees
The Rockhampton Grammar School
Archer Street
Rockhampton Qld 4700

Telephone 07 4936 0602, Facsimile 07 4922 1552

Email: kjohnson@rgs.qld.edu.au

www.rgs.qld.edu.au

The report can be downloaded from the School's website at: www.rgs.qld.edu.au/annual-reports

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Interpreter Services

The Rockhampton Grammar School is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding this report and require an interpreter to effectively communicate the report to you please contact:

Secretary to the Board of Trustees
The Rockhampton Grammar School
Archer Street
Rockhampton Qld 4700
Telephone 07 4936 0602 or email: kjohnson@rgs.qld.edu.au



Chairperson's Report 2018

2018 is a land mark year for Grammar's secondary education as we draw to the end of one format of student assessment and move to another.

Whilst the school has had a heavy concentration on its academic preparation this year, it is pleasing to report that all other areas both strategic and operational for Grammar have been successfully actioned throughout the course of the year.

OP's

Much has been said and written about the finalisation of this form of assessment which serviced secondary schools for over 30 years now.

We are confident that results to be achieved this year will be ongoing confirmation that Grammar continues to sit at the forefront of academic achievement, not only in central and regional Queensland but is comparable with its South East Queensland peers.

ATAR (Australian Tertiary Admission Ranking)

Grammar has proactively responded through course and student preparation in readiness for the introduction of this new assessment system due to commence in 2019. Last year the School established a curriculum and pedagogy cadre to oversee the introduction of ATAR'S.

This group has work tirelessly in 2018 to ensure full preparedness of our students and teachers for our new assessment system.

The Board of Trustees this year met on a quarterly basis with members of our Studies Directorate to ensure the Board is fully aware of the School's preparedness for 2019. We are confident that Grammar is in the best position it can be at the end of this year for what is going to be an exciting but nervous time when school recommences.

ASIAN ENGAGEMENT

Our engagement with educators in Asia continues to deepen and our contact base broaden so as to enable a two-way educational exchange with our Asian neighbours. Delegations have visited Grammar this year from China and Japan and similar visits have been made on our behalf to both of these countries including direct contact with certain schools and exchanges with the International group Round Square.

As the School has continually emphasised from the beginning of our journey down this path, the intention is to develop relationships to enhance our students understanding of the whole world by having foreign students form part of our cohort in each Year level from 7 to 12.

SCHOOL SURVEY

After a break from the previous form of survey through our school community up to 2015, this year a freshly formatted survey was forwarded to students, parents and teachers to provide ongoing feed-back of our performance.

The survey was conducted externally and completely independently of the Board and Management. At the time of writing this report we are awaiting collation and delivery of the summary of findings. We look forward to receiving this to enable us to enhance the experiences here at Grammar.

BOARDING

As a prelude to our whole of school survey, a review and survey of Grammar's boarding was conducted in Term 2 with a report being received in August of this year.

It is pleasing that the external and independent organisation who conducted the review reported in their executive summary and I quote "if we were to rate the programme it would certainly be amongst the best in Australia – an A class student programme".

However this is not to say there is not room for improvement and the Board and Management are actioning a number of recommendations suggested by our external reviewer this year, with further measures to come into effect next year.

LEADERSHIP INSTITUTE

As an initiative of our Headmaster Dr Moulds a programme is proposed to take effect in 2019 for the establishment of The Rockhampton Grammar School Leadership Institute. The purpose of this Institute is to align our needs and purposes with that of society by developing a consistency of thinking and message throughout the entire school in areas such as student leadership, education leadership and staff leadership.

The Institute will concentrate on developing whole of organisation leadership behaviours, rather than isolated to a specific person or group.

This is an excellent initiative brought to us by Dr Moulds and is an indication of the growth and maturity the School has experienced under his leadership.

In addition, this programme falls squarely within our strategic plan to launch and implement Grammar's approach to better education.

SCHOOL PERFORMANCE

It is pleasing to report that Grammar has performed strongly in all areas throughout 2018. Our academic results continue to improve across a range of assessments which confirm we are well above State and National benchmarks.

These results are in no small part due to the tremendous people who work here at Grammar and it is pleasing to see that the culture of learning is becoming more entrenched in the School.

Our finances continue to be within the appropriate benchmarks and the School maintains its sound financial position. Unfortunately Central Queensland has been gripped by drought and our thoughts are with the entire rural community and of course our Grammar families who are feeling the effects. Unless the drought breaks over this forthcoming season our economy will be showing greater effects from the lack of rain.

Whilst there is no current building programme in place the School has upgraded a number of its facilities and continues its equipment maintenance to ensure that our infrastructure is at the highest possible standard and commensurate with our offerings.

THANK YOU

To all of our staff members our sincere thanks for another year of dedicated service to our students and parents. It is a delight to be associated with such a group of hard working and caring people.

To Dr Moulds and his executive, again congratulations on a year of high performance and good management.

To our students and parents our grateful thanks for your ongoing enthusiasm, willingness to learn, ability to fit in and making Grammar the great place that it is. It has regularly been said that whilst bricks and mortar are the foundation of the School, it is in fact our people who become the fabric of the School and what makes it a special place.

BOARD OF TRUSTEES

I also thank my fellow board members for all their assistance and guidance throughout the year and in particular I welcome Ms Regina Connell to the Board as a Trustee with her appointment taking effect from 6 September 2018. I am sure Regina will bring new ideas and a watchful set of eyes to our Board table and on behalf of the other Trustees we look forward to working with her over the years to come.

2019

As prefaced at the beginning of this report 2019 brings with it a new frontier with the introduction of ATAR courses in Year 11. We are excited to now get into the new form of assessment and but are also looking forward to receiving the results this time next year for the last OP cohort.

The Rockhampton Grammar School At A Glance

The Rockhampton Grammar School was founded in 1881 and is one of the eight schools in Queensland governed by the *Grammar Schools Act 2016*.

The Rockhampton Grammar School is an independent non-denominational co-educational day and boarding school, educating and caring for students from Prep to Year 12, as well as the Early Learning Years. Boarding students are enrolled from Years 7 to 12. Enrolments are mostly drawn from Rockhampton and the Central Queensland region, but also further afield. The School is the largest independent boarding school in Queensland and the second largest co-educational boarding school in Australia. It is a leading school in regional Queensland and one of the foremost schools in regional Australia.

The School's principal place of business is in Archer Street, Rockhampton, where Primary and Secondary campuses and boarding accommodation are located. The School also operates an Outdoor Education Facility, "Ritamada", at Emu Park on the Capricorn Coast. It has a small farm at Port Curtis on the southern outskirts of Rockhampton, and Belmont Station on the northern outskirts of Rockhampton for cattle work.

At the date of the 2018 State census in February 2018 the total enrolment was 1,335 students, of whom 314 were boarders. Primary school enrolment was 428 from the Preparatory year to Year 6, and secondary enrolment, Year 7 to Year 12, at census date was 907.

Primary education was reintroduced to RGS in 1990, Prep was introduced in 2005 and The Rockhampton Grammar School Early Learning Centre opened in 2007. The School offers an affordable education, quality teaching and boarding facilities, and a nurturing environment.

The Rockhampton Grammar School is a proud member of Round Square, a worldwide association of schools promoting six ideals of learning: internationalism, democracy, environment, adventure, leadership and service. RGS teachers and students have numerous opportunities each year to participate in international community service projects and leadership programmes through Round Square and RGS activities.

The School operates a 138-place Early Learning Centre in Reservoir Street in close proximity to the main campus.

There is also a rowing facility, comprising club rooms and a training gymnasium, on the Fitzroy River adjacent to the rowing course. A further sports facility was acquired during 2016, predominantly for the sport of rugby.

School Mission Statement

Our Ambition

The Rockhampton Grammar School aspires to be a centre of excellence in education. The School is committed to:

- preparing students for constant change and innovation
- resilience and welfare
- providing opportunities for students to achieve success
- providing outstanding teaching and learning opportunities for students and staff
- strengthening its partnerships locally, nationally and internationally
- providing an environment where all feel safe and secure and can thrive
- developing students' moral and ethical character and the values of the School
- challenging students to find meaning and value in their lives

Our Purpose

The School provides a disciplined, stimulating and innovative learning environment to inspire our students to become successful lifelong learners, responsible local and global citizens, and men and women who are resilient and of strong ethical and moral character. We promote high standards of scholarship and character development with all members of the School community to pursue personal excellence in their intellectual, physical, creative and emotional development.

Our Values

- **Compassion** – care and kindness for self and others
- **Endeavour and initiative** – seek to perform at your best in everything you undertake individually and collectively
- **Respect** – treat others with consideration, regard and kindness
- **Honesty and Trustworthiness** – be honest, sincere and able to be trusted
- **Responsibility** – be accountable for and in charge of your own actions
- **Integrity** – act in accordance with principles of moral and ethical conduct, and ensure consistency between words and actions
- **Democracy** – appreciate the rights and privileges of citizenship, commitment to the pursuit of the common good, and standing up and helping others
- **Community** – be aware, inclusive and tolerant of others, accept diversity and provide service

Our Commitment

Every Opportunity, Every Student, Every Day

Governance

Legislative Basis

The Board of Trustees of the Rockhampton Grammar School operates under the *Grammar Schools Act 2016* and the *Grammar Schools Regulation 2016*, and is a Statutory Body within the meaning given in the *Financial Accountability Act 2009*. The School is subject to annual audit by the Queensland Audit Office.

The *Grammar Schools Act 2016* came into effect on 1 January 2017 and replaced the *Grammar Schools Act 1975* with modern legislation that aims to meet the contemporary needs of the school. The *Grammar Schools Act 2016* provides for the establishment and regulation of the school including the constitution of the board of trustees and the functions of the board. The *Grammar Schools Act 2016* did not alter the status or functions of the Board of Trustees or the Board's responsibility for the governance of the school.

Minister Responsible for Administration of Legislation

The Minister for Education and Minister for Industrial Relations is responsible for the administration of the *Grammar Schools Act 2016 (the Act)*.

Functions and Powers of the Board

The Board of Trustees of The Rockhampton Grammar School is a statutory body under:

- (a) the *Financial Accountability Act 2009*; and
- (b) the *Statutory Bodies Financial Arrangements Act 1982*.

The *Statutory Bodies Financial Arrangements Act 1982*, part 2B explains how that Act affects a Board's powers.

The functions of the Board of Trustees are specified in Section 11 of the *Grammar Schools Act 2016* as follows:

- (a) to supervise, maintain and control the operations of the board's school;
- (b) to erect, alter, add to, purchase or sell buildings used or to be used for the board's school;
- (c) to effect general improvements to the premises used or to be used for the board's school;
- (d) to provide an educational program for the board's school;
- (e) to make policies and procedures about –
 - (i) fees and charges to be paid in relation to students enrolled or to be enrolled at the board's school; and
 - (ii) the discipline and conduct of students enrolled at the board's school; and
 - (iii) the management and control of the School; and
 - (iv) the matters mentioned in paragraphs (a) to (d).
- (f) any other function given to the board under this Act or another Act.

The general powers of the Board of Trustees are set out in the Act and include the power to:

- (a) enter into financial arrangements (Section 12); and
- (b) make by-laws about elections under this Act, and about the conduct of its business (Section 13); and
- (c) establish trust funds (Section 25); and
- (d) establish investment common funds (Section 26); and
- (e) employ staff (Section 28).

Governing Body

Board of Trustees

The Board of Trustees of The Rockhampton Grammar School was constituted on 4 October 1878. The Board consists of at least seven but no more than nine members appointed by the Governor in Council for four years of whom:

- (a) four are persons nominated by the Minister
- (b) three are persons who have donated or subscribed at least the electoral eligibility amount to the School as prescribed by the Act
- (c) up to two additional members are chosen by the Board and nominated by the Minister.

The Governor in Council appointed the current Board for a term of four years from 6 September 2018 to 5 September 2022.

Ministerial Nominees

Emeritus Professor D.J. Clayton, MAppSci, BAppSci, GradDipSciEd

Mrs R.E. Connell, Dip Teach, Bed, GradDipCom, MBA

Dr V. Di Milia, PhD, MEdSt, BA (Hons), DipTeach, ANZAMM

Dr J. South, PhD, BSc(Hons)

Elected Members

Mr B.V.R. Beasley, (Chairperson) LLB(Hons), JP

Mr M.J. Birkbeck, (Deputy Chairperson) BBus(Acct), FCPA, JP

Mrs J.M. Volck, BAg Econ (UNE)

Board of Trustees of The Rockhampton Grammar School					
Act or instrument	Grammar Schools Act 2016				
Functions	The Board's functions are to supervise, maintain and control the operations of the board's school; to provide an education program; to make policies and procedures; to provide premises to be used for the school.				
Achievements	RGS students in 2017 achieved impressive academic results, in both OP scores and VET qualifications. Students also found significant success in the co-curricular domain in 2017. The School strengthened its engagement in global education,				
Financial reporting	As a Statutory Authority of the Queensland Government the School's financial accounts are subject to audit by the Queensland Audit Office. The School's financial year is from 1 January to 31 December.				
Remuneration					
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Brad Beasley	10	Nil	Nil	Nil
Deputy Chair	Mark Birkbeck	9	Nil	Nil	Nil

Trustee	Debbie Clayton	9	Nil	Nil	Nil
Trustee	Lee Di Milia	7	Nil	Nil	Nil
Trustee	Jill South	9	Nil	Nil	Nil
Trustee	Josie Volck	8	Nil	Nil	Nil
Trustee	Kaye Wilson (resigned during 2018)	2 (eligible to attend 2 meetings)	Nil	Nil	Nil
No. scheduled meetings/sessions	The Board met formally on 10 occasions during 2018.				
Total out of pocket expenses	Out of pocket expenses incurred during 2018 was \$7,764.34.				

Members of the Board perform their duties on a part-time basis for no remuneration.

Committees of the Board

The Board of Trustees of the Rockhampton Grammar School was supported by two sub committees throughout 2018.

The **Capital Resources Committee** is a sub-committee of the Board and is chaired by Dr Jill South. Mr Mark Birkbeck is another nominated member of the committee, however all Trustees are welcome to attend committee meetings. The committee is responsible to the Board for the capital development and maintenance of the School's built environment. The committee meets most months two weeks prior to meetings of the Board.

