About ACER

The Australian Council for Educational Research (ACER) is an independent, not-for-profit organisation which provides state-of-the-art educational research, products and services.

Established in 1930, ACER has a long history and solid reputation as a provider of non-aligned, reliable support and expertise to education policy makers and professional practitioners. ACER also provides learning tools for students, manages a range of testing and assessment services and conducts research and analysis in the education sector. It receives no direct financial support from government and generates its entire income through contracted research and development projects, and through products and services that it develops and distributes.

ACER is a leader in the provision of quality educational research, both within Australia and internationally. As a national, independent research body, ACER brings a high level of expertise and objectivity to its work. One of ACER’s great strengths is its people. Members of the research team have extensive experience and expertise in a range of disciplines and research methods. ACER also supports the work of professional practitioners through the development and provision of a range of research-based products and services.

The organisation has increasing international reach through its extensive body of work, particularly in the Asia-Pacific region and Europe, and through its offices in India and the Middle East. ACER provides consultancy and professional development support to several countries establishing national assessment programs, as well as undertaking commissioned research and providing assessment services to a broad range of international clients.

ACER has become one of the world’s leading educational research centres, committed to creating and distributing research-based knowledge, products and services to improve learning across the lifespan in both formal and informal settings.
Mission

Improving Learning

Our mission is to create and promote knowledge and tools that can be used to improve learning across the lifespan.

Values

- **Expertise** – producing high quality, innovative research and research-based services and materials to improve learning
- **Innovation** – taking a creative, flexible and bold approach to the development of knowledge, services and materials
- **Independence** – providing advice and commentary that is informed through research, is authoritative, and non-aligned
- **Integrity** – being ethical, honest and trustworthy in all our relationships and interactions
- **Responsiveness** – anticipating, understanding, meeting and exceeding client and customer expectations
- **Reflection & improvement** – being self-reflective and listening to and learning from others in order to improve the quality of our work, our efficiency and productivity
- **Positive relationships** – creating an organisational environment characterised by respect, fairness, openness and support of physical and emotional wellbeing
- **Individual fulfilment** – encouraging personal contribution and achievement, and the pursuit of excellence

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ACER is an independent, not-for-profit company, the members of which are the ten members of the ACER Council. For a list of the Members of ACER Council, see page 62.

### Organisational structure

#### Chief Executive Officer
Geoff Masters

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<th>Deputy CEO (Research)</th>
<th>Director Corporate Development</th>
<th>Deputy CEO (Professional Resources)</th>
<th>Director International Development</th>
<th>Director Assessment Services</th>
<th>Director Human Resources</th>
<th>Director Corporate Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Ainley</td>
<td>Robert Moore</td>
<td>Geoff Masters (acting)</td>
<td>Peter McGuckian</td>
<td>Deirdre Jackson</td>
<td>vacant</td>
<td>Wayne Dawes</td>
</tr>
</tbody>
</table>

- **Assessment and Reporting**
  - Margaret Forster

- **Teaching, Learning and Leadership**
  - Steve Dinham

- **National and International Surveys**
  - John Ainley

- **Policy Analysis and Program Evaluation**
  - Adrian Beavis

- **Systemwide Testing**
  - Chris Freeman

- **Transitions and Post-school Education and Training**
  - Phil McKenzie

- **ACER Press**
  - Ralph Saubern

- **ACER Leadership Centre**
  - Neil Carrington

- **Centre for Professional Learning**
  - Kerry-Anne Hoad

- **Cunningham Library and Record Services**
  - Lance Deveson

- **Marketing**
  - Annemarie Rolls

- **School Education**
  - Adele Butler

- **Higher Education**
  - Manita MacMahon Ball

- **Corporate and Vocational**
  - Larry Foster

- **School Education**
  - Adele Butler

- **Corporate Communications**
  - Louise Reynolds

- **Facilities**
  - Anita Sheean

- **Finance**
  - Gary Kelly

- **Information Technology**
  - Daryl Nguyen

- **Project Services**
  - Jim Carrigan
CEO comment

A feature of this year has been the important contribution ACER has made to several international studies.

In December ACER released the report of Australia’s performance in the 2007 cycle of the IEA’s Trends in International Mathematics and Science Study (TIMSS), generating considerable media interest. Despite a significant decline in Year 8 science achievements, Australian results were similar to results four year earlier. However, this was in a context in which other countries, including England and the United States, made big improvements.

The OECD decided to make the Programme for International Student Assessment (PISA) 2009 tests available to a number of countries for use in 2010. ACER will manage this and the participating countries will contract directly with ACER.

ACER also has responsibility for the Australian component of other large international studies: Progress in International Reading Literacy Study (PIRLS), OECD Teaching and Learning International Survey (TALIS), IEA Second Information Technology in Education Study (SITES) and Programme for the International Assessment of Adult Competencies (PIAAC).

ACER has been monitoring the developing national education agenda and working to ensure that we are well positioned to make a contribution. During 2008 ACER made a significant contribution to the new National Assessment Program, Literacy and Numeracy (NAPLAN) in the areas of item writing and trial testing for 2008 and 2009, and some of the marking and analysis. ACER will conduct all aspects of test development for NAPLAN 2010.

This year has seen an increased focus on support for school communities. In the Schools First program ACER is working with the Foundation for Young Australians and National Australia Bank to provide $5 million to schools in each of the next three years for school-community partnerships. ACER developed the award criteria and will manage the judging process. We continue to support the Wesley College-Fitzroy Valley partnership which is designed to promote cultural and vocational learning for students in these two communities. A ‘studio school’ is being developed at Yiramalay on Leopold Downs, made available for this purpose by the traditional owners (Bunuba people). ACER is assisting Wesley in the development of the vocational curriculum and its VET accreditation.

ACER experienced continued business growth this year. While we continue to monitor the impact of the global financial situation and exercise caution and restraint, we achieved a record level of income and a very pleasing financial result.

Professor Geoff Masters
ACER Chief Executive Officer
The year in review

ACER experienced continued business growth in 2008-09 with annual income increasing to more than $59 million and a record operating surplus of $4.3 million. This is a pleasing result in a year in which many other parts of the economy experienced downturns.

After conducting the national analysis and reporting of the NAPLAN 2008 results, ACER successfully bid to undertake the national data analysis and reporting for the 2009 testing. In parallel, ACER is undertaking all of the test development for NAPLAN 2010 – the first year ACER has been responsible for all test development for this program.

ACER Press has been further developing the PAT Maths and PAT Science test materials to enable users to track student performance and progress from P–10. This work includes an exploration of the feasibility of aligning PAT test results with the scales used to monitor and report Year 3, 5, 7 and 9 literacy and numeracy results nationally.

In May ACER launched a new bookshop in Brisbane. There are now bookshops located in Melbourne, Perth and Brisbane, in addition to the online services.

The Queensland government asked ACER CEO Professor Geoff Masters to review literacy, numeracy and science standards in Queensland primary schools. The review involved analysis of available data on the performances of Queensland students, a review of international research evidence and consultations with stakeholders. Preliminary recommendations were made at the start of 2009 and the final report released in May.

In May ACER hosted a forum on research evidence to inform work under the National Partnership agreements on literacy and numeracy, low SES communities and teacher quality. Representatives of the commonwealth, state and territory departments, and most Catholic education authorities and independent schools associations attended.

ACER has been involved in the national component of several international studies: Programme for International Student Assessment (PISA), Trends in International Mathematics and Science Study (TIMSS), Progress in International Reading Literacy Study (PIRLS) 2011, OECD Teaching and...
Learning International Survey (TALIS) and IEA Second Information Technology in Education Study (SITES). Results from the 2007 Trends in International Mathematics and Science Study (TIMSS) were released in December 2008.

Through Schools First, ACER is working with the Foundation for Young Australians and National Australia Bank to provide $5 million to schools in each of the next three years. ACER developed the award criteria and will manage the judging process.

ACER’s Research Conference 2008 took place in Brisbane in August. The conference theme this year was ‘Building skills for life and work’. Speakers outlined research findings relating to the development of vocational skills, literacy, numeracy, civics and citizenship, and employability skills. The Deputy Prime Minister The Hon Julia Gillard, MP, addressed the conference and called for better information about the contexts in which individual schools work and greater transparency in reporting school performances.

More than 25,000 students from 29 Australian and New Zealand universities participated in the latest cycle of the Australasian Survey of Student Engagement (AUSSE), conducted in 2008. This is the largest and most advanced survey of its kind and results were released in April.

ACER has begun work on the Programme for the International Assessment of Adult Competencies (PIAAC) — a new international adult literacy study, commissioned by the OECD, which will be administered on a three-year cycle. The first administration will be in 2011 in about 24 countries. The household survey of adults is linked with previous international adult literacy surveys. The project will help to establish ACER’s expertise in the assessment of adult learning.

The Health Professions Admission Test-Ireland (HPAT Ireland) is a new test used to assess candidates applying for admission to undergraduate medicine at five Irish universities. ACER developed the test and administered the first HPAT Ireland in February.

Many in the education community were saddened by the loss of Dr Ken Rowe and of Mr David Holcombe in the Victorian bushfires on 7 February 2009. Ken Rowe had been with ACER from 2000 until his retirement in 2008 as Research Director of ACER’s Learning Processes and Contexts research program. David Holcombe joined ACER as a casual marker in 2008. A fund was established to accept donations in Ken’s memory. Funds will be used to support research training in quantitative methods and to support schools, kindergartens or early childhood centres in the Marysville area.

Professor Peter Karmel died in December 2008 at the age of 86. Professor Karmel was a Member of ACER Council from 1968 to 1999, and Chair of the ACER Council from 1979 to 1999. Professor Karmel played a significant role in the history and development of ACER.

ACER was again awarded an Equal Opportunity for Women in the Workplace Agency (EOWA) Employer of Choice for Women citation. This is the fourth consecutive year in which ACER has received the award.
ACER is committed to fostering an understanding of and a responsibility for the physical environment and to incorporating environmental sustainability considerations in all infrastructure and operations planning and functions.

Sustainable practices support ecological, human and economic health and vitality. Sustainability presumes that resources are finite, and should be used conservatively and wisely with a view to long-term priorities and consequences of the ways in which resources are used.

In September 2008 ACER established a Sustainability Advisory Committee (ASAC) as a formal ACER committee to provide advice to the CEO. This committee replaced the Environmental Reference Group that was established by staff as a voluntary interest group.

The ASAC exists to provide advice on all matters pertaining to environmental sustainability at ACER. In particular, this includes developing strategic directions and long-term planning for minimising resource consumption and waste generation; establishing benchmarks and investigating ways of integrating sustainable practices into operations; establishing sustainability measurement, monitoring, management and reporting mechanisms; managing the preparation of ACER’s Greenhouse Challenge annual report; gathering information about best practice; and raising awareness and encouraging staff to apply principles of best practice.

**Sustainability Strategy and Action Plan**

ASAC developed a Sustainability Strategy and Action Plan. The committee developed a draft and sought the views of staff via an intranet discussion board. After considering staff feedback the ACER Sustainability Strategy was adopted.

The Sustainability Strategy covers the following objectives in relation to ACER’s work and environmental sustainability: strengthening leadership; integrating environmental sustainability into systems and policies; positively influencing strategic relationships; involving the ACER community; and monitoring progress towards improvement. The Action Plan sets out a range of specific goals for 2009, relating to the objectives in the Sustainability Strategy.

ACER has participated in the Greenhouse Challenge Plus (formerly the Greenhouse Challenge) since 2001. This program, partnering industry and government in a voluntary scheme to reduce greenhouse gas emissions, ceased on 30 June 2009. ACER will investigate becoming involved in its replacement, the Climate Change Action Fund when details become available.
Recent initiatives

Initiatives implemented during the year include:

- ACER’s promotion of, and participation in, Earth Hour;
- computers set to automatically print double-sided;
- a note placed at the bottom of all emails regarding protecting the environment by not printing unnecessarily;
- a notice on the Intranet asking staff to turn off computers at the end of the day;
- investigation into the quality of paper to reduce weight;
- collection of organic waste in kitchens in addition to hard waste recycling;
- a Garden Committee formed and a vegetable garden established in the laneway next to the Camberwell building;
- the induction pack for new staff will now be electronic, and will include a statement regarding ACER’s commitment to sustainability;
- upgrading the urinals in the Sydney office, leading to ACER winning an environmental initiative award from the South Sydney Corporate Park;
- investigation of the installation of the desert cube system in the urinals at ACER’s Operations Centre in Mulgrave; and
- a competition for staff to provide ‘green’ ideas.
Professional learning and equal opportunity for women

Staff have participated in a broad range of learning and development activities. Many individuals continued or commenced higher education courses, including Masters in Communication, Masters in Accounting, Masters in Human Resource Management and Graduate Certificate in Psychology. Others attended training programs such as project management fundamentals, software training, CPA courses, SMART Board demonstrations and psychometrics courses.