In 2018 the Capital Resources Committee oversaw the following major projects:

- Completion of Stages 2 and 3 Paving Replacements.
- Completion of Stage 1 upgrade to Automatic Fire Detection systems.
- Audit of sanitary facilities (toilets and showers) of the main campus.
- Rugby Park Development Plan.
- Completion of Beasley Centre Kindergarten Unit.

The **Finance and Risk Committee** is a sub-committee of the Board and is chaired by Mr Mark Birkbeck. Dr Jill South and Mrs Josie Volck are the other members of the committee, however all Trustees are welcome to attend committee meetings. The committee is responsible to the Board for oversight of the School's financial results and external audit, and risk management. The committee meets most months of the year or as required to monitor financial progress and to examine the final statements of account before they are signed off for external audit, and to consider the risk domain.

In 2018 the Finance and Risk Committee oversaw the following major activities:

- Regular review of the School's Risk Profile and relevant controls and treatments in place to manage and mitigate risk.
- Review of significant service contracts.
- Oversight of debt collection.
- Review and updating of policies and procedures.
- Overview of the School's financial position.

Trustee members of these committees do not receive any remuneration.

An Internal Audit Committee has not been established owing to the size and nature of the School, and the oversight of the finance function provided by the Finance and Risk Committee.

Risk Management

The Board of Trustees considers that the risks identified and the actions required to manage and mitigate these risks should be a matter for the whole Board and therefore Risk Management is a permanent item on Board agendas.

The Risk Management Strategy document allows the School to continue to develop a robust risk management framework and clearly demonstrate that it has proactive management practices in place to ensure that risks are identified, managed, monitored and reviewed.

The School continues to review and update the policies that underpin the risk management strategy. These efforts focus on student and staff welfare, financial health, governance issues, regulatory and legal issues, information technology systems and stakeholder interests.

Associated Bodies

The Board does not operate any controlled, associated or trustee bodies.

External Scrutiny

As a Statutory Authority of the Queensland Government the School's financial accounts are subject to audit by the Queensland Audit Office. The School's financial year is a calendar year and there are no material issues outstanding from the 2017 audit.

On 16 May 2018, the QAO report titled 'Education: 2016–17 results of financial audits (Report 15: 2017–18)' was tabled in the Queensland legislative assembly.

This report summarises the results of QAO financial audits of:

- the seven Queensland public universities and their controlled entities,
- the eight Queensland grammar schools, and
- a small number of other education-specific entities with a financial year end of 31 December.

The report provides an overview of finances at 31 December 2017 and of the financial accounting issues that arose during the audits. The School has acted on the feedback and recommendations made within the report.

Operating Environment

The most significant risk and challenges for The Rockhampton Grammar School are centred around receiving adequate and timely Government funding and student enrolments, as would be the case for other independent schools in Queensland. Student enrolments can present a particular challenge in difficult economic times as the School's boarding and day community can be impacted by natural disasters and resource sector fluctuations. The School's Strategic Plan considers these risks, listing critical projects and associated actions developed to ensure successful completion of those projects. Further, the Strategic Plan also addresses opportunities to be pursued by the School, such as the engagement with international education.

Other factors that impact the School include the socio-economic characteristics of the region and population statistics, namely the growth or decline in school-aged residents.

Review of Critical Projects

Each year the School's progress on achieving the objectives set out in the Strategic Plan occurs twice. In March, the School's progress on the Critical Projects for the year is reviewed, with a full review on the progress for the Critical Projects and Critical Success Factors occurring in August or September.

Critical Projects for 2018

In 2017 the Board and the School Executive set out the following as Critical Projects for 2018:

1. Proactively respond through course and student preparation to Queensland's new Senior Assessment and Tertiary Entrance system due for implementation in 2019 and regularly update the School community.
2. Deliberately pursue strategies to enhance the School's engagement with Asia in general, with a specific focus on engagement with Japan and China.
3. Conduct a review of the School's Boarding practices, processes and procedures and establish a Boarding Developmental Plan.
4. Launch and begin to implement The Rockhampton Grammar School's approach to Positive Education.
5. Deliberately pursue the development and use of the capabilities provided to the School through the TASS Administration System.
6. Formulate and engage in actions that places The Rockhampton Grammar School as the educational leader that is responding to issues of standards and performances of the education sector in the Central Queensland region, Queensland and nationally.

Review of Critical Project Outcomes

- 1. Proactively respond through course and student preparation to Queensland's new Senior Assessment and Tertiary Entrance system due for implementation in 2019 and regularly update the School community.**

In response to the Australian Council for Educational Research (ACER) Report published in late 2014, which reviewed Queensland's OP system, the Queensland Minister for Education at the time,

the Honourable Kate Jones MP, announced on 25 August 2015 that a new Senior Assessment and Tertiary Entrance system would be introduced in Queensland. The inclusion of external assessment and the issuing of an Australian Tertiary Admissions Rank (ATAR), to bring Queensland in line with other states and territories, was part of this announcement.

Given the change to assessment this was a historic event for Queensland. Since this announcement, the School has actively sought to keep abreast of changes and ensure all stakeholders are regularly updated on key decisions and developments in relation to the new system. This system will deliver the most significant changes to senior schooling in Queensland in more than forty years.

Under the new system all General subjects (those that will contribute to an ATAR) are based on the learning taxonomy developed by Robert Marzano and John Kendall. This taxonomy describes the levels of cognitive processing involved in learning and separates various types of knowledge from the mental processes that operate on them. Marzano and Kendall organise knowledge into three domains: information, mental procedures and psychomotor procedures.

The School's Curriculum and Pedagogy Cadre met regularly during the year to discuss, review and analyse relevant information in order to prepare and update Rockhampton Grammar School students, staff, parents and all other relevant stakeholders. The Cadre's purpose is to provide advice to the Headmaster on the School's academic planning, activities, policies and procedures related to changes in senior assessment as proposed by the Queensland State Government. To capitalise on staff expertise, several meetings were attended by other relevant personnel.

Mid-2018 two members of the RGS teaching staff visited several Western Australian schools. The purpose of their visit was twofold; investigate STEM curriculum offerings and further explore an external examination system. Given WA has recently implemented such a system it was determined that RGS could benefit from meeting with school leaders and teachers at these schools. This study tour built on the visits to several Victorian schools in 2017.

The School considers that professional development is vital in ensuring the School is as well prepared as possible for the upcoming system. All secondary teaching staff undertook a range of professional development activities specifically targeted to their subject areas and the new system.

The Teacher Reference Manual was developed by the School, and launched to primary and secondary teaching staff of The Rockhampton Grammar School in 2018. The Manual's primary purpose is to assist teachers in understanding the theory and pedagogy underpinning the new QCAA syllabus documents, for application in their classrooms.

The School's critical friend visited on several occasions throughout 2018. As part of his involvement with planning for the QCE/SATE system, he visited a number of classrooms, met with core and elective Heads of Department, Studies Directorate and Cadre representatives, teachers, parents and students. His involvement has facilitated valuable discussion and he provides a sounding board for ideas and proposed direction.

To ensure the wider School community are well informed in relation to the new QCE/SATE system, several articles were published during 2018 in the RGS Quarterly Magazine (Term 1 – '*Transforming Senior Schooling*' and Term 2 – '*Amplify your learning*'), as well as regular pieces in the School's fortnightly newsletter. Communication with parents and the wider school community will continue.

2. Deliberately pursue strategies to enhance the School's engagement with Asia in general, with a specific focus on engagement with Japan and China.

Asia Engagement has continued to progress in 2018. This progress includes:

- Continuation of a partnership with Grok Global.

- A visit to China by the Headmaster and the Director of Communications and Development for the 2018 (March) AEAS student expos in Shanghai, Beijing and Hong Kong. During the visit, RGS made personal visits to existing agents and potential new contacts.
- A visit to the School by a delegation (4 students and 2 teachers) from YK Pao International School in China. YK Pao is one of two RGS sister schools in China and the delegation spent two weeks at RGS. The School also was visited by a student from Ningbo International School, the other RGS sister school in China.
- A visit to RGS by the Head of the Upper School and International Director from Tamagawa Academy in Japan. The Headmaster visited Tamagawa during his visit to China and Japan. Additionally, discussions were held regarding Round Square exchanges. The School has also been visited by representatives from Toyo High School and Global Reach (representing the Waseda University group of schools).
- Enrolment of Chinese national students who commenced at the School in during 2018.
- Continued development of online and social media presence in China, along with marketing materials in Traditional Chinese.
- The enrolment and attendance at the School of two students from Sugamo Academy in Japan for Term 1, two students from Toyo High School in Japan for Term 3, 16 students from Sugamo from Japan for 3 weeks in Term 3, and a student from the Waseda School in Japan for 3 weeks. These students attended on a fee for service basis.
- Participation in a second Trade Mission to Japan. This was attended by the Director of Communications and Development and Director of Teaching and Learning.
- Further development of support processes for international students at RGS including ESL and a dedicated staff member for international and indigenous student support.
- Engagement with the Rockhampton Regional Council (RRC) as a part of the Study Rockhampton Cluster. This includes contributing to research that has been commission by RRC, playing a significant role in Agent and International Delegation tours of Rockhampton, and providing feedback on current RGS progress.
- The Headmaster attended the YK Pao Global Education Forum in March 2018. The attendance occurred as the result of an invitation from YK Pao (RGS Sister School) with the Headmaster involved in a panel discussion on the first day and subsequently presenting two workshops on the second day.
- Formation of a “critical friend” partnerships.
- The RGS Virtual Tour was produced with Japanese and Simplified Chinese subtitles and has been distributed/made available to international agents.

3. Conduct a review of the School’s Boarding practices, processes and procedures and establish a Boarding Development Plan.

Throughout 2018 the following review processes were conducted:

- Survey of Boarders.
- Boarder Parents’ Forum.
- In-person 3-day visit and review by Australian Boarding Schools Association (ABSA) Executive Director Richard Stokes and General Manager Thomas Dunsmore.

Further review processes are continuing:

- Response by Director of Boarding to the Australian Boarding Schools Association Executive Director Richard Stokes’ review report.
- Response by Boarding Heads of Year to key issues raised by boarders in their respective cohorts.
- Boarder Parents specific section within a school survey.
- Biennial Boarder Parents Survey.
- Selection of a boarding management system.

Additionally, the School is yet to commence review processes in relation to boarding staff feedback and ABSA Standards Self-Assessment.

The results of these review processes are forming the foundation of the Boarding Development Plan 2019.

4. Launch and begin to implement The Rockhampton Grammar School's approach to Positive Education.

- During first term, Mrs Alison Wright, Assistant Head of Senior School - Positive Education, held an initial meeting with the School Psychologist Mrs Rosemary Akers, Head of Boys Boarding Mr Brendan Handley, and the Deputy Headmaster Mr Arthur Kelly, to formally begin the process of developing and establishing a Positive Education Program at RGS.
- An audit of the current Pastoral Care programme from Years 7 to 12 was conducted, the purpose of which was to map or identify what is currently covered in our Pastoral Care Programme, identifying what we currently do well, what we need to include to enhance our current programme, to identify areas of unnecessary overlap or repetition, identify areas that require reinforcement or repetition, and importantly determine any areas of weakness. The initial focus has been on the secondary school.
- The ongoing development of The RGS model for Positive Education, when finalised, will clearly outline the 6 domains (positive purpose, positive emotions, positive engagement, positive relationships, positive accomplishment, and positive health) of Positive Education and their respective icons.
- The ongoing development of a handbook, outlining Positive Education at RGS which will briefly but succinctly, define RGS's 6 domains. The vision for this handbook is for it to be included on the RGS website for students, parents and the community to see what Positive Education is at RGS.
- A Staff Wellbeing survey was conducted during the year. The PERMAH Wellbeing Survey, the psychological equivalent of a 'Fitbit', is designed to help people set, measure and celebrate their wellbeing goals. The survey, completed anonymously, allowed staff to measure their current wellbeing, set realistic wellbeing goals and create a wellbeing plan. The survey was not compulsory. The uptake was pleasing, with staff responses being very positive due to the simple, informative, personal plans that were produced. The idea behind completing the survey was to give staff a platform from which to grow and a base for the professional development on the student free days in Term 3.
- A professional development programme, Understanding and Managing Teacher Stress, was facilitated by the Institute of Positive Education from Geelong Grammar School for all teaching staff on the August student free day.
- Mrs Wright attended the Institute of Positive Education conference in Brisbane in February and the Annual Positive School's Conference with Mrs Akers in June. Assistant Head of Middle School Mr Crossland also attended a three day Discovery of Positive Education Course in October.
- School TV is a world first wellbeing platform with Dr Michael Carr-Gregg. It addresses the modern day realities faced by schools and parents who increasingly need clear, relevant and fact-based information around raising safe, happy and resilient young people. RGS is pleased to provide access to School TV for parents.
- The School Psychologist Mrs Akers provided training to Primary and Year 7 Staff in the use of Brain Breaks; mental breaks designed to help students, and staff, stay focused or refocus. Primary and ELC staff and students have been trained in the use of Mindfulness; the process of bringing one's attention to experiences occurring in the present moment activities.
- A range of resources have been acquired to support and promote Positive Education at RGS.

5. Deliberately pursue the development and use of the capabilities provided to the School through the TASS Administration System.

Through 2018 a strong focus was maintained on the development and use of TASS to maximise the benefits the School can extract from this system.

The following functions have been newly implemented and utilised:

- Addresses and Communication Rules – enabling more flexibility in recording of complicated family structures, student connections, and contact points with parents/guardians.
- Purchase Requisitions and Purchase Orders – enabling electronic creation, approval and submission of purchase orders.
- Student reporting on Co-Curricular Participation and Achievements.
- Emailing of fee accounts, email and SMS reminders for accounts, and improved use of the accounts module for recording of communications.
- Student self-registration (monitored by staff) for attendance records.
- Electronic roll-call recording in TASS.
- Introduction of TASS attendance module to the Primary School.
- Other minor improvements in processes and better utilisation of modules already in use.

The following functions are under review:

- Calendar.
- Tours and Excursions – planning, permissions, record keeping.
- Student medical data – parent-led input and maintenance of data, reporting to support duty of care during particularly off-campus events.
- Academic reporting formats for new Senior School assessment (ATAR).

As new functions are implemented or enhanced, “How To” guides are being created/updated to ensure staff have a ready access point to guide them in the use of the functions.

6. Formulate and engage in actions that places The Rockhampton Grammar School as the educational leader that is responding to issues of standards and performances of the education sector in the Central Queensland region, Queensland and nationally.

Much background work has been conducted on this project, although some tangible outcomes remain to be achieved in the future. Actions engaged in include:

- The Headmaster being appointed to the Board of Independent Schools Queensland for four years, as well as the Chair of the Education Subcommittee.
- Considerable time, effort and energy being spent on the pursuit of excellent academic performance at RGS under the current and new systems.
- Presentation at a Global Education conference being hosted by YK Pao by the Headmaster regarding student, staff and community leadership development.
- Attendance by the Board Chairman and Headmaster at the AHISA/ISCA Forum in Canberra in August 2018.

Critical Projects for 2019

The School has identified the following projects as the critical projects for 2019:

- Effectively implement processes associated with the new Queensland Certificate of Education (QCE), and Senior Assessment and Tertiary Entrance (SATE) system as well as ensuring regular and informative communication is provided to all RGS stakeholders.
- Conduct and successfully complete the next Enterprise Agreement Process.
- Deliberately pursue strategies to enhance the School’s international engagement.
- Conduct a review and implement recommendations for change of the School’s child welfare practices, processes and procedures, including safeguarding children, dealing with behavioural issues and avenues to report bullying.

- Effectively implement responses to the Boarding Review conducted in 2018 in the areas of facilities, boarding management system, boarding development plan and further enhancement of the culture and climate of boarding.
- Engage with staff, students and parents and conduct research to inform the future direction of the use of laptops and other mobile devices at The Rockhampton Grammar School.

Headmaster's Report 2018

The importance of stories to give people and cultures a sense of continuance and relevance is well known, but perhaps at RGS – where stories begin from the very first learning programmes in the Early Learning Centre and where people and their relationships are so pivotal to success – stories become integral to understanding and heritage. The purpose of my report is to explore with you some of the stories of 2018, to perpetuate a deep understanding of our school and reinforce the values held so dearly by the community.

In 1914, Dr Hay, the second Chairman of the Board of Trustees recalled how the School Motto was established.

True education aims first at making the man, and after that the scholar. In my boyhood the motto on the coat of arms of a noble family arrested my attention. This motto was macte virtute, "grow in manliness". It needed only the addition of the words "et litteris" to cover the field and the method of all true education.

While it is not clear why Dr Hay affixed the male translation to the motto, a more meaningful translation is "Grow in Character and Scholarship". The motto is beautiful in its simplicity. It is inspiring in its alignment to the School's commitment for 138 years to encourage every student at the School to seek to do their best in all that they undertake. This I believe has been the story for 2018.

The benchmarked academic results from the past twelve months reflect the excellent efforts of our students and their teachers. There were some very rewarding outcomes in our 2018 NAPLAN results and our OP results compared very favourably with past performances. The results achieved by the 2017 senior group, the fact that 99% of students achieved their Queensland Certificate of Education, and the ranking of The Rockhampton Grammar School in the Top 50 of the State and clearly as the best performed School in Central Queensland by a large margin, are simple and powerful representations of our students' efforts and the School's investment in their academic development and growth. Further measure of the quality of the outcomes is demonstrated by 97% of RGS graduates participating in education, training or employment six months after leaving school with many gaining University places in the most sought after courses nationally. Additionally, our vocational education students have been very keenly sought after for apprenticeships and employment opportunities.

These achievements in the learning outcomes of our students do not happen by chance, but through the professional, enthusiastic and effective practices of our teachers. Just as with our students, learning in the classroom is part and parcel of how our teachers strive constantly for improvement and engage in development. A great example of this, and of the attitude we all need to have to learning, has been the approach that all staff have taken to preparation for the change to the ATAR system starting with Year 11 in 2019. It has been a delight to work and to share in the passion and enthusiasm our teachers have for their students and the School, and the thoughtful and dedicated way they have approached this significant change. For example, in 2018 RGS teachers have been involved with leading the change throughout the State as writers, presenters and critical friends for QCAA, preparation of units and assessment for teaching Year 11 in 2019, development of resources such as a new student companion, and engagement in a wide range of professional development activities.

Judged by any set of criteria, this has been a wonderful year for the co-curricular programme. Outstanding team performances this year have included: Gold, Silver and Bronze medals at the Queensland Secondary Schools Rowing Championships across all year levels; Silver Medallist at the National Secondary Schools Championships in Sport Aerobics; Queensland Country Boys Champions in Tennis; Ballymore Cup Runners up in Opens and Champions in U16 for Rugby Union; First VII Magic were RNA Premiers in Netball and 9A Storm were Schoolgirls and Rockhampton Vicki Wilson Shield Champions; Rockhampton District Champions in First XI Cricket; Rockhampton Champions in Waterpolo, Rockhampton Champions in First XIII Rugby League. Our students also came together to be awarded Rockhampton and District Secondary Schools Premiership Teams in all three District Carnivals: Swimming; Athletics; and Cross Country.

Additionally, students from RGS have been selected for state and national teams in a wide range of sports and cultural activities including rowing, touch football, softball, cricket, tennis, hockey, waterpolo, trampoline, gymnastics, camp drafting, powerlifting, squash, athletics, swimming, equestrian, surf lifesaving, music performance and composition, dance, cadets, motocross and wakeboarding. The depth and breadth of such

achievements by the teams and individuals of the School are to me astounding, and marks the co-curricular programme as a special and unique part of an education at RGS.

There have been great achievements in the cultural life of the School. One highlight was the magnificent Music Festival, with the programme providing a wide range of musical styles, ensembles and individual performances. We were transported back in time to when I was a student with the Senior Musical performance of *Strictly Ballroom*, and explored the story of *Madagascar* in the Primary School Musical, with compelling performances from the casts which included students from the Primary, Middle and Senior Schools. The School's Art exhibitions in the foyer of the Islay Lee Learning Centre showcased the tremendous creativity of Grammar students who exhibited works in a range of mediums including paint, photography, ceramics and electronic mediums. Our Drama students also engaged our thoughts and minds across the year with a range of performances.

There have been important developments in the pastoral care area in 2018. For example, the School has commenced seeking accreditation from the Safeguarding Children Program. The first school in Queensland to do so. The Safeguarding Children Program will support, audit and accredit the School in an ongoing way to:

- enhance and maintain a collective culture that promotes the safety of children and young people;
- review, design and execute specific policies and procedures to protect children and young people;
- provide relevant training to management, staff and volunteers;
- engage the involvement of children, young people and their parents/carers in safeguarding practices;
- implement a consistent set of endorsed operational standards at every level; and,
- respond effectively to situations in which a child is abused or exploited by an individual involved in the management or delivery of a service or activity.

The implementation of this programme will ensure that RGS is responding to and implementing the Royal Commission's Child Safe Standards.

Additionally, while continuing to recognise the learning and social benefits of the new Information and Communication Technologies, the School is deliberately pursuing the provision of technical and ethical education to enhance responsible and safe student online behaviour. Significantly, 2018 has seen the launch of two editions of Digital Parenting that provides insights, information and provides a powerful pathway for the School and families to work in this space together. Thank you to all the teachers of the School and the students whose daily interactions model and promote the positive and caring climate of RGS.

Grow in Character does not only apply to individuals, but also to Schools. Great schools pursue a role beyond their own fences into the wider community; to not only develop within their own students a desire to serve a higher purpose than themselves, but also to demonstrate the value of education locally, nationally and internationally. Evidence of the School's commitment and achievement in this arena can be found in the community service initiatives, the global education programme and 1881 Endowment outcomes.

Students from The Rockhampton Grammar School really shine in the area of community service. In 2018, the young women and men of RGS supported Carrie's Beanies for Brain Cancer in support of a friend who had cancer; students completed humanitarian work related to Vietnam and Tanzania; they made clothing to support people who are underprivileged; they also worked to support aged care in Rockhampton – students do so much service in the name of others, from drought relief to Red Shield door knocking. From the Early Learning Centre to Year 12. Not because they have to. Not because they are pushed and compelled to. But because they want to. The boarders this year wanted to do something about bullying so they supported Dolly's Dream through providing support at a rodeo in Springsure, whilst other form classes adopted Dolly's Dream as their form charity; students wanted to help protect coastal waterways so they contributed to the School's Reef Guardians programme and have made four trips to the reef this year conducting research that universities will use. These are important activities and reflect the students' character, the influence of parents and families, the School's approach to learning, the commitment from staff and the partnerships that form between and among us as our students grow and develop. I mentioned earlier that the motto was beautiful in its simplicity. It is also beautifully realised in these types of examples.

Developing global competence is vital for students to be successful in a rapidly changing world. In a context where global society has much to gain from openness and connectivity, and much to lose from inequalities and radicalism, students need not only the skills to be competitive and ready for a new world of work, but more importantly they also need to develop the capacity to analyse and understand global and intercultural issues. The development of social and emotional skills, as well as values such as those of RGS, are important to create opportunities and a respectful society of the future. This is further reflected in the twenty first century skills emphasis in the new Queensland Curriculum and Assessment Authority syllabi. The OECD is actively working on assessing global competence in PISA 2018.

RGS has made massive strides forward in the area of global education and the development of global competence in our students. A new subject will be introduced into the Year 10 curriculum in 2019 to deliberately focus on the development of global competence. Students have a myriad of opportunities to engage both at home and overseas through opportunities created by the School's membership of the Round Square Organisation. In 2018 Grammar is also the home to five international students, which provides those students and our domestic students the opportunity to learn about and experience different cultures and understandings.

2018 marks the graduation of 1881 Endowment Programme recipients as well as Mark Lupton bursary recipients. These programmes have transformed the lives of students in Rockhampton and Central Queensland. The School's goal for this programme is from now through to 2025 to grow an endowment which will eventually fully fund 18 students and partially fund an additional 81 students annually. These bursaries provide access to a Grammar education for those who would benefit from such an opportunity but are not able to do so, due to financial constraints. Some of the benefits of this programme I believe are best summed in the following statement from a current Mark Lupton Bursary student at the School:

It has been an honour and a privilege to be a part of the RGS Bursary Programme. This wonderful opportunity has helped me grow in maturity and confidence. In the immortal words of Aussie singing legend Paul Kelly "from little things, big things grow".

The boarding experience has a special place at RGS. The Rockhampton Grammar School is a Boarding School rather than a school with boarders. The Boarding Houses embrace those intangibles that transform a place to sleep and rest into a home. They are places that are secure and safe, where girls and boys are happy and feel that they belong to a community that both develops their character and provides order to their lives. Girls' and Boys' Boarding at RGS is also a place where individual rights are celebrated, but not at the expense of community rights, and where warmth and empathy are balanced with high expectations of behaviour and effort. Perhaps most importantly, boarding at Grammar provides students with friendships and experiences which enrich their school lives and leaves them equipped for life beyond school.

2018 has marked a time of review, growth and reflection in Boarding at RGS. The School has undertaken a multifaceted review involving both internal processes and an independent audit and inspection by the executive of the Australian Boarding Schools Association (ABSA). The review has identified many strengths that can be capitalised on, and provided recommendations for further improvements that will contribute to a Boarding Development Plan to ensure the success of RGS Boarding into the future. Particularly heartening was the following observation made by ABSA:

"The Rockhampton Grammar School provides a wonderful boarding programme for students, and plays a critical part in supporting our industry. The challenge of housing students away from home is always a difficult one but is one which The Rockhampton Grammar School does extremely well. If we were to rate the programme it would certainly be amongst the best in Australia – an A standard programme – however that is not to say that there is not room for improvement."

In outlining some of what the School has achieved in 2018, it is also important to recognise that as a community we need to continually strive to pursue even higher levels of learning, performance and community engagement. We need to ensure that as a School we are allowing our students to develop deep learning and understandings, and the attitudes, behaviours and thinking skills to allow them to be successful throughout their lives. In doing so we need to ensure that we take note of the advice from Jim Collins, author of *Good to Great* and *How the Mighty Fall*,

To adhere to the principles that produced success in the first place, yet on the other hand continually evolve, modifying their approach with creative improvements and intelligent adaptation.

Good schools, whatever their current reputation and performance, will not continue to improve unless they are attentive and responsive to what is happening in both areas of education and their communities. An important element in Grammar's beliefs is the continuing need to seek feedback from our students, staff, parents and wider community and to feed this information back into our planning. A critical feature of much of this feedback is that it is obtained and analysed by highly credible, independent external researchers.

In 2018 the School has continued its established practice of seeking feedback on its operation from internal stakeholders. At the start of Term 3, an independent research organisation was commissioned to apply a survey questionnaire to parents of the School.

The results and analysis of the survey have proved useful. While there is a myriad of information to consider, it is instructive and affirming to consider that using the aggregate satisfaction index (calculated using the average scores for importance and performance across various dimensions of the School's operation), parents' satisfaction comes in at 89.1 (out of 100).

As the above figure indicates, the overall impression of the survey data is very positive. The areas with which parents were most satisfied were: grounds and facilities, range of sporting and cultural activities offered and communication between School and parents.

The survey data was also helpful in supporting some new initiatives and highlighting issues that can be strengthened. First, the parents gave strong encouragement to the School's Global Education programme and preparation for the implementation of the ATAR system. Second, the following three areas were the issues of least satisfaction: Fairness/consistency dealing with behavioural issues (71.14); avenues for students to voice concerns re bullying (73.16); and implementation of anti-harrasment/bullying policy (74.79). While transparently recording legitimate concerns in these areas, it is appropriate to note that their average scores were 73.03. These three areas are being analysed by the relevant members of the Leadership Team and have been included in the Critical Projects for 2019.

Combining the various methods of feedback available to the School, and being responsive and attentive to developments in education and to our community, the following six critical projects will be a priority for RGS in 2019:

- Effectively implement processes associated with the new Queensland Certificate of Education (QCE), and Senior Assessment and Tertiary Entrance (SATE) system as well as ensuring regular and informative communication is provided to all RGS stakeholders.
- Conduct and successfully complete the next Enterprise Agreement Process.
- Deliberately pursue strategies to enhance the School's international engagement.
- Conduct a review and implement recommendations for change of the School's child welfare practices, processes and procedures, including safeguarding children, dealing with behavioural issues and avenues to report bullying.
- Effectively implement responses to the Boarding Review conducted in 2018 in the areas of facilities, boarding management system, boarding development plan and further enhancement of the culture and climate of boarding.
- Engage with staff, students and parents and conduct research to inform the future direction of the use of laptops and other mobile devices at The Rockhampton Grammar School.