The Caring for Older Family Members Information Kit was produced this year. This was developed by the Professional Learning Unit in conjunction with the Equal Opportunity for Women Advisory Committee (EOWAC) to assist staff who are balancing work and family responsibilities.

The Equal Opportunity for Women Advisory Committee (EOWAC) drafted the annual EEO (Women) Report for the ACER Board of Directors. The Report identifies and analyses issues affecting the employment experience of women at ACER. Some of these issues include:

- From 1 April 2008 to 31 March 2009, 41 new positions were advertised and filled (excluding casual positions). Of these, 28 were filled by women.
- Of the 22 staff considered for advancement, 8 were women and all but one were successful in being advanced to a higher position.
- Of the 23 staff members in receipt of study support (financial and other) for a tertiary or further qualification, 18 were women. Of those women, three completed their qualifications during the reporting period.
- Women comprise 63 per cent of the workforce but occupy 33 per cent of senior manager positions.

ACER obtained a 2009 EOWA Employer of Choice for Women citation. The Equal Opportunity for Women in the Workplace Agency (EOWA) awards this citation on an annual basis and ACER is one of 111 organisations across Australia to receive the award this year. To be recognised as an EOWA Employer of Choice for Women, employers are required to meet stringent criteria each year. This is the fourth successive year ACER has received the award and it provides a useful way of benchmarking our policies and workplace environment. It sends a clear message that we are committed to fully utilising, developing and retaining our staff, including women.
08–09 on record

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08-09
Research projects

INTERNATIONAL PROJECTS

International
Educational Testing Service
- Programme for International Assessment of Adult Competencies (PIAAC)
International Association for Educational Assessment
- Member of IAEA Executive Committee
International Association for the Evaluation of Educational Achievement
- International Civic and Citizenship Education Study
- PIRLS Web-based Reading Survey
- IEA Test Development
International Association for the Evaluation of Educational Achievement
- Teacher Education Development Study (in collaboration with Michigan State University)
Organisation for Economic Cooperation and Development (OECD)
- OECD Programme for International Student Assessment (PISA) 2006 and 2009 - international component
- PISA Country Profiles database (PISA Data and Dissemination Services)
- PISA 2009 Optional Electronic Reading Assessment
- PISA 2003 Thematic Report on Mathematical Literacy and Instruction
- Additional Round of PISA 2009 (PISA plus)

Bangladesh
World Bank
- Review of report on Bangladesh Assessment of pupils in Grades 3 & 5 2008

Brunei
Ministry of Education Brunei
- Brunei Consultancy on Assessment of Student Competencies
- Brunei Curriculum Consultancy

Canada
UNESCO Canada
- Literacy Assessment and Monitoring Programme (LAMP)

Chile
Ministry of Education Chile
- Review of Education Progress Maps

Columbia
Instituto Colombiano para el Fomento de la Educación Superior (Colombian Institute for the Promotion of Higher Education)
- Assistance with test item construction and training for ICFES in Colombia.

Dubai
The Knowledge and Human Development Authority
- Data Analysis for the TIMMS Project
- PISA Main Study in Dubai

Hong Kong
Curriculum Development Institute Hong Kong
- Consultancy regarding the development of LOF for students with learning disabilities

Indonesia
AusAid
- Australia-Indonesia Basic Education Program - Policy Verification Case Study
- Australia-Indonesia Basic Education Program - Analysis of Teacher Profile Data
- Quality of Education in Madrasah

World Bank
- National Examination Assessment of ESA Indonesia

Mexico
Mexican Ministry for Public Education
- SEPISA, a sample assessment of reading and mathematics for secondary students in Mexico

Tecnológico de Monterrey
- Assessment of reading and mathematics for 15-year-old students

New Zealand
Department of Labour New Zealand
- Evaluation of Media Campaigns in relation to Adult Literacy, Language and Numeracy (LLN) Issues

Ministry of Education New Zealand (with Cognition Consulting Ltd)
- Survey of Special Education Resourcing
- Research Services for NZ Ministry of Education

New Zealand Council for Educational Research / Tertiary Education Commission (primary contractor)
- Development of Adult Literacy and Numeracy Assessment Tool
Switzerland
International Labour Organisation - Switzerland
- Toolkit on Human Resources for the Teaching Profession

Tajikistan
World Bank
- Design of National Testing Centre Tajikistan

United Arab Emirates
UAE Ministry of Education
- Implementation of PISA+ 2009 Field Trial

United States
America’s Choice Inc (USA)
- Development of Literacy and Numeracy Testing for Students in Grade 6 and Grade 9

NATIONAL PROJECTS
Australian Institute of Family Studies
- Longitudinal Survey of Australian Children
Commonwealth Department of Education, Employment and Workplace Relations
- Longitudinal Surveys of Australian Youth (LSAY)
- OECD Programme for International Student Assessment (PISA) 2006 and 2009 National component (also funded by state and territory education departments)
- AQTF Employer and Learner Quality Indicators
- Investigation into the Current Provisions of Indigenous Language Programmes
- TIMSS 2006
- TIMSS 2010
- Australian School Teacher and Leaders Survey
- IEA SITES 2006
- Mid-term evaluation of Boosting Innovation in Science, Technology and Mathematics Teaching Programme
- Australian School Innovation in Science, Technology and Mathematics Project
- OECD Teaching and Learning International Survey (Australian Component)
- Science and Maths Postgraduates in Australia: Supply, Demand and Employment Outcomes
- Study of Employment Outcomes Five Years after Graduation from University
- Consultancy Services in relation to AEI-NOOSR Qualifications Recognition Stakeholder Survey 2008-09
- Scoping Study to Investigate Online Learning to Facilitate Evidence Sharing (LNET)
- Literacy and Numeracy National Partnership
- Starting Point Analysis of Early Childhood Education
- National Teaching Professional Framework and Standards
- Preparatory Work to support Australia’s participation in the Progress in International Reading Studies (PIRLS) Project
- School Performance and Reporting
- Evaluation of literacy and numeracy diagnostic tools currently in use in Australian Schools

Curriculum Corporation
- National Assessment Program - Analyses Literacy and Numeracy
- NAPLAN - Trial administration & Test Construction
- NAPLAN - Item Review and Trial Test Form Development

Department of Families, Housing, Community Services and Indigenous Affairs
- Longitudinal Study of Indigenous Children
- Analysis of PISA Data for Indigenous Students

Graduate Careers Council of Australia
- Analysis and Reporting of Course Experience Questionnaire (CEQ) and the Postgraduate Research Experience Questionnaire (PREQ)

Ministerial Committee on Education, Employment and Youth Affairs (MCEETYA)
- Indigenous LLANS
- Longitudinal Literacy and Numeracy Study
- National Assessment Program Civics and Citizenship 2007
- National Assessment Program ICT Literacy
- National Assessment Program Civics and Citizenship 2010

National Australia Bank
- Schools First

Office for Aboriginal and Torres Strait Islander Health
- Indigenous Mental Health Textbook

Smith Family
- Post-program outcomes study of Learning for Life Exit Students
ACT
ACT Department of Education
- ACT Scaling Test

Northern Territory
Central Australian Remote Health
- Service Delivery Review of Central Australian Remote Health Development Services 2008
Charles Darwin University
- Pilot Study: ‘Abracadabra’ Literacy Intervention
Northern Territory Department of Education and Training
- Evaluation of Literacy Approaches in the Northern Territory

NSW
Business Council of Australia
- Quality of Teaching report
Department of Corrective Services
- Development of Test items and Test Administration: Applicants for Correctional Officer Positions
Department of Education and Training
- NSW Test for Year 5 Opportunity Classes (OCP)
- NSW Selective High Schools Test (SHSET)
- Online Training Program for Practicing Teachers to experience the application of the 2009 NAPLAN Writing Task Rubric
Gavin Jones Communications (main client: NSW Department of Ageing Disability and Home Care)
- Information for Aboriginal Families with a Child with a Disability
Microsoft Partners in Learning
- Best Start Literacy Assessment
NSW Institute of Teachers
- Research Digest for Teachers
SEMA (main client NSW DET)
- Essential Secondary Science Assessment
- National Assessment Program - Literacy and Numeracy test marking NSW
Smart Population Foundation
- RCN DVD Evaluation
University of New England
- Changing Academic Profession
University of Western Sydney (Principal client: Carrick Institute for Learning and Teaching in Higher Education)
- Academic Leadership Capabilities for Higher Education

QLD
Brisbane Catholic Education Office
- Who’s coming to School?
Disability Services Queensland
- Evaluation of the Post-school Services Program
Queensland Department of Education, Training & The Arts
- Queensland Education Performance Review

SA
Australian Principals Association
- Whole School Matters
- Assistance with Teaching and Learning Booklet
Department of Education and Children’s Services
- Variance Partitioning of PISA Data

Tasmania
Alliance of Girls Schools
- Review of Senior Secondary achievement in the Alliance of Girls Schools

Victoria
Association of Independent Schools in Victoria
- Building Educational Effectiveness in Independent Schools
Australian Principals Associations Professional Development Council
- Dare to Lead
Ballarat and Clarendon College
- Conducting Years P-2 literacy and numeracy assessments and reporting results
Catholic Education Office
- Student Exit Survey
- AGQT Administration - Professional Learning
- Plan for an Evaluation and Revision of the Leadership Standards Framework - Catholic Education Office
- Primary Principal Appraisal
Department of Education and Early Childhood Development
- Evaluation of the Literacy Improvement Teams Initiative, 2007-2008
- Assessment of English in the Early Years of Schooling
- Current best practice approaches to improving consistency in teacher judgments
- On Track
- An Integrated Approach to Improving Student Outcomes in a Community
- Integrated birth to 18 Learning and Development: Research, Policy, Practice
- TIMSS 2007 Study of High Achieving Countries
- Sample Assessment Project - Stage 1

Department of Family and Community Services

- Longitudinal Survey of Australian Children
- Assessment Informing Teaching and Learning (AITL)

Department of Justice

- Gambling and Young People

E-Works

- Flexible Learning Toolboxes Project

Melbourne Development International

- Assistance with design, development, implementation and support for AusAid Educational Resource Facility

Murdoch Children’s Research Institute

- Hosting and Development of Australian Early Development Index
- Raising Children Network

RMIT University

- RMIT Academic Promotions Review

Skills Victoria

- Analysis of University Student Entry

University of Melbourne

- Teaching Quality Indicators in Higher Education
- Analysis of Student Studies of Asia in Years 11 and 12

VicHealth

- Evaluation of Streets Ahead: Supporting children to get Active in their Neighbourhoods

Victoria University

- VU Dividend

Victorian Curriculum and Assessment Authority (VCAA)

- Victorian General Achievement Test
- Sample Assessment Survey

WA

Department of Education and Training

- Western Australian Monitoring Standards in Education (WAMSE) Science
- Western Australian Monitoring Standards in Education (WAMSE) Society and Environment
- Evaluation of Aboriginal Literacy Strategy
- Development of a Framework for a Nationally Consistent Dataset Concerning the Teaching Workforce across Australia

Independent Schools of Western Australia/Edith Cowan University

- Literacy Assessment for Development and Research of Focused Intervention for Early Literacy Development Project

Leadership Centre WA

- Evaluation of New Direction in School Leadership

University of Western Australia

- UWA Course Structures Review
Staff publications

BOOKS AND REPORTS


REFEREED JOURNAL ARTICLES


OTHER PERIODICALS


Directors’ report

The Directors of the Australian Council for Educational Research Limited and controlled entities present the following report together with the financial statements for the financial year ended 30 June 2009.