It is important to publicly acknowledge the enormous contribution made to the School by the Board of Trustees. While they bring an impressive range of skills and experience to the governance of the School, they share a passion and loyalty for its development and devote extraordinary time to its service. In particular, I wish to thank the Chairman of the Board of Trustees, Mr Brad Beasley, whose wise, calm and honest advice has been of great benefit to me as Headmaster, he is seemingly indefatigable in his work for The Rockhampton Grammar School.

The performance and reputation of The Rockhampton Grammar School is critically dependent on the quality and effort of all our staff. The School is outstandingly served by its teaching staff. I thank them

all for their dedicated and professional efforts this year, and want to affirm that they are the School's greatest resource. My particular thanks are extended to the members of the Leadership Team whose capacity is matched by their devotion to the School's advancement.

Finally, I want to acknowledge the significant contribution of our support staff who work with such loyalty and ownership for the School.

It is a privilege to recognise the enthusiasm and efforts of the host of people who have supported the School in 2018. In particular, I thank the following people for their work in critical community leadership roles: Mrs Alison Payne and Mrs Alaina Kennedy, Presidents of the Past Students' Association; President of the RGS Parent Association Mr Craig Denning; and Mrs Vivienne Coleman, President of the Boarder Parents' Association. Additionally, thank you to all those parents who have supported and served on the wide range of support groups.

In conclusion, I wish to offer congratulations and best wishes to the whole student body for a great year. Congratulations to our student leaders for 2018 - School Captains Hannah Woods and Samundra Bahattari and Vice Captains Annabel Flockhart and Luke Krenske who have been outstanding in their personal efforts, in their role modelling and in their connection with the student body. The whole School wishes the Year 12s well in their future endeavours and assures them they will always remain part of the Grammar community. You have strongly lived our values of care and compassion, endeavour, respect, honesty, responsibility, integrity, democracy and community. Continue living them every day and at every opportunity and you will always remain part of The Rockhampton Grammar School – and come back and share your stories with us, often.

Staff Information

School Leadership Team

Headmaster	Dr P.A. Moulds, PhD, BSc, BMus, GradDipEd, BEdSt(Hons), MACEL, MACE, FAIM, GAICD
Board Secretary	Mrs K.J. Johnson, BBus, CPA, CDec, MIML, GAICD
Deputy Headmaster and Head of Middle School	Mr A.A. Kelly, BEd, MEdStud, NTSD, HDipEd
Head of Senior School	Ms D.F. Wright, BSc(Hons), GradDipTchg
Head of Primary School	Mr G.R. Hadwen, GradDip(EdAdmin), DipTchg
Director of Teaching and Learning	Mrs R.E. Carter, BEd(Hons), Cert IV Training and Assessment
Director of Co-Curriculum	Mr T.R. Wells, BHMS, BEd
Director of Early Learning	Mrs A.S. Shackleton, ADLMgt, AdvDipChildren's Services, AdvDipComSectMgt, CertIV Training and Assessment
Director of Boarding	Mr S.J. Norford, BEd, DipTchg
Director of Communications and Development	Mr M.T. Donahue, BA, Cert IV Training and Assessment

Management Training and Development

The School has a policy of providing paid leave and contributing to the associated training costs of staff to attend training and professional development courses approved by the School.

During 2018 \$295,690 was spent on staff training and associated costs. Staff attended external training courses as well as those that were internally designed and delivered on campus.

The School is committed to the ongoing professional development of its teachers to acknowledge and support the high standards of teaching expected from them.

The ongoing professional development of our staff forms a critical element in the delivery of effective education and pastoral care at The Rockhampton Grammar School.

Within its active professional learning culture, an extensive annual programme, delivered by highly qualified educational consultants and researchers, informs all aspects of the School.

The Rockhampton Grammar School encourages teachers to undertake a Master's Degree with Griffith University as part of their annual professional development studies. It is the only programme of its kind in Australia.

The RGS Professional Development Program has been developed because we believe that Student excellence at RGS is grounded in teaching excellence.

By partnering with Griffith and investing in staff professional development RGS is enhancing an already engaging, motivating, and stimulating learning environment. Our teachers' participation

acknowledges in a very tangible way the importance we place on the integration of theory with professional practice which will develop new and different learning opportunities for every student every day.

By continuously improving RGS teaching practice through academic staff professional development, and critical reflection of School performance, we will ensure that our students continue to achieve to the best of their abilities.

Boarding and non-teaching staff are also encouraged to avail themselves of professional development opportunities. In 2018 twelve members of staff completed the the RGS Leadership Programme, in its third year of offer. The RGS Leadership Programmed was developed by the Headmaster and Laurus Consulting, with the goal of developing leadership skills of staff of the School – both teaching and non-teaching staff.

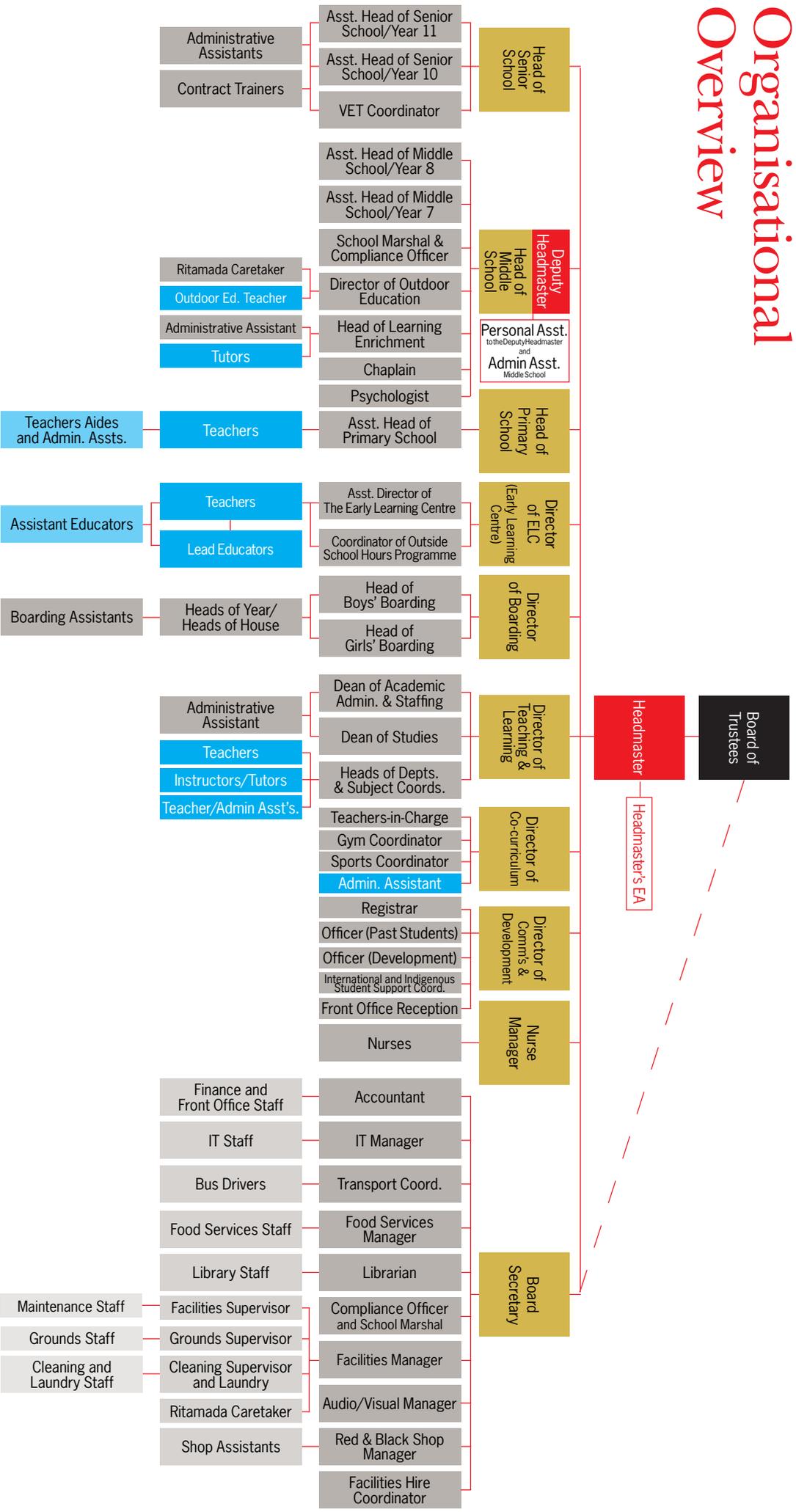
Staff Recruitment and Retention

The School employed 261.5 staff on a full time equivalent basis through 2018.

The School was fully staffed throughout 2018. Fifteen members of the academic staff left and all were replaced through normal recruitment processes. Full time equivalent teaching staff numbered 114.0. The permanent separation rate in 2018 was 10.0%. The School is able to plan for such turnover by requiring teaching staff to give six weeks term time notice. This period is set out in the School's Enterprise Agreement.

The availability of child care with the School's Early Learning Centre (ELC) to staff returning from maternity leave is a major incentive for staff to return to work if they chose to do so. The School makes every endeavour to find places in the ELC for returning staff. The School also endeavours to provide flexible working arrangements for staff, through negotiating alternative working arrangements with staff individually.

Current Organisational Overview



School Operations

At the State Census day in Term 1 the School opened with 1,335 students of which 428 were Primary students and 907 were Secondary students. Boarding students numbered 314. The year finished with a total enrolment of 1,349.

The boarding population remained steady at over 310 boarders throughout the year. This is due in no small part to the excellent staff and facilities, as well as “value for money” fees. The School is preparing for similar numbers of students in 2019.

The Primary School continued its strong performance in 2018, with students achieving many successes in both the academic and non-academic arenas. RGS Primary students enjoy learning with specialist teachers in classes such as art, physical education, cooking, music, and Japanese. These classes enable students to develop in-depth knowledge of the subject areas, and prepares them for the Middle School.

The RGS Early Learning Centre continued to enjoy full occupancy and strong waitlists throughout 2018. Toward the end of 2018 preparations for a third Kindergarten Unit were well-advanced, ready for 2019 occupancy. The Beasley Centre Kindy Unit will, from 2019, provide a School-hours kindergarten programme in addition to the two long-day kindergarten classes located at the ELC. The Centre has continued to hold the rating of Exceeding National Quality Standards.

The School continues to operate a 1 to 1 tablet computer programme for all students from Year 7 to Year 12. Primary students have access to computer technology via a set of desktop or tablet computers in every classroom.

2018 Academic Results

The School’s motto, *Macte Virtute et Litteris* (Grow in character and scholarship) highlights that an education at The Rockhampton Grammar School extends beyond that of an OP or VET qualification. Every educator, from those involved in the initial years at the ELC, to the Primary School and finally the Secondary School, aims to instil the desire to become a lifelong learner and for students to appreciate the importance of learning. As we all know education is a powerful tool. RGS staff also endeavour to ensure Grammar students realise the significance of community and ensure that their actions exemplify this. While such goals are not measured in the data released by QCAA, it is an important acknowledgement, given they are integral to our School.

The graduating Year 12 cohort comprised of one hundred and seventy one students who were issued a Senior Education Profile (SEP), with one hundred and thirty-five being OP eligible and two being OP-equivalent eligible (visa students).

Twelve students achieved an OP1 (8.76%), which is a satisfying reward for their determination and dedication. This was the School’s second best result in terms of the number of OP1 awarded, as well as percent wise (2011 holds the record with 19 students and 12.18%). State data reveals 705 students (343 female (2.44%) and 362 male (3.34%) received an OP 1 in 2018.

The percentage of RGS students achieving an OP 1-5 was 27.74%, which equates to 38 students. This is in comparison to the state figure of 21.79%. Ninety-six students (70.07%) achieved an OP 1-10 in comparison to the state figure of 53.96%. This is the second best performance (it missed the 2013 record by 0.02%) for the School in the OP 1-10 bracket since the OP system was introduced in 1992. One hundred and thirty-two (96.35%) of our OP graduates achieved an OP 1-15, which is the School’s best performance and is exceptional in comparison to the state figure of 82.69.

The lowest OP which can be awarded by QCAA in the current system is an OP 25. It is pleasing to report that no Grammar student received an OP over 18. In fact, of the 137 OP/OP equivalent eligible students only five achieved a result between 16 and 18.

2018 Overall Position (OP) Results

<u>Result</u>	<u>RGS</u>	<u>State</u>
1	8.76%	2.83%
1-5	27.74%	21.79%
1-15	96.35%	82.69%
1-20	100%	98.50%

One hundred and eight OP eligible students sat the two day Core Skills Test held during Term 3 this year. Sixty-nine students (63.80%) achieved an A or B level on the CST and this is positive in comparison to 43.6% for the state. Two OP-equivalent students and one non-OP student also sat the CST.

All graduates (100%) successfully completed the minimum credit point requirement and were awarded their Queensland Certificate of Education (QCE). This is a remarkable achievement and a testament to the efforts of all staff, parents and students! Additionally, it is worth noting that three students completed a university subject while at school.

The OP and VET pathways are equally valued at RGS and it is important to document the fact that one hundred and sixty-six of the one hundred and seventy-one graduating students successfully completed and were awarded a VET qualification (ranging from a Certificate I to III level). In fact, one hundred and sixty students achieved a Certificate I, fifty-one a Certificate II and thirty-eight a Certificate III. There were also three students who completed or plan to complete a school based apprenticeship or traineeship, in addition to a number of students who completed CQ University CSaT qualifications. Such data highlights the value given to VET by the School.

Services Provided

RGS aims to provide a disciplined, stimulating and innovative learning environment to inspire our students to become successful lifelong learners, responsible local and global citizens, and men and women who are resilient and of strong ethical and moral character. We promote high standards of scholarship and character development with all members of the School community to pursue personal excellence in their intellectual, physical, creative and emotional development.

RGS aims to attract, retain and develop a high quality staff, in all curriculum and non-curriculum areas, to provide the best standard of education possible. The school also aims to continually upgrade and expand its physical resources to provide a dynamic educational environment.