Directors

The names of Directors in office at any time during or since the end of the financial year are:

<table>
<thead>
<tr>
<th>Directors</th>
<th>Start date</th>
<th>Finish date</th>
<th>Board Meetings during the year</th>
<th>Audit Committee Meetings during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robyn Baker, BSc MEd</td>
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<tr>
<td>Brian Caldwell, BSc BEd MEd PhD</td>
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<tr>
<td>Brian Croke, BA DipED DPhil Fellow, Australian Humanities Academy</td>
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<tr>
<td>Anthony Mackay, BEc BEd MA</td>
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<tr>
<td>Geoffrey Masters, BSc MEd PhD FACE</td>
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<tr>
<td>Trish Mercer, PhD (History)</td>
<td>4</td>
<td>3</td>
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<tr>
<td>Paige Porter, BA MA PhD</td>
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<tr>
<td>Chris Robinson, Bachelor of Agricultural Economics, Post Grad Diploma of Social Security</td>
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<tr>
<td>Sheldon Rothman, BA MAT MEd EdD FACE</td>
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<tr>
<td>Geoff Scott, BA DipEd MEd EdD FACE</td>
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Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Mr Wayne J Dawes — Bachelor of Business, FCPA, ACIS, held the position of company secretary at the end of the financial year. Mr Dawes has been employed by the Australian Council for Educational Research Ltd for the past 16 years, performing a range of senior management roles. Mr Dawes was appointed company secretary on 26 October 1993.

Principal activities of the company

The principal activities of the company during the financial year were educational research and development, publication and sale of educational and psychological books, tests and materials, and the provision of assessment and educational services. During the financial year there was no significant change in the nature of those activities.

Result for the year

The surplus for the group amounted to $3,676,239 (2008 Surplus $5,005,812). The surplus of the parent company was $3,487,037 (2008 Surplus $5,225,914).
Dividends
ACER is a not for profit company and neither declares nor pays dividends. The company is prohibited from
issuing dividends or options as per its constitution.

Environmental issues
The group’s operations are not regulated by any significant environmental regulation under Commonwealth,
State or Territory law.

Review of operations
During the year, the group continued to engage in its principal activities, the results of which are disclosed in
the attached financial statements.

Significant changes in state of affairs
During the financial year there were no significant changes in the state of affairs of the company other than
those referred to in the accounts or notes thereto.

After balance date events
There have been no matters or circumstances since the end of the financial year, which significantly affect
the operations of the company in future years.

Directors’ indemnification
During the financial year the company paid a premium to insure each of the directors against liabilities for
costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while
acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in
relation to the company.

Proceedings on behalf of company
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in
any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the
company for all or any part of these proceedings. The company was not a party to any such proceedings
during the year.

Auditors independence
A copy of the auditors independence declaration as required under section 307C of the Corporations Act
2001 is set out on page 3.

Signed in accordance with a resolution of the Directors.
For and on behalf of the Directors

Director: Paige Porter 
Date: 18 September 2009 

Director: Geoffrey Masters
Australian Council for Educational Research Ltd and Controlled Entities

ABN 19 004 388 145

Auditor’s Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Saward Dawson Chartered Accountants

[Signature]

Peter Shields

18 September 2009
Blackburn VIC
### Financial report

**Income statement** (for the year ended 30 June 2009)

<table>
<thead>
<tr>
<th>Note</th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009 $</td>
<td>2008 $</td>
</tr>
<tr>
<td>Revenue</td>
<td>2a</td>
<td>59,823,175</td>
</tr>
<tr>
<td>Other income</td>
<td>2b</td>
<td>-</td>
</tr>
<tr>
<td>Changes in inventories of finished goods and work in progress</td>
<td></td>
<td>(449,991)</td>
</tr>
<tr>
<td>Purchases and consumables used</td>
<td></td>
<td>(2,052,136)</td>
</tr>
<tr>
<td>Employee and contractor benefits expense</td>
<td></td>
<td>(32,508,478)</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td></td>
<td>(1,466,420)</td>
</tr>
<tr>
<td>Freight and cartage expense</td>
<td></td>
<td>(710,249)</td>
</tr>
<tr>
<td>Advertising expense</td>
<td></td>
<td>(193,298)</td>
</tr>
<tr>
<td>Computer expense</td>
<td></td>
<td>(758,621)</td>
</tr>
<tr>
<td>Rent and occupancy expenses</td>
<td></td>
<td>(788,693)</td>
</tr>
<tr>
<td>Consultancy expense</td>
<td></td>
<td>(6,235,189)</td>
</tr>
<tr>
<td>Printing and stationery expenses</td>
<td></td>
<td>(1,876,054)</td>
</tr>
<tr>
<td>Royalty expense</td>
<td></td>
<td>(362,667)</td>
</tr>
<tr>
<td>Repairs and maintenance expenses</td>
<td></td>
<td>(377,596)</td>
</tr>
<tr>
<td>Travel expense</td>
<td></td>
<td>(2,378,191)</td>
</tr>
<tr>
<td>Finance costs</td>
<td></td>
<td>(920,999)</td>
</tr>
<tr>
<td>Other expenses</td>
<td></td>
<td>(5,054,155)</td>
</tr>
<tr>
<td>Surplus before income tax</td>
<td></td>
<td>3,690,438</td>
</tr>
<tr>
<td>Income tax expense (benefit)</td>
<td></td>
<td>(14,199)</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td></td>
<td>3,676,239</td>
</tr>
</tbody>
</table>

The accompanying notes form part of the financial statements.
Balance sheet (as at 30 June 2009)

<table>
<thead>
<tr>
<th>Note</th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009 $</td>
<td>2008 $</td>
</tr>
<tr>
<td></td>
<td>2009 $</td>
<td>2008 $</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>4</td>
<td>10,622,599</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>5</td>
<td>6,763,810</td>
</tr>
<tr>
<td>Inventories</td>
<td>6</td>
<td>2,405,728</td>
</tr>
<tr>
<td>Financial assets</td>
<td>7</td>
<td>201,365</td>
</tr>
<tr>
<td>Other assets</td>
<td>8</td>
<td>5,250,661</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>25,244,163</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Financial assets</td>
<td>7</td>
<td>20,087</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>9</td>
<td>29,106,884</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>29,126,971</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>54,371,134</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>10</td>
<td>8,314,880</td>
</tr>
<tr>
<td>Short-term provisions</td>
<td>12</td>
<td>4,682,691</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td>12,997,571</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>11</td>
<td>13,000,000</td>
</tr>
<tr>
<td>Other long-term provisions</td>
<td>12</td>
<td>580,043</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td></td>
<td>13,580,043</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td></td>
<td>26,577,614</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td>27,793,520</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>13</td>
<td>4,524,849</td>
</tr>
<tr>
<td>Retained earnings</td>
<td></td>
<td>23,268,671</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td></td>
<td>27,793,520</td>
</tr>
</tbody>
</table>

The accompanying notes form part of the financial statements.
Statement of changes in equity  (for the year ended 30 June 2009)

### 2009

<table>
<thead>
<tr>
<th></th>
<th>Parent</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accumulated surpluses $</td>
<td>Asset revaluation reserve $</td>
<td>Foundation for Educational Research Fund $</td>
<td>Foreign currency translation reserve $</td>
<td>Hedge Reserve $</td>
<td>Total $</td>
</tr>
<tr>
<td>Balance as at beginning of year</td>
<td>20,018,838</td>
<td>5,324,840</td>
<td>548,280</td>
<td>-</td>
<td>428,538</td>
<td>26,320,496</td>
</tr>
<tr>
<td>Net surplus (deficit) attributable to members of the parent entity</td>
<td>3,487,037</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,487,037</td>
</tr>
<tr>
<td>Transfers to and from reserves</td>
<td>-</td>
<td>(1,654,502)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,654,502)</td>
</tr>
<tr>
<td>- Asset revaluation reserve</td>
<td>(250,000)</td>
<td>-</td>
<td>250,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Foundation for Educational Research Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(380,832)</td>
<td>(380,832)</td>
</tr>
<tr>
<td>- Hedge Reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### 2008

<table>
<thead>
<tr>
<th></th>
<th>Parent</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accumulated surpluses $</td>
<td>Asset revaluation reserve $</td>
<td>Foundation for Educational Research Fund $</td>
<td>Foreign currency translation reserve $</td>
<td>Hedge Reserve $</td>
<td>Total $</td>
</tr>
<tr>
<td>Balance as at beginning of year</td>
<td>15,042,924</td>
<td>5,324,840</td>
<td>298,280</td>
<td>-</td>
<td>1,238,157</td>
<td>21,904,201</td>
</tr>
<tr>
<td>Net surplus (deficit) attributable to members of the parent entity</td>
<td>5,225,914</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,225,914</td>
</tr>
<tr>
<td>Transfers to and from reserves</td>
<td>-</td>
<td>(250,000)</td>
<td>-</td>
<td>250,000</td>
<td>-</td>
<td>(809,619)</td>
</tr>
<tr>
<td>- Foundation for Educational Research Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(809,619)</td>
<td>(809,619)</td>
</tr>
<tr>
<td>- Hedge Reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 30 June 2008</td>
<td>20,018,838</td>
<td>5,324,840</td>
<td>548,280</td>
<td>-</td>
<td>428,538</td>
<td>26,320,496</td>
</tr>
</tbody>
</table>

The accompanying notes form part of the financial statements.
Statement of changes in equity  (for the year ended 30 June 2009)

### 2009

<table>
<thead>
<tr>
<th></th>
<th>Accumulated surpluses $</th>
<th>Asset revaluation reserve $</th>
<th>Foundation for Educational Research Fund $</th>
<th>Foreign currency translation reserve $</th>
<th>Hedge Reserve $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at beginning of year</td>
<td>19,842,432</td>
<td>5,324,840</td>
<td>548,280</td>
<td>28,167</td>
<td>428,538</td>
<td>26,172,257</td>
</tr>
<tr>
<td>Net surplus (deficit)</td>
<td>3,676,239</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,676,239</td>
</tr>
<tr>
<td>Transfers to and from reserves</td>
<td></td>
<td>(1,654,502)</td>
<td>250,000</td>
<td>19,642</td>
<td>(380,832)</td>
<td></td>
</tr>
<tr>
<td>Asset revaluation reserve</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,654,502</td>
</tr>
<tr>
<td>Foundation for Educational Research Fund</td>
<td>(250,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation reserve</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hedge Reserve</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 30 June 2009</td>
<td>23,268,671</td>
<td>3,670,338</td>
<td>798,280</td>
<td>8,525</td>
<td>47,706</td>
<td>27,793,520</td>
</tr>
</tbody>
</table>

### 2008

<table>
<thead>
<tr>
<th></th>
<th>Accumulated surpluses $</th>
<th>Asset revaluation reserve $</th>
<th>Foundation for Educational Research Fund $</th>
<th>Foreign currency translation reserve $</th>
<th>Hedge Reserve $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at beginning of year</td>
<td>15,086,620</td>
<td>5,324,840</td>
<td>298,280</td>
<td>-</td>
<td>1,238,157</td>
<td>21,947,897</td>
</tr>
<tr>
<td>Net surplus (deficit)</td>
<td>5,005,812</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,005,812</td>
</tr>
<tr>
<td>Transfers to and from reserves</td>
<td></td>
<td>(250,000)</td>
<td>250,000</td>
<td>28,167</td>
<td>(809,619)</td>
<td></td>
</tr>
<tr>
<td>Foundation for Educational Research Fund</td>
<td>(250,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation reserve</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hedge Reserve</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 30 June 2008</td>
<td>19,842,432</td>
<td>5,324,840</td>
<td>548,280</td>
<td>28,167</td>
<td>428,538</td>
<td>26,172,257</td>
</tr>
</tbody>
</table>

The accompanying notes form part of the financial statements.
Statement of cash flows  (for the year ended 30 June 2009)

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2008</td>
</tr>
<tr>
<td><strong>Note</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Cash from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>64,609,512</td>
<td>57,171,944</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(57,865,700)</td>
<td>(56,254,315)</td>
</tr>
<tr>
<td>Interest received</td>
<td>132,854</td>
<td>177,196</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(912,951)</td>
<td>(1,317,329)</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(14,199)</td>
<td>22,450</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) operating activities</strong></td>
<td>5,949,516</td>
<td>(200,054)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of plant and equipment</td>
<td>-</td>
<td>9,217,145</td>
</tr>
<tr>
<td>Acquisition of property, plant and equipment</td>
<td>(1,238,598)</td>
<td>(4,798,500)</td>
</tr>
<tr>
<td>Loans to related parties – proceeds from repayments (payments made)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) investing activities</strong></td>
<td>(1,238,598)</td>
<td>4,418,645</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from (repayment of) other borrowings</td>
<td>-</td>
<td>(4,835,187)</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) financing activities</strong></td>
<td>-</td>
<td>(4,835,187)</td>
</tr>
<tr>
<td><strong>Net increase (decreases) in cash held</strong></td>
<td>4,710,918</td>
<td>(616,596)</td>
</tr>
<tr>
<td>Cash at beginning of financial year</td>
<td>5,911,681</td>
<td>6,528,277</td>
</tr>
<tr>
<td>Cash at end of financial year</td>
<td>10,622,599</td>
<td>5,911,681</td>
</tr>
</tbody>
</table>

The accompanying notes form part of the financial statements.
Notes to the financial statements (for the year ended 30 June 2009)

I Statement of significant accounting policies

1a General information

The financial report includes the consolidated financial statements and notes of Australian Council for Educational Research Ltd and Controlled Entities (the Group) and the separate financial statements and notes of Australian Council for Educational Research Ltd as an individual parent entity (Parent).