Curriculum

Primary (Years Prep – 6)

The Rockhampton Grammar Primary prides itself on its achievements in the academic areas and students invariably achieve very well on state and national tests. Complementing classroom work in Key Learning Areas is extension in academically stimulating areas through Dimensions of Learning and the RGS Learning Framework. Teachers have constructed learning programs for extension and reinforcement. Students can also choose to be part of an extensive list of co-curricular activities in both cultural and sporting areas.

The Rockhampton Grammar Primary is a tight knit community where every teacher takes an active role in the development of each child. Parents as well as GAP students from overseas countries help to enrich the learning. Learning takes place in a variety of settings such as classrooms, Ritamada, tours and camps. Social skills are accentuated during these times.

Middle School (Years 7 – 9)

The Middle School Course is divided into two sections:-

Section A: Core Learning Areas

English, Mathematics and Science are taught across 6 periods per week, SOSE (Studies of Society and Environment) is taught across 5, and HPE (Health and Physical Education) is taught across 3 comprising of 2 practical lessons and 1 Health lesson.

Core Subjects - English, Mathematics, Science, Social Sciences, and Health and Physical Education. All students are required to study the five core subjects. In Year 9 students have the option of selecting Advanced Mathematics or Mathematics, and students may be invited to join an Essential Mathematics class. A General Science course is offered as an alternative to Science in Year 9.

Section B: Elective Learning Areas

Each subject is taught across 4 periods per week in Year 8 and 6 periods per week in Year 9. In Year 7 students experience the elective subject areas through a rotation programme each term.

The School offers 13 electives in Year 8 and 14 in Year 9. Each student in Year 8 must study three (3) electives from this selection and each student in Year 9 must study two (2) from this selection.

In 2018 the electives offered were:

Agriculture, Drama, Music, Art, Business Enterprise and Management, Catering and Fashion, Catering, Digital Literacy and Technologies, Graphics, Sports Science, Design and Technology, Workshop and Japanese. Marine Operations is an elective in Year 9 only.

Senior School (Years 10 – 12)

Subjects offered in the Senior School during 2018 are as follows:

Accounting, Agriculture, Art, Business Management, Biology, Chemistry, Dance, Drama, English, English Extension, English Communication, Legal Studies, Geography, Graphics, Health Studies, Physical Education, Information Processing & Technology, Japanese, Aquatics, Mathematics A, Mathematics B, Mathematics C, Pre-Vocational Mathematics, Modern History, Music, Music Extension, Physics, Technology Studies.

The Senior School also offered the following Vocational Education courses during 2018:

Certificate III Agriculture, Certificate III Beauty Services, Certificate III Dance, Certificate IV Dance, Certificate II Engineering pathways, Certificate II Fitness with Sport & Recreation embedded, Certificate III Fitness, Certificate II Hospitality, Certificate II Information Digital media Technology, Certificate II Outdoor Recreation

Educational Programme

The School uses QCAA syllabi for all senior school studies in Years 11 and 12. From Prep to Year 10 the curriculum is based on QCAA Key Learning Area syllabi material.

Work programs and study plans are continually reviewed and updated. Teaching staff have embraced the critical review of teaching practices and delivery by colleagues through classroom visits and in staff professional development days. Over twenty teaching staff of The Rockhampton Grammar School are members of QCAA review panels at both district and State level. Additionally, the school's teaching body have thoroughly engaged in preparation for the new Queensland Senior Assessment and Tertiary Entrance system, which comes in to operation with Year 11 students in 2019.

The Australian Curriculum sets consistent national standards to improve learning outcomes for all young Australians. The School monitors the suitability of its curriculum through a range of measures including student destinations before and after Year 12. The School offers a broad range of subjects enabling students to take a vocational education pathway following the Vocational Education and Training Framework as well as academic pathways through the Queensland Core Skills Test and an OP.

The *Australian Professional Standards for Teachers (APST)* are a public statement that describes the professional knowledge, professional practice and professional engagement required of teachers. They comprise seven Standards describing what teachers should know and be able to do. They are interconnected, interdependent and reflect the complex role of teaching. The Standards are organised into four career stages – Graduate, Proficient, Highly Accomplished and Lead – to reflect a continuum of teacher's developing professional expertise. RGS supports its teaching staff throughout this continuum through mentoring and professional development programmes.

The Rockhampton Grammar School applies the Code of Ethics for Teachers in Queensland and all teaching staff are bound by this code.

Global Education and Round Square

The Rockhampton Grammar School continues its commitment to Global Education, global citizenship and participation in the Round Square programme.

Round Square is an international alliance of over 200 schools with common goals of global citizenship characterised by the Round Square IDEALS. This stands for Internationalism, Democracy, Environmentalism, Adventure, Leadership and Service. Clearly concepts that The Rockhampton Grammar School takes to heart over a vast array of school programs.

There are many opportunities for students to be directly involved in Round Square initiatives. Over the last 12 months, RGS students have been to Regents School in Bangkok Thailand for a 6 week stay. RGS returned the favour hosting a student from that school for 4 weeks in girls' boarding.

Round Square exchanges are founded upon the goodwill of member schools. The Rockhampton Grammar School has developed close Round Square alliances with YK Pao International School in Shanghai and also Ningbo International School in Ningbo. This year RGS has hosted students and staff from YK Pao. Students were home hosted by RGS families and YK Pao staff were hosted by RGS staff. A student from Ningbo also visited RGS during 2018, staying in girls' boarding.

For the first time, The Rockhampton Grammar School was represented at the International Round Square Student Conference at Lower Canada College in Montreal. Over 300 students from around the world came together for an experience of a lifetime. The program covered all of the IDEALS and included time at Jouvance outdoor centre and a flag ceremony in full RGS formal uniform on a world stage.

The next student opportunity will be at a Sino-Canadian international school in Shenzhen, China. This is a truly amazing 22nd century technology city. This event will be followed by the next International Student Conference in India later in 2019.

Boarding

Ethos

To provide quality pastoral care to all those students (male and female) who choose to board at the School and to help and guide them to reach their full potential. The School's focus on boarding is that RGS is a *boarding school* not a school with a boarding section.

The Rockhampton Grammar School is the largest co-educational boarding school in Queensland and is in the top four in Australia.

Boarding enrolments are predominantly from rural and provincial central Queensland, with a number of indigenous students from the Cape York Leaders Program, and a small number of international students.

All boarding facilities are air conditioned.

The Boarding Houses in 2018 were:

School House – Years 7, 8, 9, 10 boys - 97 single beds in dormitory style accommodation.

Coombe House – Years 10 and 11 boys – 44 beds (double rooms)

Luck House – Years 11 and 12 boys – 45 single rooms

Girls House – Middle Dorm – Years 7, 8 and 9 girls – 50 beds (triple and quad rooms)

Girls House – Upper Dorm – Years 9 and 10 girls – 49 beds (single, double and quad rooms)

Girls House – Lower Dorm – Years 11 and 12 girls – 20 beds (single and double rooms)

Boland Girls – Year 11 girls – 43 beds (single, double and quad rooms)

Palmer Dorm – Year 12 girls – 20 single rooms

The senior boys houses, Luck and Coombe, are modern single or double accommodation buildings.

The junior boys house, known as School House and situated in the original school building, is the home for up to 97 boys in Years 7 to 10. This House has 2 separate air conditioned wings or Houses, Wheatcroft and Wheatley, each with their own common room area.

Girls House and Palmer Girls dormitory are modern dormitories that are home for 139 girls ranging from Year 7 to Year 12. Palmer is a senior dormitory with single room accommodation while the lower floor of Girls House also is a senior area with single rooms.

Middle and Upper Girls are dormitory style accommodation split into pods of four beds for privacy. Palmer and Lower Girls houses features refurbished study areas and large common room areas.

Boland Girls provides accommodation for 34 Year 11 girls in single or twin accommodation.

Professional and experienced carers and their families staff all of these houses. The majority of our boarding staff are teachers or full time boarding staff.

Co-Curricular Activities

Sport

Sport, like music and drama, continues to be a jewel in the co-curricular crown and sets a benchmark in terms of participation of students and involvement of staff.

Sports offered to Secondary School students include:

Athletics, Basketball, Cricket, Cross Country, Football, Netball, Rowing, Rugby Union, Rugby League, Swimming, Tennis, Touch, Water Polo, Australian Rules Football, Beach Volleyball, Equestrian, Futsal, Golf, Hockey, Sports Aerobics, Tae Kwon Do, Triathlon.

The Primary School also participates in Soccer, AFL, OzTag, Cross Country, Swimming, Rugby League, Netball, Hockey, Tennis, Athletics, Touch Football, Softball, Cricket, Teeball and Basketball.

Other Co-Curricular Activities include:

Cadets, Chess, Duke of Edinburgh, Fitness, Hospitality, Music, Musical (Secondary and Primary), Optiminds, Public Speaking, Reef Guardians, Show Cattle Team, Art, Maths Team Challenge, Mooting, Photography, Robotics and Signing Choir.

Throughout 2018 students and staff participated in a number of tours and major competitions in the co-curricular field:

- Rowing – Rowers of all ages competed in Queensland Club State Championships in Rockhampton, National Championships in Sydney, South Queensland Championships in Beaudesert, Central Queensland Championships in Bundaberg, and North Queensland Championships in Townsville.
- Rugby Union – First XV and U16 teams competed in Ballymore Cup in Brisbane.
- Rugby League – First XIII competed in Confraternity Shield in Charters Towers and played games in Townsville and Mackay as a part of the Aaron Payne Cup.
- Touch Football – RGS teams competed in the Queensland All Schools Touch Championships in Brisbane.
- Sport Aerobics – Athletes competed in the Queensland State Championships in Brisbane and National Championships in Geelong.

The Arts

Music

The Rockhampton Grammar School conducts an extensive music co-curricular programme that involves students from Prep through Year Twelve. It is comprised of an instrumental and vocal tuition programme involving over 130 students and thirteen visiting teachers in weekly individual lessons and a performance programme.

Ensembles meet weekly under the guidance of expert staff to rehearse and prepare for performances at events like the Rockhampton Eisteddfod, the Anzac Day march, school formal assemblies, Grammarians' Recital Series concerts, a yearly musical production at the Pilbeam Theatre, the exciting RGS Music Festival, and Primary and Secondary Speech Nights.

The School's ensembles include the Symphonic Concert Band, Big Band, Jazz Ensemble, Brass Ensemble, String Orchestra, String Ensemble, Middle School Concert Band, Primary and Secondary Percussion Ensembles, Middle and Senior School Woodwind Ensembles, Secondary Flute Ensemble, Senior Choir, Chamber Choirs, Glee Choirs, Secondary Signing Choir, Primary Choirs, Primary

Concert Bands, Primary Jazz Ensemble, Primary Woodwind Ensemble, Primary Rock Band, and Primary Signing Choirs.

Music Festival

The Rockhampton Grammar School Music Festival was again a great success in 2018. This annual celebration and showcase of the musical talent of students and staff of The Rockhampton Grammar School entertained the audience throughout the night with an amazing array of talented soloists and group items.

Musical Theatre

In 2018 the students of RGS again demonstrated their talent in Musical Theatre with two outstanding and successful school productions. Secondary students brought a touch of the big screen to life, treading the boards in “Strictly Ballroom”. Primary students kept the audience entertained with their humorous and talented performances in *Madagascar A Musical Adventure Jnr*.

The efforts of students, staff and parents were well rewarded by welcoming and appreciative audiences at each of the public performances of the productions.

Dance and Musical Theatre

The RGS Dance and Musical Theatre Academy continued in 2018 holding classes in a large range of dance styles in its state of the art dance studios. An increased enrolment saw over 160 students attend the Academy ranging in ages from 3 years to 18 years. The Academy enjoyed a highly successful performance year with successful entries in the local Rockhampton Eisteddfod including taking some performance groups to the Gladstone Eisteddfod. The Academy is eager to enter this eisteddfod again in 2019 with plans to hopefully take some groups to the Emerald Eisteddfod as well. An increased number of students entered into drama, ballet, Highland, tap and jazz examinations with some outstanding results achieved.

Drama and Dance

Drama and Dance classes continued to provide students at The Rockhampton Grammar School with programmes that are motivating, engaging, relevant and offering 21st century skills. 2018 saw the final year of senior drama and dance in the OP system. Students in these classes achieved some outstanding results in their various assessment pieces. Staff have worked tirelessly throughout the year in modifying and updating work programmes for Years 7-10 drama to help prepare students better for the new ATAR Senior Drama and Dance subjects. Units of work and assessment items have been completed for the new Year 11 Dance and Drama subjects with planning now commencing for the Year 12 units for these subjects. The staff of the department are very excited about the new system and are actively engaged in preparing themselves and the students for the exciting changes. As per past year, all year levels enjoyed presenting productions to an audience throughout the year, which is only one aspect of studying Drama and Dance.

Students with Disabilities

The Rockhampton Grammar School values the diversity of all students including those with special educational needs, recognises the right of all students to equitable access to the curriculum and offers educational programmes specific to the needs of students with disabilities.

The School has a written Disabilities Policy which sets out the School’s commitment.

Associated Support Groups

In 2018 The Rockhampton Grammar School Parents' Association Inc. continued its role as the main parent support group of the School. The RGS Parents' Association plays an important role as an additional means of communication between parents and the School. The Association also provides welcome monetary support for projects and causes within the School.

The RGS Parents' Association, along with The RGS Past Students Association and the Boarder Parents Association, provide a valuable support structure to the School.

Financial Results and Key Statistics

In 2018 The Rockhampton Grammar School recorded an operating surplus and ended the year in a strong financial position. There was an operating surplus of \$1,968,868 after interest payments and depreciation.

	<u>2018</u>	<u>2017</u>
Fee Income	\$18,299,427	\$18,427,700
Grants Income	\$14,691,629	\$14,204,466
Other Income	\$6,895,661	\$6,149,036
TOTAL INCOME	\$39,886,717	\$38,781,202
Employee Expenses	\$25,606,636	\$24,637,255
Supplies and Services	\$8,881,456	\$9,108,485
Depreciation	\$2,526,306	\$2,483,176
Finance Costs	\$903,451	\$978,485
TOTAL EXPENSES	\$37,917,849	\$37,207,401
Operating Result From Continuing Operations	\$1,968,868	\$1,573,801

Key Performance Indicators

Student Numbers

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Primary	544	479	456	439	430
Secondary	875	951	928	923	913
Total Students	1,419	1,430	1,384	1,359	1,343
Boarding	337	362	361	336	313

Operating Efficiency (Profitability) Per Student

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total Income	\$35,468,096	\$38,209,298	\$38,197,403	\$38,781,202	\$39,886,717
Net Surplus	\$6,145,705	\$6,090,914	\$4,746,871	\$5,035,462	\$5,389,625
Net Operating Margin (Before Depreciation and Interest)	0.17	0.16	0.12	0.13	0.13
Benchmark	0.12	0.12	0.12	0.12	0.12
Student Numbers	1,419	1,430	1,384	1,359	1,343
Operating Efficiency (Profitability Per Student)	\$4,331	\$4,259	\$3,430	\$3,705	\$4,013

Net Operating Margin measures the cash surplus from every dollar of gross income. This means that from every dollar of income 13 cents is available for strategic development. Income includes Capital Receipts from Government when received.

Capital Debt Ratio

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Capital Debt at End of Year	\$17,576,358	\$16,599,617	\$15,509,807	\$14,424,856	\$13,331,226
Student Numbers	1,419	1,430	1,384	1,359	1,343
Debt Per Student	\$12,386	\$11,608	\$11,206	\$10,741	\$9,926

Capital Infrastructure

A great deal of work has gone into maintaining the physical fabric of the School in 2018 to ensure a quality environment for students and staff and to cater appropriately with the development of the School.

Throughout recent years the School has embarked on a substantial capital development programme, particularly to accommodate the inclusion of Year 7 in to the Secondary School, which brought additional day and boarding students to RGS. 2018 was a year of comparatively less extensive capital development than recent years, instead focusing on less extensive upgrades and renovations to various boarding and teaching spaces.

2018 saw the completion of stages 2 and 3 of paving replacements in the School House surrounds. The paving replacement programme ensured that the heritage look and feel of the original school building and surrounds was retained.

The RGS Early Learning Centre was again expanded to incorporate the Beasley Centre Kindy Unit, ready for the first school day of 2019. The Beasley Centre Kindy Unit complements the existing long day care kindergarten classes located at the RGS Early Learning Centre by providing families with an affordable option of school hours kindy, with quality educators.

Community Objectives

The School has contributed to the State Government's stated objectives for the community by:

- Giving all our children a great start - by the services provided by the School's Early Learning Centre.
- Creating jobs in a strong economy – by the School ensuring a safe, productive and fair workplace.
- Protecting the Great Barrier Reef – through participation in the Reef Guardian Schools program.

Information Systems

The School operates the following major software systems:

- TASS
- Sage MicrOpay

TASS is a fully integrated school administration system specifically designed for K-12 schools. TASS handles all areas of the School's administration, both financial (except payroll) and academic.

The School takes advantage of TASS portal functionality, including a fully integrated *Learning Management System, Student Café, Teacher Kiosk and Parent Lounge*.

Teacher Kiosk is a portal designed for teachers to provide them with easy access to:

- Student Records
- Student Attendance
- Student and Teacher Timetables
- Notices and Calendar Events
- Pastoral Care Records
- Budget Information for Budget Managers
- Learning Management System

The *Student Café* portal allows students do the following anywhere that they have an internet connection:

- Access their own timetable
- Email their teachers
- View their own Academic Reports
- Access information for and submit class assignments
- Access other student relevant information posted by teachers
- Access the Learning Management System

Parent Lounge, similar to *Student Café*, enables parents to access information about their child and the School within the one web-based portal. Through *Parent Lounge*, parents can:

- View details of the student, including timetables, Academic Reports, attendance data, details of homework and assignments
- View notices and calendar events
- Update their own contact details
- Pay their fee account
- View other School information

Sage MicrOpay provides the software to manage the School's payroll and human resources information systems.

The School has well-established information technology resources for educational and administrative use including a 1 to 1 Tablet PC programme for Years 7 to 12. All teaching staff are supplied with a Tablet PC to complement their education programmes. Such technology resources enable greater access to digital record keeping and distribution of information, which in turn diminishes the reliance on printed materials.

The School aims to be compliant with the Queensland Government's *Records Governance Policy*. Queensland State Archives released a disposal freeze on records that are relevant to, or may become relevant to, an allegation of child sexual abuse, effective from 1 June 2018, with which the School will continue to comply. At the time of appointment, and at intervals throughout employment, staff are informed of their responsibilities with respect to record retention.

Other Matters

Information about the following matters can be found on the School's website at: www.rgs.qld.edu.au/annual-reports or on the Queensland Government Open Data Website at: <https://data.qld.gov.au>

Overseas Travel on behalf of the School
Consultancies

GLOSSARY OF TERMS

ATARS	Australian Tertiary Admission Ranks
DMTA	Dance and Musical Theatre Academy
NAPLAN	National Assessment Program – Literacy and Numeracy
NSSAB	Non-State Schools Accreditation Board
OP	Overall Position
PREP	Preparatory Year – Pre Year 1
QCAA	Queensland Curriculum and Assessment Authority
QCE	Queensland Certificate of Education
RGS	The Rockhampton Grammar School
SATE	Senior Assessment and Tertiary Entrance
VET	Vocational Education and Training

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

FINANCIAL STATEMENTS 2018

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General Information

These financial statements cover The Rockhampton Grammar School.

The Rockhampton Grammar School is a statutory body established under the *Grammar Schools Act 2016*.

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

Archer Street
Rockhampton Qld 4700

The Rockhampton Grammar School is a co-educational boarding school, for students from Early Learning to Year 12.

For information relating to the School's financial report, please contact Mrs Karryn Johnson, telephone 07 4936 0602, email kjohnson@rgs.qld.edu.au

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

STATEMENT OF COMPREHENSIVE INCOME
for the YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
Income from Continuing Operations			
Fee income	2	18,299,427	18,427,700
Grant and other contribution income	3	14,691,629	14,204,466
Other income	4	6,895,661	6,149,036
Total Income from Continuing Operations		<u>39,886,717</u>	<u>38,781,202</u>
Expenses from Continuing Operations			
Employee expenses	5	25,606,636	24,637,255
Supplies and services	6	8,881,456	9,108,485
Depreciation	7	2,526,306	2,483,176
Finance costs	8	903,451	978,485
Total Expenses from Continuing Operations		<u>37,917,849</u>	<u>37,207,401</u>
Operating Result from Continuing Operations		<u>1,968,868</u>	<u>1,573,801</u>
Other Comprehensive Income			
Items Not Recyclable to Operating Result			
Increase (decrease) in asset revaluation surplus	18	<u>-</u>	<u>-</u>
Total Other Comprehensive Income		<u>-</u>	<u>-</u>
Total Comprehensive Income		<u>1,968,868</u>	<u>1,573,801</u>

The accompanying notes form part of these statements

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

**STATEMENT OF FINANCIAL POSITION
as at 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
Current Assets			
Cash and cash equivalents	11	5,475,297	3,948,620
Receivables	12	774,700	818,475
Inventories		291,724	319,244
Other	13	576,914	440,413
Total Current Assets		<u>7,118,635</u>	<u>5,526,752</u>
Non-Current Assets			
Property, Plant and Equipment	14	77,989,627	78,651,122
Total Non-Current Assets		<u>77,989,627</u>	<u>78,651,122</u>
Total Assets		<u>85,108,262</u>	<u>84,177,874</u>
Current Liabilities			
Payables	15	1,449,842	1,756,962
Other financial liabilities	16	1,116,841	1,131,863
Accrued employee benefits	17	3,669,460	3,489,494
Other	15	868,291	771,395
Total Current Liabilities		<u>7,104,434</u>	<u>7,149,714</u>
Non-Current Liabilities			
Other financial liabilities	16	12,214,385	13,292,993
Accrued employee benefits	17	464,279	378,871
Total Non-Current Liabilities		<u>12,678,664</u>	<u>13,671,864</u>
Total Liabilities		<u>19,783,098</u>	<u>20,821,578</u>
Net Assets		<u>65,325,164</u>	<u>63,356,296</u>
Equity			
Retained surpluses		44,477,471	42,508,603
Asset revaluation surplus	18	20,847,693	20,847,693
Total Equity		<u>65,325,164</u>	<u>63,356,296</u>

The accompanying notes form part of these statements

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

**STATEMENT OF CHANGES IN EQUITY
for the YEAR ENDED 31 DECEMBER 2018**

	Accumulated Surpluses \$	Asset Revaluation Surplus (Note 18) \$	Total Equity \$
Balance 1 January 2018	42,508,603	20,847,693	63,356,296
Operating result from continuing operations	1,968,868	-	1,968,868
Other comprehensive income:			
- Increase/(Decrease) in asset revaluation surplus	-	-	-
Total Comprehensive Income for the Year	<u>1,968,868</u>	<u>-</u>	<u>1,968,868</u>
Transactions with owners as owners			
- Reclassification of surplus on disposal of revalued assets	-	-	-
	-	-	-
Balance 31 December 2018	<u>44,477,471</u>	<u>20,847,693</u>	<u>65,325,164</u>
Balance 1 January 2017	40,934,802	20,847,693	61,782,495
Operating result from continuing operations	1,573,801	-	1,573,801
Other comprehensive income:			
Reclassification of surplus on disposal of revalued assets	-	-	-
Balance 31 December 2017	<u>42,508,603</u>	<u>20,847,693</u>	<u>63,356,296</u>

The accompanying notes form part of these statements

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

**STATEMENT OF CASH FLOWS
for the YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
Cash Flows from Operating Activities			
Inflows:			
Fee income		18,373,550	18,341,497
Grant income		14,691,629	14,204,465
Other income		6,740,197	5,889,205
Interest income		153,199	102,549
GST received from ATO		577,740	533,179
GST collected from customers		1,311,855	1,227,405
		<u>41,848,170</u>	<u>40,298,300</u>
Outflows:			
Employee expenses		(25,341,260)	(24,744,705)
Supplies and services		(9,197,885)	(8,395,307)
Interest paid		(903,451)	(978,486)
GST remitted to ATO		(977,142)	(908,827)
GST paid to suppliers		(885,729)	(861,479)
		<u>(37,305,467)</u>	<u>(35,888,804)</u>
Net cash provided by operating activities	19 (b)	<u>4,542,703</u>	<u>4,409,496</u>
Cash Flows from Investing Activities			
Inflows:			
Sales of property, plant & equipment		-	4,967
Outflows:			
Payments for property, plant & equipment		<u>(1,922,396)</u>	<u>(1,576,038)</u>
Net cash used in investing activities		<u>(1,922,396)</u>	<u>(1,571,071)</u>
Cash Flows from Financing Activities			
Outflows:			
Borrowing redemptions		(1,093,630)	(1,084,950)
Net cash from/(used) in financing activities		<u>(1,093,630)</u>	<u>(1,084,950)</u>
Net increase (decrease) in cash held		1,526,677	1,753,475
Cash and cash equivalents at beginning of financial year		3,948,620	2,195,145
Cash and cash equivalents at end of financial year	19 (a)	<u>5,475,297</u>	<u>3,948,620</u>

The accompanying notes form part of these statements

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

Notes to and forming part of the financial statements for the YEAR ENDED 31 DECEMBER 2018

Note 1 Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. In addition the financial statements comply with the Treasurer's Minimum Reporting Requirements, and section 43 of the *Financial and Performance Management Standard 2009*. The School is established under the *Grammar Schools Act 2016* and is a State Government Statutory Body.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

(b) The Reporting Entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of The Rockhampton Grammar School ("the School"). For financial reporting purposes, the entity is a not-for-profit entity.

(c) Income

Fees and charges including Tuition and Boarding Fees that are charged by the School are recognised as income when invoices for the related goods/services are issued.

(d) Grants and Contributions

Grant income received from the State or Commonwealth Government is recognised in the Statement of Comprehensive Income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to The Rockhampton Grammar School and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the grant, the recognition of the grant as income will be deferred until those conditions are satisfied.

Where grant income is received whereby The Rockhampton Grammar School incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant income is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

(e) Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at the end of the reporting period as well as deposits at call with financial institutions. It also includes investments with short periods to maturity that are readily convertible to cash on hand at the School's or issuer's option and that are subject to a low risk of changes in value, and bank overdrafts.

(f) Receivables

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery. Settlement of these amounts is required within 14 days from invoice date.

Other debtors generally arise from transactions outside the usual operating activities of the School and are recognised at their assessed values. Terms are a maximum of 30 days, no interest is charged and no security is obtained.

Outstanding debts are assessed for collectability at regular Board meetings. Where collectability is considered remote, all known bad debts are written-off as at 31 December. Where collectability is considered doubtful, provision is made for impairment.

(g) Acquisitions of Assets

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

Assets acquired at no cost or for nominal consideration are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

Notes to and forming part of the financial statements for the YEAR ENDED 31 DECEMBER 2018

Note 1 Summary of Significant Accounting Policies (cont)

(h) Property, Plant and Equipment

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Buildings and Improvements	\$10,000
Land	\$1
Plant & Equipment	\$1,000
Heritage & cultural assets	\$1,000

Items with a lesser value are expensed in the year of acquisition.

Land improvements undertaken by the School are included with Buildings.

The land on which the school is situated is subject to a Deed of Grant in Trust. This trust states that the land is retained by the Crown, however due to the land being administered by the school, and all economic benefits being attributable to the school, the value of the land \$4,000,000 is recognised in the face of these financial statements. This value has been determined after consideration of the location of the land, and discounting due to the restrictions of the Deed of Grant in Trust.

(i) Inventories

Inventories are recorded at the lower of cost and net realisable value.

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

Land, buildings, infrastructure and heritage and cultural assets are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement*, and Queensland Treasury's *Non-Current Asset Accounting Policies for the Queensland Public Sector*.

Plant and equipment, other than major plant and equipment, are measured at cost. The carrying amounts for plant and equipment at cost should not materially differ from their fair value.

Non-current physical assets measured at fair value are comprehensively revalued at least once every five years with interim valuations, using appropriate indices, being otherwise performed on an annual basis where there has been material movement in the indices from year to year.

Non-current physical assets were revalued by Aon Risk Solutions in 2015.

The valuation process performed by Aon Risk Solutions for land included physical inspections and reference to market transactions for local sales of land with similar characteristics.

The comprehensive valuation process performed by Aon Risk Solutions for buildings included physical inspections and the identification of the current condition of the asset and its expected remaining useful life.

The valuation of residential buildings was based on publicly available data on sales of similar properties in the region.

Other buildings were valued on the basis of current replacement costs. This was determined using a bill of quantities with costing reference to published indices.