1b Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The financial report complies with all Australian equivalents to International Financial Reporting Standards (IFRS) to the extent applicable to Australian not for profit entities. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

1c Basis of consolidation

A controlled entity is an entity over which Australian Council for Educational Research Ltd has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

A list of controlled entities is contained in Note 21 to the financial statements.

All inter-group balances and transactions between entities in the the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

1d Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.
Notes to the financial statements (for the year ended 30 June 2009)

1 Statement of significant accounting policies continued

1e Income taxes

No current or deferred income tax assets or liabilities have been raised by the company as it is exempt from income tax under Division 50 of the Income Tax Assessment Act.

1f Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

1g Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm’s length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

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

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset’s employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.
Notes to the financial statements (for the year ended 30 June 2009)

I Statement of significant accounting policies continued

Ig Property, plant and equipment continued

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset’s useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>2.5% - 10%</td>
</tr>
<tr>
<td>Furniture, Fixtures and Fittings</td>
<td>25%</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>25%</td>
</tr>
<tr>
<td>Computer Equipment</td>
<td>33%</td>
</tr>
<tr>
<td>Computer Software</td>
<td>40%</td>
</tr>
</tbody>
</table>

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Ih Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Ii Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the income statement.
Notes to the financial statements  (for the year ended 30 June 2009)

1  Statement of significant accounting policies continued

1j  Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition; less principal repayments; plus or minus the cumulative amortisation of the difference, if any; between the amount initially recognised and the maturity amount calculated using the effective interest method; and less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.
Notes to the financial statements (for the year ended 30 June 2009)

I Statement of significant accounting policies continued

Ij Financial instruments continued

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group’s intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm’s length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.
Notes to the financial statements  (for the year ended 30 June 2009)

I  Statement of significant accounting policies continued

1k Employee benefits
Provision is made for the company’s liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. These cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

1l Borrowings
Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

1m Revenue
Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on proportional basis taking account the interest rates applicable to the financial assets.

Project work in progress is valued at cost, plus profit recognised to date less any provision for anticipated future losses. Costs include both variable and fixed costs relating to specific contracts, when those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

Project profits are recognised over the life of the project measured using the proportion of costs incurred to date as compared to expected total costs. Where losses are anticipated they are provided for in full. Project revenue has been recognised on the basis of the terms of the contract adjusted for any variances or claims allowable under the contract.

All revenue is stated net of the amount of goods and services tax (GST).

1n Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.
Notes to the financial statements (for the year ended 30 June 2009)

1 Statement of significant accounting policies continued

1o Rounding of amounts

The company has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors’ report have been rounded off to the nearest $ 1.

1p Foreign currency translation

Functional and presentation currency

The functional currency of each group entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity’s functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group’s presentation currency are translated as follows:

• assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
• income and expenses are translated at average exchange rates for the period; and
• retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group’s foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

1q Library additions

The Group adopts the policy of charging all additions to the library directly to the profit and loss account in the year in which the expenditure is incurred.
Notes to the financial statements (for the year ended 30 June 2009)

I Statement of significant accounting policies continued

Ir Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Group.

Key estimates — Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key judgments — Doubtful debts provision

The directors believe that the doubtful debts provision is adequate to cover any impairment of receivables as at 30 June 2009.

Key judgments — Project surpluses

Included in the total surplus for the year ended 30 June 2009 was amounts relating to project surpluses recognised. The directors have judged that these project surpluses should be recognised over the life of the project measured using the proportion of cost incurred to date as compared to expected total costs. The directors also use estimated costs to complete the project to estimate the surplus or deficit recognised each financial year.

Key judgements - Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over their useful life and the depreciation rates are assessed when the assets are acquired.

Is New accounting standards for application in future periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the company is as follows:

• AASB 2008-11: Amendments to Australian Accounting Standard — Business Combinations among Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 July 2009). These amendments make the requirements in AASB 3: Business Combinations applicable to business combinations among not-for-profit entities (other than restructures of local governments) that are not commonly controlled, and to include specific recognition, measurement and disclosure requirements in AASB 3 for restructures of local governments.
Notes to the financial statements (for the year ended 30 June 2009)

1 Statement of significant accounting policies continued

1s New accounting standards for application in future periods continued

- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the company. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 and AASB 138 and Interpretations 1 and 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the company as a policy of capitalising qualifying borrowing costs has been maintained by the company.

- AASB 2008-2: Amendments to Australian Accounting Standards — Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132 and AASB 139 and Interpretation 2] (applicable for annual reporting periods commencing from 1 January 2009). These amendments introduce an exception to the definition of a financial liability to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro-rata share of net assets only upon liquidation.

- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB’s annual improvements project. No changes are expected to materially affect the company.

- AASB 2008-8: Amendments to Australian Accounting Standards — Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009). This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the company.

- AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 — Distributions of Non-cash Assets to Owners [AASB 5 and AASB 110] (applicable for annual reporting periods commencing from 1 July 2009). This amendment requires that non-current assets held for distribution to owners to be measured at the lower of carrying value and fair value less costs to distribute.
Notes to the financial statements  (for the year ended 30 June 2009)

I  Statement of significant accounting policies continued

• AASB Interpretation 16: Hedges of a Net Investment in a Foreign Operation (applicable for annual reporting periods commencing from 1 October 2008). Interpretation 16 applies to entities that hedge foreign currency risk arising from net investments in foreign operations and that want to adopt hedge accounting. The interpretation provides clarifying guidance on several issues in accounting for the hedge of a net investment in a foreign operation and is not expected to impact the company.

• AASB Interpretation 17: Distributions of Non-cash Assets to Owners (applicable for annual reporting periods commencing from 1 July 2009). This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed where the difference between the fair value and carrying value of the assets is recognised in profit or loss.

The company does not anticipate early adoption of any of the above reporting requirements and does not expect them to have any material effect on the company’s financial statements.
## Notes to the financial statements (for the year ended 30 June 2009)

### 2 Revenue

<table>
<thead>
<tr>
<th>Note</th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2008</td>
</tr>
<tr>
<td>2a Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- sale of goods</td>
<td>8,216,079</td>
<td>8,128,238</td>
</tr>
<tr>
<td>- services revenue</td>
<td>50,633,777</td>
<td>46,462,531</td>
</tr>
<tr>
<td>- royalties</td>
<td>489,107</td>
<td>419,587</td>
</tr>
<tr>
<td>- rental income</td>
<td>351,358</td>
<td>431,189</td>
</tr>
<tr>
<td>- interest received 2(c)</td>
<td>132,854</td>
<td>177,196</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>59,823,175</td>
<td>55,618,740</td>
</tr>
<tr>
<td>2b Other income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- foreign exchange gain</td>
<td>-</td>
<td>259,124</td>
</tr>
<tr>
<td>- gain on sale of property, plant and equipment</td>
<td>-</td>
<td>3,392,872</td>
</tr>
<tr>
<td>Other Income</td>
<td>-</td>
<td>3,651,997</td>
</tr>
<tr>
<td>2c Interest revenue breakup</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Interest revenue from: other persons</td>
<td>132,854</td>
<td>177,196</td>
</tr>
<tr>
<td>Total interest revenue</td>
<td>132,854</td>
<td>177,196</td>
</tr>
</tbody>
</table>
Notes to the financial statements  (for the year ended 30 June 2009)

3  Profit for the year

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>$1,466,420</td>
<td>$1,476,806</td>
<td>$1,466,099</td>
<td>$1,476,765</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>$2,502,127</td>
<td>$2,349,358</td>
<td>$2,501,943</td>
<td>$2,349,323</td>
</tr>
<tr>
<td>Finance costs</td>
<td>$920,999</td>
<td>$1,317,329</td>
<td>$920,999</td>
<td>$1,317,329</td>
</tr>
<tr>
<td>Bad and doubtful debts expense / (Bad debts recovered)</td>
<td>$25,432</td>
<td>$(1,302)</td>
<td>$25,432</td>
<td>$(1,302)</td>
</tr>
<tr>
<td>Foreign exchange losses</td>
<td>$167,578</td>
<td>$(259,124)</td>
<td>$167,578</td>
<td>$(259,124)</td>
</tr>
<tr>
<td>Remuneration of the auditor of the parent entity for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Auditing or reviewing the financial report</td>
<td>$45,600</td>
<td>$42,000</td>
<td>$45,600</td>
<td>$42,000</td>
</tr>
<tr>
<td>- Other services</td>
<td>$15,872</td>
<td>$12,080</td>
<td>$15,872</td>
<td>$12,080</td>
</tr>
<tr>
<td>Remuneration of other auditors of subsidiaries for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Auditing or reviewing the financial report</td>
<td>$15,134</td>
<td>$23,528</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rental expense on operating leases</td>
<td>$785,155</td>
<td>$632,929</td>
<td>$757,863</td>
<td>$610,415</td>
</tr>
</tbody>
</table>

Significant revenue and expenses

The following significant revenue and expense items are relevant to explaining the financial performance:

Gain on sale of property, plant and equipment – 347 Camberwell Rd | $- | $3,392,872 | $- | $3,392,872 |
Notes to the financial statements (for the year ended 30 June 2009)

4 Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>5,513</td>
<td>2,395</td>
<td>5,513</td>
<td>2,395</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>10,617,086</td>
<td>5,909,286</td>
<td>9,466,818</td>
<td>5,405,687</td>
</tr>
<tr>
<td></td>
<td>10,622,599</td>
<td>5,911,681</td>
<td>9,472,331</td>
<td>5,408,082</td>
</tr>
</tbody>
</table>

5 Trade and other receivables

CURRENT

<table>
<thead>
<tr>
<th></th>
<th>Consolidated 2009</th>
<th>Parent 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>6,938,810</td>
<td>6,856,140</td>
</tr>
<tr>
<td>Provision for impairment of receivables</td>
<td>(175,000)</td>
<td>(175,000)</td>
</tr>
<tr>
<td></td>
<td>6,763,810</td>
<td>6,681,140</td>
</tr>
<tr>
<td>Amounts receivable from wholly-owned subsidiaries</td>
<td>-</td>
<td>66,682</td>
</tr>
<tr>
<td></td>
<td>6,763,810</td>
<td>6,747,822</td>
</tr>
</tbody>
</table>

NON-CURRENT

<table>
<thead>
<tr>
<th></th>
<th>Consolidated 2009</th>
<th>Parent 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts receivable from wholly-owned subsidiaries</td>
<td>-</td>
<td>877,496</td>
</tr>
<tr>
<td>Test Grid (Aust) Pty Ltd - Loan account</td>
<td>927,458</td>
<td>927,458</td>
</tr>
<tr>
<td>Provision for impairment</td>
<td>(927,458)</td>
<td>(927,458)</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>877,496</td>
</tr>
</tbody>
</table>

5a Provision for impairment of receivables

Current trade and term receivables are generally on 30 day terms, depending on the underlying terms of the contract. Non current trade receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is an objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item in the income statement.
5a Provision for impairment of receivables continued

Movement in provision for impairment of receivables is as follows:

### 2009

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Opening balance</td>
<td>Charge for the year</td>
<td>Amounts written off</td>
</tr>
<tr>
<td>Current trade receivables</td>
<td>$150,000</td>
<td>$25,000</td>
<td>-</td>
</tr>
<tr>
<td>Non-current associated companies</td>
<td>$927,458</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$1,077,458</td>
<td>$25,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Closing balance 2009</td>
<td>$1,102,458</td>
<td>$1,102,458</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Parent</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Opening balance</td>
<td>Charge for the year</td>
<td>Amounts written off</td>
</tr>
<tr>
<td>Current trade receivables</td>
<td>$150,000</td>
<td>$25,000</td>
<td>-</td>
</tr>
<tr>
<td>Non-current associated companies</td>
<td>$927,458</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$1,077,458</td>
<td>$25,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Closing balance 2009</td>
<td>$1,102,458</td>
<td>$1,102,458</td>
</tr>
</tbody>
</table>

### 2008

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Opening balance</td>
<td>Charge for the year</td>
<td>Amounts written off</td>
</tr>
<tr>
<td>Current trade receivables</td>
<td>$125,000</td>
<td>$25,000</td>
<td>-</td>
</tr>
<tr>
<td>Non-current associated companies</td>
<td>$927,458</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$1,052,458</td>
<td>$25,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Closing balance 2008</td>
<td>$1,077,458</td>
<td>$1,077,458</td>
</tr>
</tbody>
</table>
Notes to the financial statements (for the year ended 30 June 2009)

5 Trade and other receivables continued

5a Provision for impairment of receivables continued

<table>
<thead>
<tr>
<th></th>
<th>Opening balance</th>
<th>Charge for the year</th>
<th>Amounts written off</th>
<th>Closing balance 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current trade receivables</td>
<td>125,000</td>
<td>25,000</td>
<td>-</td>
<td>150,000</td>
</tr>
<tr>
<td>Non-current associated companies</td>
<td>927,458</td>
<td>-</td>
<td>-</td>
<td>927,458</td>
</tr>
<tr>
<td></td>
<td>1,052,458</td>
<td>25,000</td>
<td>-</td>
<td>1,077,458</td>
</tr>
</tbody>
</table>

5b Aged analysis

The ageing analysis of receivables is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–30 days</td>
<td>5,965,856</td>
<td>5,490,625</td>
<td>5,883,186</td>
<td>5,323,490</td>
</tr>
<tr>
<td>31–60 days</td>
<td>797,954</td>
<td>1,348,390</td>
<td>797,954</td>
<td>1,348,390</td>
</tr>
<tr>
<td>31–60 days (considered impaired)</td>
<td>10,529</td>
<td>-</td>
<td>10,529</td>
<td>-</td>
</tr>
<tr>
<td>61–90 days (past due not impaired)</td>
<td>-</td>
<td>133,577</td>
<td>-</td>
<td>133,577</td>
</tr>
<tr>
<td>61–90 days (considered impaired)</td>
<td>80,292</td>
<td>-</td>
<td>80,292</td>
<td>-</td>
</tr>
<tr>
<td>91+ days (past due not impaired)</td>
<td>-</td>
<td>193,284</td>
<td>944,178</td>
<td>193,284</td>
</tr>
<tr>
<td>91+ days (considered impaired)</td>
<td>1,011,637</td>
<td>1,077,458</td>
<td>1,011,637</td>
<td>150,000</td>
</tr>
<tr>
<td></td>
<td>7,866,268</td>
<td>8,243,334</td>
<td>8,727,776</td>
<td>7,148,741</td>
</tr>
</tbody>
</table>
Notes to the financial statements  (for the year ended 30 June 2009)

6  Inventories

<table>
<thead>
<tr>
<th>Note</th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009 $</td>
<td>2008 $</td>
</tr>
<tr>
<td>CURRENT At Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work in progress</td>
<td>338,406</td>
<td>532,036</td>
</tr>
<tr>
<td>Finished goods</td>
<td>1,715,310</td>
<td>1,629,575</td>
</tr>
<tr>
<td></td>
<td>2,053,716</td>
<td>2,161,611</td>
</tr>
<tr>
<td>At net realisable value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finished goods</td>
<td>352,012</td>
<td>119,756</td>
</tr>
<tr>
<td></td>
<td>2,405,728</td>
<td>2,281,367</td>
</tr>
</tbody>
</table>

7  Financial assets

7a

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009 $</td>
<td>2008 $</td>
</tr>
<tr>
<td>Available for sale financial assets 7b</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Held-to-maturity financial assets 7c</td>
<td>173,746</td>
<td>-</td>
</tr>
<tr>
<td>Derivative financial assets 7d</td>
<td>47,706</td>
<td>428,537</td>
</tr>
<tr>
<td></td>
<td>221,452</td>
<td>428,537</td>
</tr>
<tr>
<td>Less non-current portion</td>
<td>(20,087)</td>
<td>(85,707)</td>
</tr>
<tr>
<td>Current portion</td>
<td>201,365</td>
<td>342,830</td>
</tr>
</tbody>
</table>

7b  Available-for-sale financial assets comprise:

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009 $</td>
<td>2008 $</td>
</tr>
<tr>
<td>Unlisted investments, at cost</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>shares in controlled entities</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

7c  Held-to-maturity investments comprise:

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009 $</td>
<td>2008 $</td>
</tr>
<tr>
<td>Fixed interest securities</td>
<td>173,746</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>173,746</td>
<td>-</td>
</tr>
</tbody>
</table>
## Notes to the financial statements (for the year ended 30 June 2009)

### 7 Financial assets continued

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2008</td>
</tr>
<tr>
<td><strong>Note</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>7d Derivative financial assets comprise:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange contract - current</td>
<td>27,619</td>
<td>342,830</td>
</tr>
<tr>
<td>Foreign exchange contract - non current</td>
<td>20,087</td>
<td>85,707</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>47,706</td>
<td>428,537</td>
</tr>
</tbody>
</table>

Gains and losses arising from changes in the fair value of designated forward exchange contracts are initially recognised directly in equity and are separately included as a hedge reserve in the statement of changes in equity. At transaction date, amounts included in the hedge reserve are transferred from equity and included in the acquisition cost of the asset.

The statement of changes in equity includes transfers to and from the hedge reserve. Gains and losses arising from changes in net fair value of interest rate swaps are recognised in the income statement in the period in which they arise.

### 8 Other assets

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2008</td>
</tr>
<tr>
<td><strong>Note</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>CURRENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepayments</td>
<td>289,954</td>
<td>278,618</td>
</tr>
<tr>
<td>Work in progress</td>
<td>4,949,022</td>
<td>3,942,642</td>
</tr>
<tr>
<td>Other receivables</td>
<td>11,685</td>
<td>28,263</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,250,661</td>
<td>4,249,523</td>
</tr>
</tbody>
</table>
Notes to the financial statements (for the year ended 30 June 2009)

9  Property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
<th></th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009 $</td>
<td>2008 $</td>
<td></td>
<td>2009 $</td>
</tr>
<tr>
<td><strong>LAND AND BUILDINGS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freehold land</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At fair value</td>
<td>10,650,000</td>
<td>10,650,000</td>
<td></td>
<td>10,650,000</td>
</tr>
<tr>
<td>Total freehold land</td>
<td>10,650,000</td>
<td>10,650,000</td>
<td></td>
<td>10,650,000</td>
</tr>
<tr>
<td>Buildings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At fair value</td>
<td>17,986,280</td>
<td>19,404,998</td>
<td></td>
<td>17,986,280</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(1,136,276)</td>
<td>(646,566)</td>
<td></td>
<td>(1,136,276)</td>
</tr>
<tr>
<td>Total buildings</td>
<td>16,850,004</td>
<td>18,758,432</td>
<td></td>
<td>16,850,004</td>
</tr>
<tr>
<td>Total land and buildings</td>
<td>27,500,004</td>
<td>29,408,432</td>
<td></td>
<td>27,500,004</td>
</tr>
<tr>
<td><strong>PLANT AND EQUIPMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>2,021,513</td>
<td>1,396,085</td>
<td></td>
<td>2,020,084</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(1,335,213)</td>
<td>(955,207)</td>
<td></td>
<td>(1,334,882)</td>
</tr>
<tr>
<td>Total plant and equipment</td>
<td>686,301</td>
<td>440,878</td>
<td></td>
<td>685,202</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>31,010</td>
<td>31,010</td>
<td></td>
<td>31,010</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(10,336)</td>
<td>(2,583)</td>
<td></td>
<td>(10,336)</td>
</tr>
<tr>
<td>Total motor vehicles</td>
<td>20,674</td>
<td>28,427</td>
<td></td>
<td>20,674</td>
</tr>
<tr>
<td>Computer equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>2,728,278</td>
<td>2,360,683</td>
<td></td>
<td>2,728,278</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(1,911,972)</td>
<td>(1,335,687)</td>
<td></td>
<td>(1,911,972)</td>
</tr>
<tr>
<td>Total computer equipment</td>
<td>816,305</td>
<td>1,024,996</td>
<td></td>
<td>816,305</td>
</tr>
<tr>
<td>Improvements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>254,015</td>
<td>208,821</td>
<td></td>
<td>254,015</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(170,415)</td>
<td>(122,342)</td>
<td></td>
<td>(170,415)</td>
</tr>
<tr>
<td>Total improvements</td>
<td>83,600</td>
<td>86,479</td>
<td></td>
<td>83,600</td>
</tr>
<tr>
<td>Total plant and equipment</td>
<td>920,579</td>
<td>1,139,902</td>
<td></td>
<td>920,579</td>
</tr>
<tr>
<td>Total property, plant and equipment</td>
<td>29,106,884</td>
<td>30,989,212</td>
<td></td>
<td>29,105,785</td>
</tr>
</tbody>
</table>
Notes to the financial statements (for the year ended 30 June 2009)

9 Property, plant and equipment continued

9a Movements in carrying amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year.

Parent

<table>
<thead>
<tr>
<th></th>
<th>Capital works in progress $</th>
<th>Land $</th>
<th>Buildings $</th>
<th>Plant and equipment $</th>
<th>Motor vehicles $</th>
<th>Computer equipment $</th>
<th>Improvements $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of year</td>
<td>-</td>
<td>10,650,000</td>
<td>18,758,432</td>
<td>439,533</td>
<td>28,427</td>
<td>1,024,996</td>
<td>86,479</td>
<td>30,987,867</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>235,784</td>
<td>422,244</td>
<td>-</td>
<td>570,730</td>
<td>45,195</td>
<td>1,273,953</td>
</tr>
<tr>
<td>Transfers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>141,073</td>
<td>-</td>
<td>(141,073)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>-</td>
<td>-</td>
<td>(489,710)</td>
<td>(317,648)</td>
<td>(7,753)</td>
<td>(638,348)</td>
<td>(48,074)</td>
<td>(1,501,533)</td>
</tr>
<tr>
<td>Revaluation decrease recognised in equity</td>
<td>-</td>
<td>-</td>
<td>(1,654,502)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,654,502)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Carrying amount at the end of year</strong></td>
<td>-</td>
<td>10,650,000</td>
<td>16,850,004</td>
<td>685,202</td>
<td>20,674</td>
<td>816,305</td>
<td>83,600</td>
<td>29,105,785</td>
</tr>
</tbody>
</table>

Prior Year

<table>
<thead>
<tr>
<th></th>
<th>Capital works in progress $</th>
<th>Land $</th>
<th>Buildings $</th>
<th>Plant and equipment $</th>
<th>Motor vehicles $</th>
<th>Computer equipment $</th>
<th>Improvements $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of year</td>
<td>232,779</td>
<td>16,150,000</td>
<td>15,722,574</td>
<td>383,074</td>
<td>-</td>
<td>997,584</td>
<td>5,781</td>
<td>33,491,792</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>3,631,880</td>
<td>301,228</td>
<td>31,010</td>
<td>726,013</td>
<td>106,982</td>
<td>4,797,113</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(5,500,000)</td>
<td>(319,126)</td>
<td>-</td>
<td>(5,148)</td>
<td>-</td>
<td>(5,824,274)</td>
<td>-</td>
</tr>
<tr>
<td>Transfers</td>
<td>(232,779)</td>
<td>-</td>
<td>232,779</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>-</td>
<td>-</td>
<td>(509,675)</td>
<td>(244,770)</td>
<td>(2,583)</td>
<td>(693,453)</td>
<td>(26,284)</td>
<td>(1,476,765)</td>
</tr>
<tr>
<td><strong>Carrying amount at the end of year</strong></td>
<td>-</td>
<td>10,650,000</td>
<td>18,758,432</td>
<td>439,532</td>
<td>28,427</td>
<td>1,024,996</td>
<td>86,479</td>
<td>30,987,866</td>
</tr>
</tbody>
</table>
### Notes to the financial statements (for the year ended 30 June 2009)

#### 9a Movements in carrying amounts continued

#### Consolidated

<table>
<thead>
<tr>
<th>Capital works in progress</th>
<th>Land</th>
<th>Buildings</th>
<th>Plant and equipment</th>
<th>Motor vehicles</th>
<th>Computer equipment</th>
<th>Improvements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of year</td>
<td>10,650,000</td>
<td>18,758,432</td>
<td>440,878</td>
<td>28,427</td>
<td>1,024,996</td>
<td>86,479</td>
<td>30,989,212</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>235,784</td>
<td>422,293</td>
<td>-</td>
<td>570,730</td>
<td>45,195</td>
<td>1,274,002</td>
</tr>
<tr>
<td>Transfers</td>
<td>-</td>
<td>-</td>
<td>141,073</td>
<td>-</td>
<td>(141,073)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>-</td>
<td>-</td>
<td>(489,710)</td>
<td>(317,943)</td>
<td>(7,753)</td>
<td>(638,348)</td>
<td>(48,074) (1,501,828)</td>
</tr>
<tr>
<td>Revaluation decrease recognised in equity</td>
<td>-</td>
<td>-</td>
<td>(1,654,502)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,654,502)</td>
</tr>
<tr>
<td><strong>Carrying amount at the end of year</strong></td>
<td>10,650,000</td>
<td>16,850,004</td>
<td>686,301</td>
<td>20,674</td>
<td>816,305</td>
<td>83,600</td>
<td>29,106,884</td>
</tr>
</tbody>
</table>

| **Prior Year**            |      |           |                     |                |                    |              |       |
| Balance at the beginning of year | 232,779 | 16,150,000 | 15,722,574         | 383,074        | -                  | 997,584      | 5,781 33,491,792 |
| Additions                 | -    | -         | 3,631,880          | 302,615        | 31,010             | 726,013      | 106,982 4,798,500 |
| Disposals                 | (5,500,000) | (319,126) | -                   | -              | (5.148)            | -            | (5,824,274) |
| Transfers                 | (232,779) | -         | 232,779            | -              | -                  | -            | -     |
| Depreciation expense      | -    | -         | (509,675)          | (244,811)      | (2,583)            | (693,453)    | (26,284) (1,476,806) |
| **Carrying amount at the end of year** | 10,650,000 | 18,758,432 | 440,878            | 28,427         | 1,024,996          | 86,479       | 30,989,212 |
Notes to the financial statements (for the year ended 30 June 2009)

9b The company’s land and buildings were revalued at 30 June 2009 by Michael D Jackson, Charter Keck Cramer on 15 June 2009. The valuations were made on the basis of open market value. The net revaluation deficit was debited to an asset revaluation reserve in equity.