Any revaluation increment arising on the revaluation of an asset is reassigned in other comprehensive income and accumulated in the asset revaluation surplus of the appropriate asset, except to the extent it reverses a revaluation decrement for the asset previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

Where necessary, indices that are state or national-based are adjusted for regional factors.

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

Notes to and forming part of the financial statements for the YEAR ENDED 31 DECEMBER 2018

Note 1 Summary of Significant Accounting Policies (cont)

(j) Revaluations of Non-Current Physical and Intangible Assets (cont)

On revaluation, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Only those assets, the total values of which are material compared to the value of the class of assets to which they belong, are comprehensively revalued.

Land is not depreciated as it has an unlimited useful life.

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

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity.

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

(k) Depreciation Property, Plant and Equipment

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

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

Class	Rate %
Buildings and Land Improvements	1 to 7
Infrastructure	2.5
Heritage assets	1 to 3
Plant & Equipment	
Motor Vehicles	10 to 15
Computer Equipment	20 to 25
Furniture	10
Other	1 to 20

(l) Impairment of Non-Current Assets

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

As a not-for-profit entity, certain property, plant and equipment of the School is held for the continuing use of its service capacity and not for the generation of cash flows. Such assets are typically specialised in nature. In accordance with AASB 136, where such assets are measured at fair value under AASB 13, that fair value (with no adjustment for disposal costs) is effectively deemed to be the recoverable amount. Consequently, AASB 136 does not apply to such assets unless they are measured at cost.

For other non-specialised property, plant and equipment measured at fair value, where indicators of impairment exist, the only difference between the asset's fair value and its fair value less costs of disposal is the incremental costs attributable to the disposal of the asset. Consequently, the fair value of the asset determined under AASB 13 will materially approximate its recoverable amount where the disposal costs attributable to the asset are negligible. After the revaluation requirements of AASB 13 are first applied to these assets, applicable disposal costs are assessed and, in the circumstances where such costs are not negligible, adjustments to the recoverable amount are made in accordance with AASB 136.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve of the relevant asset/class to the extent available.

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

Notes to and forming part of the financial statements for the YEAR ENDED 31 DECEMBER 2018

Note 1 Summary of Significant Accounting Policies (cont)

(l) Impairment of Non-Current Assets (cont)

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

(m) Leases

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

(n) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and the invoice, and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms or sooner.

(o) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the School becomes party to the contractual provisions of the financial instrument.

Classification and Presentation

Financial instruments are classified under Accounting Standard AASB 139 as follows:

- Cash and Cash equivalents - held at fair value through profit and loss (Note 11)
- Receivables - held at amortised cost (Note 12)
- Payables - held at amortised cost (Note 15)
- Borrowings - held at amortised cost (Note 16)

(p) Employee Benefits

Wages, Salaries, Recreation Leave, Sick Leave, and Long Service Leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the nominal salary rates. Workers' compensation insurance is a consequence of employing employees, but is not included in an employee's total remuneration package. It is not an employee benefit and is recognised separately as employee related expenses. Employer superannuation contributions, recreation leave, and long service leave are regarded as employee benefits.

Other long-term employee benefits - annual and long service leave

Annual leave and long service leave liabilities are classified and measured as other long term employee benefits as the School does not expect to wholly settle all such liabilities within the 12 months following reporting date.

Other long-term employee benefits are presented as current liabilities where the School does not have an unconditional right to defer payment for at least 12 months after the end of the reporting period. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments take into account anticipated future wage/salary levels, expected employee departures and periods of ineligible service. These are discounted using market yields on Australian Government bond rates at the end of the reporting period that coincide with the expected timing of estimated future payments. All directly associated on-costs (e.g. employer superannuation contributions and workers' compensation insurance) are also recognised as liabilities, where these on-costs are material.

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

Notes to and forming part of the financial statements for the YEAR ENDED 31 DECEMBER 2018

Note 1 Summary of Significant Accounting Policies (cont)

(p) Employee Benefits (cont)

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

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Superannuation

Employer superannuation contributions are paid to the employees' choice of Queensland Independent Education and Care Superannuation Trust (QIEC), The Rockhampton Grammar School Staff Superannuation Plan (AMP CustomSuper), BT Lifetime Super – Employer Plan, and QSuper. Contributions are expensed in the period in which they are paid or payable. The School's obligation is limited to its contributions to these funds. Therefore, no liability is recognised for accruing superannuation benefits in these financial statements.

(q) Insurance

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

(r) Taxation

The School is a state body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation except for Fringe Benefit Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the school. Receivables and Payables in the Statement of Financial Position are shown exclusive of GST. GST credits receivable from, and GST payable to the Australian Taxation Office at reporting date are separately recognised in Receivables, Note 12.

(s) Issuance of Financial Statements

The financial statements are authorised for issue by the Chairman and Board Secretary at the date of signing the Management Certificate.

(t) Judgements and Estimates

The most significant estimates and assumptions made in the preparation of the financial statements related to the fair value and depreciation of Property, Plant and Equipment in Note 1 (j), and the allowance for impairment of receivables in Note 1(l). The valuation of property, plant and equipment necessarily involves estimation uncertainty with the potential to materially impact on the carrying amount of such assets in the next reporting period.

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

Notes to and forming part of the financial statements for the YEAR ENDED 31 DECEMBER 2018

Note 1 Summary of Significant Accounting Policies (cont)

(u) New and Revised Accounting Standards for Application in Future Periods

The School did not voluntarily change any of its accounting policies during 2018. No Australian accounting standards have been early adopted.

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

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

These Standards will first apply from reporting periods beginning on or after 1 January 2019 and contains much more detailed requirements for the accounting for certain types of revenue from customers. The School has performed a detailed assessment on the impact of AASB 15 and given consideration to the term of the enrolment contract. Each party has the ability to terminate the contract and the contract may be terminated at any time giving the required term's notice. Given the right to cancel the contract, it is viewed as a year on year contract rather than a contract for the period of school life.

There is no material difference in the value of enrolment fees recognised from year to year, enrolment fees are recognised as income when received.

The School has reviewed its recurrent grant and tuition income and determined that the contracts are an enforceable agreement with no specific performance obligations and is not a contract as defined under AASB 15. The recurrent grant income is within the scope of AASB 1058 in the year in which it is received. Tuition income is within the scope of AASB 15 in the year in which it is invoiced. Revenue from capital grants is deferred until construction of the asset to which the grant relates. This is consistent with the School's current accounting policy for capital grants, as a result, no major impact is expected from the adoption of AASB 1058.

AASB 16 Leases

This Standard will become effective for reporting periods beginning on or after 1 January 2019. When applied, the standard supersedes AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases – Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Impact for Lessees

Unlike AASB 117 Leases, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value. In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position under AASB 16. There will be a significant increase in assets and liabilities for entities that lease assets. The impact on the reported assets and liabilities would be largely in proportion to the scale of the entity's leasing activities.

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

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense. AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. The School will apply the 'cumulative effect', and will not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application. The recognition of the right of use Asset at the date of initial application is expected to be \$140,073 with a lease liability of \$140,073.

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

Notes to and forming part of the financial statements for the YEAR ENDED 31 DECEMBER 2018

Note 1 Summary of Significant Accounting Policies (cont)

(v) Adoption of New Accounting Standards

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

These Standards came into effect from reporting periods beginning on or after 1 January 2018. The main impacts of these standards on the School are that they changed the requirements for the classification, measurement, impairment and disclosures associated with the school's financial assets. AASB 9 has introduced different criteria for whether financial assets can be measured at amortised cost or fair value.

The School has reviewed the measurement of its financial assets against the new AASB 9 classification and measurement requirements. All of the school's financial assets are measured at amortised cost.

Another impact of AASB 9 relates to calculating impairment losses for the school's receivables. AASB 9 introduces a new "expected credit losses" model for assessing the impairment allowance in respect of Trade Receivables. The school measures the impairment allowance based on lifetime expected credit losses. This approach requires estimation of expected credit losses for each receivable regardless of whether there is evidence of impairment at balance date. Management makes this assessment based on the individual characteristics of each debtor and where possible, external economic factors that may also impact the future capacity of those debtors to pay.

Conducting analysis on this basis did not result in an allowance for impairment that is significantly different from that calculated under AASB 139.

(w) Comparatives

Comparative information reflects the audited 2017 financial statements except where minor amounts previously netted are now presented on a gross basis, to conform with current year presentation classifications. Management believes this improves the fairness of comparability of the financial statements, however, the changes are not substantial and have no impact on operating surplus or net assets.

All other Australian Accounting Standards and interpretations with future commencement dates are either not applicable to the School's activities, or have no material impact on the school.

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

**Notes to and forming part of the financial statements
for the YEAR ENDED 31 DECEMBER 2018**

Operating Result

Revenue	2018	2017
	\$	\$
2. Fee Income		
Tuition	11,762,108	11,664,886
Boarding	5,492,089	5,742,139
Other	1,045,230	1,020,675
Total Fee Income	<u>18,299,427</u>	<u>18,427,700</u>
3. Grant and other Contribution Income		
State Government Grants		
Recurrent grant	2,896,989	2,835,029
Endowment	18,500	18,500
Other	243,210	238,325
	<u>3,158,699</u>	<u>3,091,854</u>
Commonwealth Government Grants		
Recurrent grant	11,529,530	11,081,255
Other	3,400	31,357
	<u>11,532,930</u>	<u>11,112,612</u>
Total Grant Income	<u>14,691,629</u>	<u>14,204,466</u>
4. Other Income		
Interest	153,199	102,549
Other Tuition Income	1,268,133	1,313,336
Early Learning Centre	3,903,362	3,617,479
Dance & Musical Theatre Academy	298,816	277,448
Red & Black Shop Income	462,717	77,868
Canteen Income	210,897	177,725
Donations	123,057	154,182
Miscellaneous	417,003	416,998
	<u>6,837,184</u>	<u>6,137,585</u>
Grants and Subsidies - Other		
VET Grant	6,242	11,451
Export Development Grant	52,235	-
	<u>58,477</u>	<u>11,451</u>
Total Other Income	<u>6,895,661</u>	<u>6,149,036</u>
Total Revenue from Ordinary Activities	<u><u>39,886,717</u></u>	<u><u>38,781,202</u></u>

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

**Notes to and forming part of the financial statements
for the YEAR ENDED 31 DECEMBER 2018**

Operating Result (cont)

	2018	2017
	\$	\$
Expenses		
5. Employee Expenses		
Salaries & Wages	22,275,293	21,434,303
Superannuation	2,413,006	2,326,415
Employee Entitlements Provided	635,476	615,205
Fringe Benefits Tax	85,225	108,104
	<u>25,409,000</u>	<u>24,484,027</u>
Insurance - Worker's Compensation	197,636	153,228
Total Employee Expenses	<u>25,606,636</u>	<u>24,637,255</u>
The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:	261.5	258.5
Board Members receive no remuneration.		
6. Supplies and Services		
Tuition Supplies and Services	1,701,800	1,600,806
Boarding Supplies and Services	1,084,081	1,105,529
Property Supplies and Services	2,318,908	2,863,987
Early Learning Centre	343,168	322,180
Dance & Musical Theatre Academy	58,706	103,421
Red & Black Shop Expenses	317,134	60,927
Canteen Expenses	110,208	85,173
Disposal of Non-Current Assets	57,585	23,977
Administration Supplies and Services	2,889,866	2,942,485
Total Supplies and Services	<u>8,881,456</u>	<u>9,108,485</u>
7. Depreciation		
Buildings	1,134,867	1,119,524
Plant, Equipment and Motor Vehicles	1,391,439	1,363,652
	<u>2,526,306</u>	<u>2,483,176</u>
8. Finance/Borrowing Costs		
Finance/Borrowing Cost Expense	903,451	978,485
Total Expenses from Ordinary Activities	<u>37,917,849</u>	<u>37,207,401</u>
9. Auditor's Remuneration		
Queensland Audit Office – External Audit Services	31,400	32,400

The auditors did not receive any remuneration for non-audit services. Total audit fees quoted by the Queensland Audit Office relating to the 2018 financial statements are \$31,400 (2017 \$30,400).

10. Impairment Losses

No impairment losses were recognised during 2018.

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

Notes to and forming part of the financial statements
for the YEAR ENDED 31 DECEMBER 2018

Note 11 Cash and Cash Equivalents

	2018	2017
	\$	\$
General Fund		
Cash at Bank and Deposits at Call	4,685,764	3,205,820
Petty Cash and Floats	15,130	7,940
	<u>4,700,894</u>	<u>3,213,760</u>
Building Fund	195,484	190,757
Bursary & Bequest Funds	125,781	124,001
Education Fund	453,138	420,102
Total Cash and Cash Equivalents	<u>5,475,297</u>	<u>3,948,620</u>

Cash deposited with Queensland Treasury Corporation earned interest between 2.23% to 2.89% in 2018 (2.30% to 2.65% in 2017). Interest earned on cash held with the Westpac Banking Corporation was 0.10% in 2018 (0.10% to 2.69% in 2017).

There are no restrictions over the use of cash except for the Building Fund and Education Fund, which are endorsed by the ATO as Deductible Gift Recipient funds. The use of cash held in both of these funds is restricted, subject to the requirements of a DGR (as specified by the ATO).

As per ATO guidelines, a school building fund is solely for providing money to acquire, construct or maintain school or college buildings. It cannot be used for any other purpose. Expenditure on capital improvements and maintenance, as well as installing and maintaining fixtures, are accepted outlays of a school building fund.

Note 12 Receivables

General Fund		
Debtors - Fees	708,637	725,728
Debtors - Other	2,420	2,380
GST Receivable	63,643	90,367
Total Receivables	<u>774,700</u>	<u>818,475</u>

Note 13 Other Current Assets

Prepayments	541,297	431,611
Accrued Interest Income	10,745	8,802
Accrued Income	24,872	-
Total Other Current Assets	<u>576,914</u>	<u>440,413</u>

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

**Notes to and forming part of the financial statements
for the YEAR ENDED 31 DECEMBER 2018**

Note 14 Property, Plant and Equipment

Independent valuations of land, buildings, infrastructure, heritage and cultural assets, plant and equipment were performed as at 31 December 2015 by Aon Risk Solutions using "fair value" principles in accordance with AASB13. At that date, the valuation of land and buildings was based on current replacement cost and market values on the basis of direct comparison of similar assets. For infrastructure, and heritage and cultural assets, the bases of valuation were current reproduction cost and current replacement cost, respectively. Residential properties were valued on the basis of direct comparison appraisal whereby the property was compared to the sale of other comparable units in the local area. 2015 property values are shown on a gross basis in accordance with the requirements of Queensland Treasury and Trade NCAP 5.