10 Trade and other payables

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>CURRENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade payables</td>
<td>1,370,525</td>
<td>1,407,573</td>
<td>1,367,492</td>
<td>1,401,632</td>
</tr>
<tr>
<td>Sundry creditors and accruals</td>
<td>1,952,195</td>
<td>2,233,309</td>
<td>1,693,557</td>
<td>2,202,516</td>
</tr>
<tr>
<td>Project income in advance</td>
<td>4,992,160</td>
<td>3,477,611</td>
<td>4,992,160</td>
<td>3,477,611</td>
</tr>
<tr>
<td></td>
<td>8,314,880</td>
<td>7,118,493</td>
<td>8,053,209</td>
<td>7,081,759</td>
</tr>
</tbody>
</table>

I I Financial liabilities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>NON-CURRENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secured liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank bills IIa</td>
<td>13,000,000</td>
<td>13,000,000</td>
<td>13,000,000</td>
<td>13,000,000</td>
</tr>
<tr>
<td></td>
<td>13,000,000</td>
<td>13,000,000</td>
<td>13,000,000</td>
<td>13,000,000</td>
</tr>
</tbody>
</table>

IIa Bank loan facility

Bills payable have been drawn down as a source of long-term finance. They are rolled over quarterly. $2,500,000 of the facility bears a fixed interest rate and the remainder bears variable interest rates. The bank bill facility is reviewed annually and expires on 1 March 2013. See note 19b for further details.

IIb The carrying amounts of non-current assets pledged as security are:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>First mortgage over freehold land and buildings</td>
<td>27,500,004</td>
<td>29,408,432</td>
<td>27,500,004</td>
<td>29,408,432</td>
</tr>
<tr>
<td></td>
<td>27,500,004</td>
<td>29,408,432</td>
<td>27,500,004</td>
<td>29,408,432</td>
</tr>
</tbody>
</table>
Notes to the financial statements  (for the year ended 30 June 2009)

12  Provisions

Analysis of total provisions

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2008</td>
</tr>
<tr>
<td>Current</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>4,682,691</td>
<td>4,222,269</td>
</tr>
<tr>
<td>Non-current</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>580,043</td>
<td>513,177</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,262,734</strong></td>
<td><strong>4,735,446</strong></td>
</tr>
</tbody>
</table>

Parent

<table>
<thead>
<tr>
<th></th>
<th>Employee entitlements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance at 1 July 2008</td>
<td>$ 4,734,151</td>
<td>$ 4,734,151</td>
</tr>
<tr>
<td>Additional provisions</td>
<td>$ 3,325,642</td>
<td>$ 3,325,642</td>
</tr>
<tr>
<td>Amounts used</td>
<td>(2,800,894)</td>
<td>(2,800,894)</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2009</strong></td>
<td>$ 5,258,899</td>
<td>$ 5,258,899</td>
</tr>
</tbody>
</table>

Consolidated

<table>
<thead>
<tr>
<th></th>
<th>Employee entitlements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance at 1 July 2008</td>
<td>$ 4,735,446</td>
<td>$ 4,735,446</td>
</tr>
<tr>
<td>Additional provisions</td>
<td>$ 3,328,182</td>
<td>$ 3,328,182</td>
</tr>
<tr>
<td>Amounts used</td>
<td>(2,800,894)</td>
<td>(2,800,894)</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2009</strong></td>
<td>$ 5,262,734</td>
<td>$ 5,262,734</td>
</tr>
</tbody>
</table>
Notes to the financial statements  (for the year ended 30 June 2009)

13  Reserves

13a Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets.

13b Foundation for Educational Research

This reserve contains the funds that have been allocated to the Foundation for Educational Research.

13c Hedge reserve

The hedge reserve records the movements in the value of the company’s hedge portfolio that are designated as cashflow hedges.

13d Foreign currency translation reserve

The foreign currency translation reserve records the exchange differences arising on translation of the foreign controlled subsidiaries.

14  Leasing commitments

14a Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2008</td>
</tr>
<tr>
<td>Payable - minimum lease payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- not later than 12 months</td>
<td>885,330</td>
<td>802,332</td>
</tr>
<tr>
<td>- between 12 months and 5 years</td>
<td>168,385</td>
<td>1,035,438</td>
</tr>
<tr>
<td></td>
<td>1,053,715</td>
<td>1,837,770</td>
</tr>
</tbody>
</table>

The above operating leases relates to the rented premises in Sydney, Adelaide, Perth, Brisbane, Melbourne and India, and the staff novated car leases. All of the property leases are paid in advance. The lease in Sydney will terminate in May and February 2011 and there is an option to renew the lease for 2 further terms of 1 year each. The Brisbane lease will terminate in April 2011 and it has an option to renew for a further 2 years. The Mulgrave lease will terminate in October 2010 and it has an option to renew for a further 2 years. The Perth lease will terminate in October 2010, the Adelaide lease will terminate in January 2010 and the India lease will terminate in October 2010.
Notes to the financial statements  (for the year ended 30 June 2009)

15  Contingent Liabilities and Contingent Assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingent liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guarantees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The parent company has provided guarantees to third parties in respect to banking facilities, contract performance guarantee and property lease rentals. The guarantees are for the terms of the facilities and leases.</td>
<td>$453,870</td>
<td>$463,853</td>
<td>$453,870</td>
<td>$463,853</td>
</tr>
</tbody>
</table>

16  Key Management Personnel Compensation

<table>
<thead>
<tr>
<th></th>
<th>Parent and consolidated</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Short-term benefits</td>
<td>Post employment benefits</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Salary $</td>
<td>Cash bonus $</td>
<td>Non-cash benefits $</td>
<td>Superannuation $</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>2008</td>
<td>2009</td>
<td>2008</td>
</tr>
<tr>
<td>Salary</td>
<td>408,461</td>
<td>48,073</td>
<td>69,912</td>
<td>151,337</td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary</td>
<td>363,447</td>
<td>45,013</td>
<td>72,600</td>
<td>132,243</td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There are no differences between the parent and consolidated entity.

17  Members’ Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of $20 each towards any outstanding obligations of the company. At 30 June 2009 the number of members was 10 (2008: 10).
**Notes to the financial statements** (for the year ended 30 June 2009)

18 **Related party transactions**

**Normal course of business**

Several directors of the Australian Council for Educational Research Limited (ACER) hold a position with organisations with whom ACER conducts business. All transactions between ACER and these entities are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**Controlled entities**

Transactions and balances with subsidiaries are disclosed separately in the financial statements.

19 **Cash Flow Information**

19a **Reconciliation of Cash Flow from Operations with Surplus for the Year**

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2008</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>$3,676,239</td>
<td>$5,005,812</td>
</tr>
<tr>
<td>Non-cash flows in surplus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>$1,466,420</td>
<td>$1,476,806</td>
</tr>
<tr>
<td>Net gain on disposal of property, plant and equipment</td>
<td>-</td>
<td>-$3,392,873</td>
</tr>
<tr>
<td>Provision for doubtful debts</td>
<td>$25,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>Changes in assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in trade and term receivables</td>
<td>$(771,037)</td>
<td>$(3,180,188)</td>
</tr>
<tr>
<td>(Increase)/decrease in inventories</td>
<td>$(124,361)</td>
<td>$(595,427)</td>
</tr>
<tr>
<td>Increase/(decrease) in trade payables and accruals</td>
<td>$(364,585)</td>
<td>$591,917</td>
</tr>
<tr>
<td>Increase/(decrease) in other liabilities</td>
<td>$1,514,552</td>
<td>$(591,824)</td>
</tr>
<tr>
<td>Increase/(decrease) in provisions</td>
<td>$527,288</td>
<td>$460,723</td>
</tr>
<tr>
<td>Cashflow from operations</td>
<td>$5,949,516</td>
<td>$(200,054)</td>
</tr>
</tbody>
</table>
Notes to the financial statements  (for the year ended 30 June 2009)

19  Cash Flow Information continued

19b Credit Standby Arrangements and Loan Facilities with Banks

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
<th>Parent</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2008</td>
<td>2009</td>
<td>2008</td>
</tr>
<tr>
<td>Bank overdraft and bill facility</td>
<td>14,900,000</td>
<td>14,900,000</td>
<td>14,900,000</td>
<td>14,900,000</td>
</tr>
<tr>
<td>Credit card facility</td>
<td>250,000</td>
<td>80,000</td>
<td>250,000</td>
<td>80,000</td>
</tr>
<tr>
<td>Contingent liability - bank guarantee</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Amount utilised</td>
<td>(13,000,000)</td>
<td>(13,000,000)</td>
<td>(13,000,000)</td>
<td>(13,000,000)</td>
</tr>
<tr>
<td>Amount unused</td>
<td>2,650,000</td>
<td>2,480,000</td>
<td>2,650,000</td>
<td>2,480,000</td>
</tr>
</tbody>
</table>

The major facilities are summarised as follows:

Credit card facility:
This facility has an indefinite term. The repayments are due in full of closing balance. Interest is charged monthly at 16.27% and is subject to adjustment.

Bank overdrafts:
Bank overdraft facilities are arranged with the Commonwealth Bank of Australia with the general terms and conditions being set and agreed to annually. Interest rates are variable and subject to adjustment.

Commercial bill facility:
$2,500,000 of the facility bears a fixed interest current rate of 6.17% and the remainder $12,000,000 bears a variable current interest rate of 5.442%. The bank bill facility is provided by the Commonwealth Bank of Australia and is reviewed annually. The facility expires on 1 March 2013. Finance will be provided under all facilities provided the company has not breached any borrowing requirements.
Notes to the financial statements (for the year ended 30 June 2009)

20  Financial instruments

The Group’s financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and derivatives.

20a  Financial Risk Management Policies

The Finance and Audit Committee has been delegated responsibility by the Board of Directors for, amongst other issues, monitoring and managing financial risk exposures of the Group. The Committee monitors the Group’s financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counter party credit risk, currency risk, financing risk and interest rate risk. The Committee meets on a quarterly basis and minutes of the Finance and Audit Committee are reviewed by the Board.

The Committee’s overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

20b  Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk, commodity and equity price risk.

Interest Rate Risk

Financial instrument composition and maturity analysis

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating rate debt. The Group has not entered into any interest rate swaps to convert floating rate debt to fixed rate. At 30 June 2009 approximately 61.5% of group debt is at a fixed interest rate.

The net effective variable interest rate borrowings (ie unhedged debt) exposes the Group to interest rate risk which will impact future cash flows and interest charges and is indicated by the following floating interest rate financial liabilities:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill facility</td>
<td>10,500,000</td>
<td></td>
<td>10,500,000</td>
<td></td>
</tr>
</tbody>
</table>

The consolidated group’s exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:
### Notes to the financial statements (for the year ended 30 June 2009)

#### Financial instruments continued

<table>
<thead>
<tr>
<th></th>
<th>Weighted Average Effective Interest Rate</th>
<th>Floating Interest Rate</th>
<th>Maturing within 1 year</th>
<th>Non-interest Bearing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parent</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2.32</td>
<td>5.55</td>
<td>6,838,952</td>
<td>5,022,879</td>
<td>-</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial assets</td>
<td>4.50</td>
<td>-</td>
<td>173,746</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>6,838,952</td>
<td>5,022,879</td>
<td>173,746</td>
<td>-</td>
<td>10,321,120</td>
</tr>
<tr>
<td>Financial liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial liabilities - bank bill</td>
<td>5.58</td>
<td>7.43</td>
<td>13,000,000</td>
<td>13,000,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td>13,000,000</td>
<td>13,000,000</td>
<td>-</td>
<td>-</td>
<td>8,053,209</td>
</tr>
</tbody>
</table>

#### Consolidated

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2.05</td>
<td>8.74</td>
<td>7,768,651</td>
<td>5,226,716</td>
<td>-</td>
<td>-</td>
<td>2,853,948</td>
<td>684,965</td>
<td>10,622,599</td>
<td>5,911,681</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,763,810</td>
<td>7,165,876</td>
<td>6,763,810</td>
<td>7,165,876</td>
</tr>
<tr>
<td>Financial assets</td>
<td>4.50</td>
<td>-</td>
<td>173,746</td>
<td>-</td>
<td>-</td>
<td>47,706</td>
<td>428,537</td>
<td>221,452</td>
<td>428,537</td>
<td></td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>7,768,651</td>
<td>5,226,716</td>
<td>173,746</td>
<td>-</td>
<td>9,665,464</td>
<td>8,279,378</td>
<td>17,607,861</td>
<td>13,506,094</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,314,880</td>
<td>7,118,493</td>
<td>8,314,880</td>
<td>7,118,493</td>
</tr>
<tr>
<td>Financial liabilities - bank bill</td>
<td>5.58</td>
<td>7.43</td>
<td>13,000,000</td>
<td>13,000,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13,000,000</td>
<td>13,000,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td>13,000,000</td>
<td>13,000,000</td>
<td>-</td>
<td>-</td>
<td>21,314,880</td>
<td>20,118,493</td>
<td>21,314,880</td>
<td>20,118,493</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Notes to the financial statements  (for the year ended 30 June 2009)

20  Financial instruments continued

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities
- using derivatives that are only traded in highly liquid markets
- monitoring undrawn credit facilities
- obtaining funding from a variety of sources
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- investing only in surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management’s expectations that banking facilities will be rolled forward.

Financial liability maturity analysis

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>within 1</td>
<td>Year</td>
<td>1 to 5</td>
<td>Year</td>
<td>1 to 5</td>
<td>Year</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Bank overdraft and loans</td>
<td>-</td>
<td>13,000,000</td>
<td>-</td>
<td>13,000,000</td>
<td>-</td>
<td>13,000,000</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>8,314,880</td>
<td>7,118,493</td>
<td>-</td>
<td>-</td>
<td>8,053,209</td>
<td>7,081,760</td>
</tr>
<tr>
<td>Total contractual cash flow</td>
<td>8,314,880</td>
<td>7,118,493</td>
<td>13,000,000</td>
<td>13,000,000</td>
<td>8,053,209</td>
<td>7,081,760</td>
</tr>
</tbody>
</table>

The periods in which cash flows related to cash flow hedges are expected to occur are as depicted in the above maturity analysis table.
Notes to the financial statements  (for the year ended 30 June 2009)

20  Financial instruments continued

The periods in which cash flows related to cash flow hedges are expected to affect profit or loss are as follows (this only applies to the parent entity):

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009 within 1 Year</td>
<td>2008 within 1 Year</td>
</tr>
<tr>
<td>Foreign exchange contracts</td>
<td>$27,169</td>
<td>$342,830</td>
</tr>
</tbody>
</table>

Foreign currency risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group. With instruments being held by overseas operations, fluctuations in UK Pound Sterling and Indian Rupee may impact on the Group’s financial results unless those exposures are appropriately hedged.

The following table shows the foreign currency risk on the financial assets and liabilities of the Group’s operations, denominated in currencies other than the functional currency of the operations. The foreign currency risk in the books of the parent entity is considered immaterial as there are effective hedge contracts in place as at 30 June 2009 for all known and contracted foreign currency transactions and balances.

### 2009

<table>
<thead>
<tr>
<th>Functional currency of group entity</th>
<th>AUD $</th>
<th>Indian Rs</th>
<th>Total AUD $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian Rupee</td>
<td>(71,251)</td>
<td>-</td>
<td>(71,251)</td>
</tr>
<tr>
<td>UK Sterling Pound</td>
<td>98,329</td>
<td>2,551</td>
<td>100,880</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27,078</strong></td>
<td><strong>2,551</strong></td>
<td><strong>29,629</strong></td>
</tr>
</tbody>
</table>

### 2008

<table>
<thead>
<tr>
<th>Functional currency of group entity</th>
<th>AUD $</th>
<th>Indian Rs</th>
<th>Total AUD $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian Rupee</td>
<td>(10,941)</td>
<td>-</td>
<td>(10,941)</td>
</tr>
<tr>
<td>UK Sterling Pound</td>
<td>(145,015)</td>
<td>-</td>
<td>(145,015)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(155,956)</strong></td>
<td>-</td>
<td><strong>(155,956)</strong></td>
</tr>
</tbody>
</table>
Notes to the financial statements (for the year ended 30 June 2009)

20  Financial instruments continued

Foreign exchange contracts

The parent entity has open forward exchange contracts at balance date relating to highly probable forecast transactions and recognised financial assets and financial liabilities. These contracts commit the parent entity to sell specified amounts of foreign currencies in the future at specified exchange rates. Contracts are taken out with terms that reflect the underlying settlement terms of the commitment to the maximum extent possible so that hedge ineffectiveness is minimised.

The following table summarises the notional amounts of the parent entity’s commitments in relation to forward exchange contracts. The notional amounts do not represent amounts exchanged by the transaction counter parties and are therefore not a measure of the exposure of the parent entity through the use of these contracts. Only the parent entity has these contracts in place.

<table>
<thead>
<tr>
<th>Average Exchange Rate</th>
<th>Notional Amounts -</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
</tr>
<tr>
<td>Parent</td>
<td></td>
</tr>
<tr>
<td>Buy AUD/Sell Euro - settlement:</td>
<td></td>
</tr>
<tr>
<td>- less than 6 months</td>
<td>0.58</td>
</tr>
<tr>
<td>- 6 months to 1 year</td>
<td>0.58</td>
</tr>
<tr>
<td>Consolidated</td>
<td></td>
</tr>
<tr>
<td>Buy AUD/Sell Euro - settlement:</td>
<td></td>
</tr>
<tr>
<td>- less than 6 months</td>
<td>0.58</td>
</tr>
<tr>
<td>- 6 months to 1 year</td>
<td>0.58</td>
</tr>
</tbody>
</table>

Forward exchange contracts are measured at fair value with gains and losses taken to the cash flow hedge reserve until such time as they are included in the costs of hedged inventory purchases or other asset acquisitions.

The movement in cash flow hedge reserves attributable to foreign exchange contracts is as follows (there are no swaps in the parent entity):

<table>
<thead>
<tr>
<th>Cash flow hedge reserve (foreign exchange contracts)</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>428,537</td>
<td>1,238,157</td>
</tr>
<tr>
<td>Revaluations to fair value</td>
<td>(380,831)</td>
<td>(809,620)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>47,706</td>
<td>428,537</td>
</tr>
</tbody>
</table>
Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counter parties), ensuring to the extent possible, that customers and counter parties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Finance and Audit Committee has otherwise cleared as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counter party, then risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to parties securing the liabilities of certain subsidiaries.

The Group has no significant concentration of credit risk with any single counter party or group of counter parties. However, on a geographical basis, the Group has credit risk exposures to Australia, UK and India given the substantial operations in those regions.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the Finance and Audit Committee in accordance with approved Board policy. The following table provides information regarding credit risk relating to cash and money market securities based on Standard & Poor’s counter party credit ratings.
Notes to the financial statements (for the year ended 30 June 2009)

20 Financial instruments continued

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trade and other receivables</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AA rated counterparties</td>
<td>$8,879,478</td>
<td>$5,215,571</td>
<td>$8,879,478</td>
<td>$5,215,571</td>
</tr>
<tr>
<td>A+ rated counterparties</td>
<td>$587,277</td>
<td>$189,817</td>
<td>$587,277</td>
<td>$189,817</td>
</tr>
<tr>
<td>A-I+ rated counterparties</td>
<td>$1,145,930</td>
<td>$487,721</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$10,612,685</td>
<td>$5,893,109</td>
<td>$9,466,755</td>
<td>$5,405,388</td>
</tr>
</tbody>
</table>

| **Held to maturity securities** |                   |            |             |            |
| A+ rated counterparties        | $173,746          | -          | $173,746    | -          |
| A-I rated counterparties       | $2,268            | -          | -           | -          |
| **Total**                      | $176,014          | -          | $173,746    | -          |

Credit risk for derivative financial instruments arises from the potential failure by counter-parties to the contract to meet their obligations. The credit risk exposure to forward exchange contracts is the net fair value of these contracts as disclosed in Note 7d.

The consolidated group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the consolidated group.

**Price risk**

The Group is not exposed to any material commodity price risk.

**Net fair values**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.
Notes to the financial statements (for the year ended 30 June 2009)

20  Financial instruments continued

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments which are carried at amortised cost (ie term receivables, held-to-maturity assets and loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Group.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

<table>
<thead>
<tr>
<th>PARENT</th>
<th>Note</th>
<th>Carrying amount</th>
<th>Net Fair value</th>
<th>Carrying amount</th>
<th>Net Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>(i)</td>
<td>$10,622,599</td>
<td>$10,622,599</td>
<td>$5,911,681</td>
<td>$5,911,681</td>
</tr>
<tr>
<td>Trade, term and loans receivables</td>
<td>(i)</td>
<td>$6,775,494</td>
<td>$6,775,494</td>
<td>$11,136,782</td>
<td>$11,136,782</td>
</tr>
<tr>
<td>Investments - held to maturity</td>
<td>(iii)</td>
<td>$173,746</td>
<td>$173,746</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Derivatives - hedging</td>
<td>(iv)</td>
<td>$27,619</td>
<td>$27,619</td>
<td>$342,830</td>
<td>$342,830</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$17,599,458</td>
<td>$17,599,458</td>
<td>$17,391,293</td>
<td>$17,391,293</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(i)</td>
<td>$8,314,880</td>
<td>$8,314,880</td>
<td>$7,118,493</td>
<td>$7,118,493</td>
</tr>
<tr>
<td>Bank loans secured</td>
<td>(v)</td>
<td>$13,000,000</td>
<td>$13,000,000</td>
<td>$13,000,000</td>
<td>$13,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$21,314,880</td>
<td>$21,314,880</td>
<td>$20,118,493</td>
<td>$20,118,493</td>
</tr>
</tbody>
</table>
## Notes to the financial statements (for the year ended 30 June 2009)

### 20 Financial instruments continued

<table>
<thead>
<tr>
<th></th>
<th>Carrying amount</th>
<th>Net fair value</th>
<th>Carrying amount</th>
<th>Net fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONSOLIDATED</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents (i)</td>
<td>9,472,331</td>
<td>9,472,331</td>
<td>5,408,082</td>
<td>5,408,082</td>
</tr>
<tr>
<td>Trade, term and loans receivables (i)</td>
<td>11,630,162</td>
<td>11,630,162</td>
<td>11,005,194</td>
<td>11,005,194</td>
</tr>
<tr>
<td>Loans and advances - related parties (ii)</td>
<td>944,178</td>
<td>944,178</td>
<td>704,605</td>
<td>704,605</td>
</tr>
<tr>
<td>Investments - held to maturity (iii)</td>
<td>173,746</td>
<td>173,746</td>
<td>- -</td>
<td>- -</td>
</tr>
<tr>
<td>Derivatives - hedging (iv)</td>
<td>27,619</td>
<td>27,619</td>
<td>428,538</td>
<td>428,538</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22,248,036</strong></td>
<td><strong>22,248,036</strong></td>
<td><strong>17,546,419</strong></td>
<td><strong>17,546,419</strong></td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables (i)</td>
<td>8,053,209</td>
<td>8,053,209</td>
<td>7,081,760</td>
<td>7,081,760</td>
</tr>
<tr>
<td>Bank debt (v)</td>
<td>13,000,000</td>
<td>13,000,000</td>
<td>13,000,000</td>
<td>13,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21,053,209</strong></td>
<td><strong>21,053,209</strong></td>
<td><strong>20,081,760</strong></td>
<td><strong>20,081,760</strong></td>
</tr>
</tbody>
</table>

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for relating to annual leave which is not considered a financial instrument.