Infrastructure assets are defined as reasonable site preparation earthworks, underground services such as trunk stormwater and sewer drainage, water supply, fire ring main and electrical mains and sub-mains, roadworks and parking areas and associated drainage, access lighting, pathways and paving, sports oval, general landscaping, fencing, isolated shade structures and covered links, play areas adjacent to primary teaching blocks. Motor vehicles, plant and equipment, and furniture and fittings are valued at cost.

No assets are offered as security for borrowings.

	2018	2017
	\$	\$
<i>Land - at fair value</i>	15,509,146	15,509,146
<i>Buildings - at fair value</i>	78,599,106	78,224,732
Less accumulated depreciation	<u>(26,518,071)</u>	<u>(25,568,736)</u>
	52,081,035	52,655,996
<i>Heritage assets - at fair value</i>	9,335,000	9,335,000
Less accumulated depreciation	<u>(6,060,280)</u>	<u>(6,026,520)</u>
	3,274,720	3,308,480
<i>Capital Work in Progress- at cost</i>	619,649	22,197
	<u>619,649</u>	<u>22,197</u>
<i>Infrastructure - at fair value</i>	5,534,000	5,534,000
Less accumulated depreciation	<u>(2,187,111)</u>	<u>(2,035,591)</u>
	3,346,889	3,498,409
<i>Plant & Equipment</i>		
At cost	7,228,949	7,504,066
Less accumulated depreciation	<u>(4,070,761)</u>	<u>(3,847,172)</u>
	3,158,188	3,656,894
Total Property, Plant & Equipment	<u><u>77,989,627</u></u>	<u><u>78,651,122</u></u>

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

**Notes to and forming part of the financial statements
for the YEAR ENDED 31 DECEMBER 2018**

Note 14 Property, Plant and Equipment (cont) Reconciliation

	Land	Buildings	Heritage Assets	Work in Progress	Infrastructure	Plant and Equipment	Total
	\$	\$	\$	\$	\$	\$	\$
Carrying amount at 1 January 2018	15,509,146	52,655,996	3,308,480	22,197	3,498,409	3,656,894	78,651,122
Acquisitions		370,625		601,202		950,569	1,922,396
Disposals						(57,585)	(57,585)
Transfers between classes		3,750		(3,750)			-
Gain/Loss on Revaluation of Prop,Plant&Equip							-
Depreciation		(949,336)	(33,760)		(151,520)	(1,391,690)	(2,526,306)
Carrying amount at 31 December 2018	15,509,146	52,081,035	3,274,720	619,649	3,346,889	3,158,188	77,989,627
<hr/>							
	Land	Buildings	Heritage Assets	Work in Progress	Infrastructure	Plant and Equipment	Total
	\$	\$	\$	\$	\$	\$	\$
Carrying amount at 1 January 2017	15,509,146	53,098,486	3,342,240	80,877	3,648,008	3,910,327	79,589,084
Acquisitions		440,037		6,032		1,129,969	1,576,038
Disposals						(30,824)	(30,824)
Transfers between classes		53,638		(64,712)		11,074	-
Gain/Loss on Revaluation of Prop,Plant&Equip							-
Depreciation		(936,165)	(33,760)		(149,599)	(1,363,652)	(2,483,176)
Carrying amount at 31 December 2017	15,509,146	52,655,996	3,308,480	22,197	3,498,409	3,656,894	78,651,122

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

for the YEAR ENDED 31 DECEMBER 2018

Note 15	Payables		
		2018	2017
		\$	\$
	Creditors		
	Creditors	1,312,125	1,458,824
	Accrued Creditors	137,717	298,138
	Total Payables	<u>1,449,842</u>	<u>1,756,962</u>
	Other Liabilities		
	Fees in Advance	821,386	766,970
	Other Income in Advance	46,905	4,425
	Total Fees in Advance	<u>868,291</u>	<u>771,395</u>
Note 16	Other Financial Liabilities		
	<i>Current</i>		
	Qld Treasury Corporation Borrowings	1,116,841	1,131,863
		<u>1,116,841</u>	<u>1,131,863</u>
	<i>Non-Current</i>		
	Qld Treasury Corporation Borrowings	12,214,385	13,292,993
		<u>12,214,385</u>	<u>13,292,993</u>

All borrowings are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 September 2019 to 15 December 2032. There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made quarterly in arrears at rates ranging from 5.231% to 7.979% for Queensland Treasury Corporation borrowings.

The market value of the School's borrowings (QTC) at 31 December 2018, as notified by the Queensland Treasury Corporation, was \$15,723,572 (2017 \$16,984,171).

As it is the intention of the School to hold its borrowings for their full term, no fair value adjustment is made to the carrying amount of the borrowings.

All borrowings of the Board are guaranteed by the Government of Queensland.

Note 17	Accrued Employee Benefits		
	<i>Current</i>		
	Employee entitlements		
	- Wages payable	591,165	489,159
	- Annual leave	559,469	448,614
	- Long service leave	2,518,826	2,551,721
	Total Accrued Employee Benefits	<u>3,669,460</u>	<u>3,489,494</u>
	<i>Non-current</i>		
	- Long service leave	464,279	378,871
	Total Accrued Employee Benefits	<u>464,279</u>	<u>378,871</u>

Based on known and approved applications for long service leave at reporting date, and historical trends, approximately only \$520,000 of the Provision for Long Service Leave classified as current as at 31 December 2018 is expected to be paid in the ensuing 12 months.

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

**Notes to and forming part of the financial statements
for the YEAR ENDED 31 DECEMBER 2018**

Note 18 Asset Revaluation Surplus by Class

	Land	Buildings & Improvements	Heritage Assets	Plant & Equipment, Furniture	Infrastructure	Total
	\$	\$	\$	\$	\$	\$
Balance 1 January 2018	10,353,573	7,962,748	1,692,590	12,764	826,018	20,847,693
Revaluation Increments/(Decrements)						
Impairment Losses Through Equity						
Balance 31 December 2018	10,353,573	7,962,748	1,692,590	12,764	826,018	20,847,693
Balance 1 January 2017	10,353,573	7,962,748	1,692,590	12,764	826,018	20,847,693
Revaluation Increments/(Decrements)						
Balance 31 December 2017	10,353,573	7,962,748	1,692,590	12,764	826,018	20,847,693

The asset revaluation surplus represents the net effect of upwards and downwards fair value revaluations of assets.

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

**Notes to and forming part of the financial statements
for the YEAR ENDED 31 DECEMBER 2018**

Note 19 Statement of cash flows - disclosures

	2018	2017
	\$	\$
(a) Cash at the end of the year, as shown in the Statement of Cash Flows		
Cash on hand	15,130	7,940
Cash at bank	1,552,404	695,180
Deposits at call	3,907,763	3,245,500
	<u>5,475,297</u>	<u>3,948,620</u>
(b) Reconciliation of net cash from operating activities to net result for the period		
Net result for the period	1,968,868	1,573,801
Depreciation	2,526,306	2,483,176
Bad debts	39,821	(6,513)
Disposal of non-current assets	57,585	25,855
Revaluation decrement	-	-
Change in operating assets and liabilities		
Decrease (increase) in receivables	(22,770)	(191,024)
Decrease (increase) in inventory	27,521	(319,243)
Decrease (increase) in GST input tax credits receivable	26,724	(9,722)
Decrease (increase) in prepayments	(136,501)	124,577
Increase (decrease) in payables	(307,121)	479,093
Increase (decrease) in other liabilities	96,895	104,821
Increase (decrease) in accrued employee entitlements	265,375	144,675
Net cash from operating activities	<u>4,542,703</u>	<u>4,409,496</u>

There are no non-cash financing or investing activities.

Note 20 Commitments for Expenditure

(a) Non-cancellable Operating Leases

Commitments at reporting date (inclusive of non-recoverable GST input tax credits) are payable as follows:

within one year	101,245	111,747
one to five years	86,228	44,329
	<u>187,473</u>	<u>156,076</u>

(b) Capital Expenditure Commitments

Buildings	109,750	72,750
	<u>109,750</u>	<u>72,750</u>

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

**Notes to and forming part of the financial statements
for the YEAR ENDED 31 DECEMBER 2018**

Note 21 Key Executive Remuneration

The School has assessed the key executive management personnel positions in context of the School being constituted under the *Grammar Schools Act 2016*. Details of executive management personnel positions, responsibilities, appointment date and remuneration are detailed below. Further information on these positions can be found in the body of the Annual Report under the section relating to Governance.

Positions	Responsibilities	Contract classification and appointment authority (current incumbents)	Date appointed to position
<i>Elected Trustees</i>	To supervise, maintain and control the conduct of the School. To make rules with regards to the management and control of the School.	Elected position through roll of electors and appointed by the Governor in Council	6 September 2018
<i>Government Appointed Trustee</i>		Appointed by the Governor in Council	6 September 2018
<i>Headmaster</i>	The Headmaster is responsible for the implementation of plans and strategies as approved by the Board of Trustees. The Headmaster is responsible for the successful management of the physical, financial and human resource assets of the school, as well as taking responsibility for legal issues, school policy development, strategic planning and broad community engagement.	Contract	20 Jan 2010
<i>Deputy Headmaster - Head of Middle School</i>	The Deputy Headmaster supports the Headmaster in implementation of plans and strategies as delegated by the Headmaster	Permanent Employee	1 Jan 1999
<i>Head of Senior School</i>	Supports the Headmaster in implementation of plans and strategies as delegated by the Headmaster	Permanent Employee	1 Jan 1999
<i>Head of Primary School</i>	Supports the Headmaster in implementation of plans and strategies as delegated by the Headmaster	Permanent Employee	1 Jan 2003
<i>Head of Early Learning</i>	Supports the Headmaster in implementation of plans and strategies as delegated by the Headmaster	Permanent Employee	2 Feb 2007
<i>Director of Boarding</i>	Supports the Headmaster in implementation of plans and strategies as delegated by the Headmaster	Permanent Employee	24 May 2016
<i>Secretary to the Board of Trustees</i>	Acts as Secretary to the Board of Trustees attending to Board business as required to enable the Board to carry out its statutory functions.	Permanent Employee	23 May 2016

The remuneration and other terms of employment for the key executive management personnel are specified in employment

The Board of Trustees operates in a competitive environment both nationally and internationally, and relies on information from industry benchmarks from a range of industry sources, including the Australian Heads of Independent Schools Association and Independent Schools Queensland, to set remuneration packages to ensure the School is able to attract the best candidates for its executive leadership team.

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

- Short term employee benefits which include:
 - ~ Base - consisting of Base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.
 - ~ Non-monetary benefits - consisting of provision of remission for School fees, other non-monetary benefits, together with the fringe benefits tax applicable to the benefit.
- Long term employee benefits include amounts expensed in respect of long service leave.
- Post employment benefits include amounts expensed in respect of superannuation contributions.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.
- No performance bonuses were paid.

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

**Notes to and forming part of the financial statements
for the YEAR ENDED 31 DECEMBER 2018**

Note 21 Key Executive Remuneration (cont)

1 January 2018 - 31 December 2018

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employee Benefits	Termination Benefits	Total Remuneration
	Base	Non-Monetary Benefits				
	\$	\$				
Elected Trustees	-	-	-	-	-	-
Government Appointed Trustees	-	-	-	-	-	-
Headmaster	354,171	92,173	9,871	44,393	-	500,608
Deputy Headmaster - Head of Middle School	172,366	18,132	4,838	19,951	-	215,287
Head of Senior School	136,008	-	3,760	12,532	-	152,299
Head of Primary School	158,563	-	4,390	15,402	-	178,356
Head of Early Learning	156,360	11,513	4,390	17,148	-	189,411
Director of Boarding	156,463	-	4,390	19,642	-	180,495
Secretary to the Board of Trustees	152,047	26,195	4,276	14,254	-	196,773

1 January 2017 - 31 December 2017

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employee Benefits	Termination Benefits	Total Remuneration
	Base	Non-Monetary Benefits				
	\$	\$				
Elected Trustees	-	-	-	-	-	-
Government Appointed Trustees	-	-	-	-	-	-
Headmaster	342,887	86,922	9,518	42,968	-	482,295
Deputy Headmaster - Head of Middle School	136,115	20,263	3,824	16,697	-	176,899
Head of Senior School	152,587	-	4,246	14,154	-	170,987
Head of Primary School	157,919	-	4,391	19,644	-	181,954
Head of Early Learning	142,291	151	3,832	13,266	-	159,540
Director of Boarding	179,993	-	4,246	20,485	-	204,724
Secretary to the Board of Trustees	163,459	27,066	4,128	15,008	-	209,661

The remuneration figures disclosed above are inclusive of extraordinary events that occurred during 2017. These events include the taking of long service leave at half pay, cashing out of leave entitlements, and executive staff undertaking a position of added responsibility with appropriate additional remuneration.

Note 22 Related party transactions

All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. The School employs 325 staff of which only 8 are close family members of key management personnel.

Note 23 Events Occurring After Balance Date

There are no material events occurring after balance date.

The Board of Trustees has the power to amend and re-issue the financial statements.

BOARD OF TRUSTEES OF THE ROCKHAMPTON GRAMMAR SCHOOL

Certificate of the Board of Trustees of The Rockhampton Grammar School

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

a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and

b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Board of Trustees of The Rockhampton Grammar School for the year 1 January 2018 to 31 December 2018 and of the financial position of the School at the end of that year.



K J JOHNSON
Board Secretary

26, 2, 19



B V R BEASLEY
Chairman

26, 2, 19

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the Rockhampton Grammar School

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Board of Trustees of the Rockhampton Grammar School.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 31 December 2018, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009*, the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulation 2013* and Australian Accounting Standards — Reduced Disclosure Requirements.

The financial report comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the certificate given by the Chairman and the Business Manager.

Basis for opinion

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

I am independent of the entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009*, the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulation 2013* and Australian Accounting Standards — Reduced Disclosure Requirements, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 31 December 2018:

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



Melissa Fletcher
as delegate of the Auditor-General

28 February 2019

Queensland Audit Office
Brisbane