(ii) Discounted cash flow models are used to determine the fair values of loans and advances. Discount rates used on the calculations are based on interest rates existing at reporting date for similar types of loans and advances. Differences between fair values and carrying values largely represent movements of the effective interest rate determined on initial recognition and current market rates.

(iii) Fair values of held-to-maturity investments are based on quoted market prices at reporting date.

(iv) Quoted market prices at reporting date are used.

(v) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate bank debt will differ to the carrying values.
Notes to the financial statements (for the year ended 30 June 2009)

20 Financial instruments continued

Sensitivity Analysis

The following table illustrates sensitivities to the Group’s exposures to changes in interest rates and exchange rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

<table>
<thead>
<tr>
<th></th>
<th>Consolidated Profit</th>
<th>Consolidated Equity</th>
<th>Parent Profit</th>
<th>Parent Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended 30 June 2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+/- 10% in interest rates</td>
<td>92,100</td>
<td>92,100</td>
<td>92,100</td>
<td>92,100</td>
</tr>
<tr>
<td>+/- 5% in $A/Euro</td>
<td>154,370</td>
<td>154,370</td>
<td>154,370</td>
<td>154,370</td>
</tr>
<tr>
<td>Year ended 30 June 2008</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+/- 10% in interest rates</td>
<td>131,733</td>
<td>131,733</td>
<td>131,733</td>
<td>131,733</td>
</tr>
<tr>
<td>+/- 5% in $A/Euro</td>
<td>309,365</td>
<td>309,365</td>
<td>309,365</td>
<td>309,365</td>
</tr>
</tbody>
</table>

21 Controlled Entities

Acquisitions - Disposals of Controlled Entities

There have been no acquisitions or disposals of controlled entities during the year.

<table>
<thead>
<tr>
<th>Name</th>
<th>Country of incorporation</th>
<th>Percentage owned 2009</th>
<th>Percentage owned 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent entity:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Council for Educational Research Ltd</td>
<td>Australia</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Subsidiaries of parent entity:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACER International Ltd</td>
<td>United Kingdom</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>ACER (India) Pvt Ltd</td>
<td>India</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>
Notes to the financial statements (for the year ended 30 June 2009)

22 Company details

Registered office
The registered office of the company is:
Australian Council for Educational Research Ltd
19 Prospect Hill Road
Camberwell VIC 3127

The principal places of business are:
Australian Council for Educational Research Ltd
19 Prospect Hill Rd
Camberwell VIC 3127

ACER International Ltd
4 Darwin Court
Oxon Business Park
Shrewsbury
Shropshire SY3 5AL

ACER (India) Pvt Ltd
1509 Chiranjeev towers
43 Nehru Place, New Delhi

Note 23 Events after the end of the reporting period
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.
The directors of the group declare that:

1. The financial statements and notes, as set out on pages 4 to 49, are in accordance with the Corporations Act 2001 and:
   (a) comply with Accounting Standards and the Corporations Regulations 2001; and
   (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company and consolidated group.

2. In the directors’ opinion, there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: Paige Porter

Director: Geoffrey Masters

Dated: 18 September 2009
Australian Council for Educational Research Ltd and Controlled Entities

ABN 19 004 368 145

Independent Audit Report to the members of Australian Council for Educational Research Ltd and Controlled Entities

Report on the financial report

We have audited the accompanying financial report of Australian Council for Educational Research Ltd (the company) and Australian Council for Educational Research Ltd and Controlled Entities (the consolidated entity), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and and other explanatory notes and the directors’ declaration of the consolidated entity comprising the company and the entities it controlled at the year’s end or from time to time during the financial year.

Directors’ responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS to the extent applicable to not for profit organisations.

Auditor’s responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Australian Council for Educational Research Ltd and Controlled Entities on 18 September 2009, would be in the same terms if provided to the directors as at the date of this auditor’s report.
Australian Council for Educational Research Ltd and Controlled Entities

ABN 19 004 388 145

Independent Audit Report to the members of Australian Council for Educational Research Ltd and Controlled Entities

Auditor's opinion

In our opinion:

a. the financial report of Australian Council for Educational Research Ltd and Australian Council for Educational Research Ltd and Controlled Entities is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

b. The financial report also complies with International Financial Reporting Standards to the extent disclosed in Note 1.

Saward Dawson Chartered Accountants

Peter Shields

Blackburn VIC

Dated: 18 September 2009
Members of ACER
Board of Directors

Chair
Professor Paige Porter

Deputy Chair
Professor Brian Caldwell

Nominee of Secretary of Commonwealth Department of Education, Science and Training (DEST) now known as Department of Education, Employment and Workplace Relations (DEEWR)
Dr Trish Mercer, PhD History ANU
Group Manager, Research Analysis and Evaluation Group, Employment and Strategic Policy, Department of Education, Employment and Workplace Relations (DEEWR)

Nominee of Australian Education Systems Officials Committee
Mr Christopher Robinson, BAgEc, GradDipSocSci
Chief Executive Officer, Department of Education and Children’s Services SA (DECS)

Members elected by Council
Ms Robyn Baker, MEd University of Victoria, Wellington, Dip Teaching Chirstchurch College of Education, BSc University of Otago,
Director, New Zealand Council for Educational Research
Professor Brian Caldwell (Deputy Chair), BSc, BEd Melb, MEd, PhD Alberta
Managing Director, Educational Transformations Pty Ltd
Dr Brian Croke, BA(Hons), DipEd Macquarie, DPhil Oxford, Fellow, Australian Humanities Academy
Executive Director, Catholic Education Office
Professor Geoff Scott, BA, DipEd, MEd, EdD, FACE
Pro Vice-chancellor (Quality) and Provost, University of Western Sydney
Mr Tony Mackay, BEc Monash, BEd Monash, MA (Ed), London
Executive Director, Centre for Strategic Education (CSE)

Professor Paige Porter (Chair), BA Missouri, MA PhD Stanford
Director, UWA Institute for International Development, University of Western Australia

Member elected by ACER staff
Dr Sheldon Rothman, BA Massachusetts, MAT New Mexico State, MEd(Hons) UNE, EdD Harvard
Principal Research Fellow, ACER

Chief Executive Officer of ACER
Professor Geoff Masters, BSc, MEd UWA, PhD Chicago, FACE
Members of ACER staff

Chief Executive Officer
Masters, Geoff, BSc, MEd UWA, PhD Chicago, FACE

Executive Assistant to the CEO
O’Shannassy, Catherine, BA (Hons). Deakin, GradDip Mgt RMIT

Senior Research Fellow
Wenn, Maurice (from Apr 09)

INTERNATIONAL DEVELOPMENT

Director of International Development
McGuckian, Peter, BAgSc, DipEd Melb

Senior Project Officer
Nugroho, Dita, BA, MPubPol ANU

Manager, ACER India
Dhamija, Ratna

Project Officer – Administration & Operations India
Mathur, Sakshi

Manager, ACER Branch Office Dubai
Egbert, Alan

Project Officer, Dubai
Ali, Zainab Taher (from Jan 09)

Project Officer (Arabic), Dubai
Abdulrazek, Israa

Administrative Officer, Dubai
Pangan, Lou Jean

CORPORATE DEVELOPMENT

Director of Corporate Development
Moore, Robert, BCom Melb

Human Resources Manager
Coyne, Suzanne, BA, DipEd Macquarie (to Sept 08)

Professional Learning Manager
McSweeney, Fiona, BA (Hons) Melb, GradDip IR/HRM RMIT

Human Resources Operations Officer
Jacobsen Britt, BBus Griffith

CORPORATE SERVICES

Director of Corporate Services
Dawes, Wayne, BBus Monash, FCPA, ACIS

Corporate Communications

Corporate Publicity and Communications Manager
Reynolds, Louise, Cert Public Relations RMIT, BA (Hons) La T, MA (Communications) Monash

Journalist
Leech, Rebecca, BA (Hons) Deakin

Corporate Publicity and Communications Officer
Robinson, Julia, BA(Journ) RMIT, GradCert(Mgt) Deakin

Online Services Coordinator
Tellier, Gulay, BAppSci(T) RMIT

Senior Project Officer
Kruse, Julie (from Feb 09)

Facilities

Facilities and Services Coordinator
Sheean, Anita

Receptionists
Smith, Laura (to May 09)
Van Grunsven, Maryanne (from May 09)

Administration Assistants
Dudley, Michelle
Smith, Laura (from May 09)

Despatch & Maintenance Officer
Williams, Morgan (from Aug 08)

Cleaning Services
Morgan, Sue

General Officer
Koglin, Dianne (from Dec 08)

Finance

Financial Controller
Kelly, Gary, BBus(Acc) Monash, FCPA, GAICD

Divisional Financial Controller
Cameron, Andrew, BCom Deakin, CPA

Project Accountant
Thomas, Alison, BBus(Acc) Bendigo, CPA

Payroll & Superannuation Manager
Harvey, Warwick

Payroll Administrative Officer
Rafton, Denise

Corporate Accountant
Kuek, Jeanie, BBus (Acc) & (Banking & Finance) Monash, CPA (from Apr 09)

Financial Accountant
Trembath, Stewart, BBus, GradCert (Acc/Fin) Swin (from Feb 09)

Assistant Accountants
Guzowska, Anna, BEco Warsaw
Trembath, Stewart, BBus, GradCert (Acc/Fin) Swin (to Feb 09)

Accounts Payable Supervisor
McLean, Sophie

Accounts Payable Officer
Couttie, Rebecca
Accounts Receivable Officer
Bedford, Tracy
Car, Lyn

Graduate Accountant
Lin, Trista, BComm (Acc/Fin) Melb (from Jul 08)

Information Technology
Manager
Nguyen, Daryl, BIS Monash

Software Engineering Manager
Daws, Alisdair, BSc (Hons) GradDip (Internet & Web Comp), PhD MTech (Internet & Web Comp)

Senior Software Engineers
Chen, Phooi Lai, BComp (Hons) Monash
Haldane, Samuel, BCS Melb
Rainsford, David, BA (Hons) Economics Essex

Software Engineers
Chin, Edward, GradDipBusSys, MBusSys Monash, BBus Huaqian
Ellis, Donal
Oakes, Stephen, BSc (Hons) La T
Singh, Sukjit, (Sam)

Junior Software Engineers
Lam, Winson
Tran, David, BMultimedia, AdvDipCompSci Swin

Software Engineers Level 1
Barbosa, Rovie (from Jan 09)
Wiweka, Yan, BEng, Marantha, MIS Melb (from June 09)

Support Engineer
Huynh, Tai, BCompSci Monash

Network Administrator
Nguyen, Hoai, BCompSci Monash

Helpdesk and Support Manager
Lie, Jafar, DipTech (Comp), BComp Monash

Helpdesk Team Leader/Support Engineer
Morling, Lucas (from Dec 08)

Desktop Support Officers
Delcourt, Christophe
Morling, Lucas (to Dec 08)
Raats, Robert

Technical Writer
Wright, Karen, Cert IV Assessment & Workplace Training AIM

Project Services
Manager
Carrigan, Jim, MElI Swin

Co-ordinator, Marking Operations
Lennie, Christine, Dip Teach Melb, GradDipEduTech

Project Services Coordinator
Kent, Rachel, BBus (InfoSystems) VUT

Scanning & Marking Systems Administrator
Jinks, Robert

Project Services Officer – Permissions
Kulbicki, Michael, BA (Hons) LaT

Project Services Officers – Assessment Programs
Ni, Sue, MBus (Mgt) VU
Seah Kelvin, BEng (Hons) (Mechanical) RMIT,
DipEng (Mechatronics) TP

Administrative Staff
Buckley, Carole (to May 09)
Cowhey, Pauline (to July 08)

General Officer
Koglin, Dianne (to Dec 08)

PROFESSIONAL RESOURCES DIVISION

Deputy CEO (Professional Resources)
Macklin, Pamela, DipTech Melb, BEd Deakin,
GradDipArts (Asian Studies) Melb, DipCDC AICD,
GAICD, AFAIM, MACE (to Jan 09)

Senior Administration Officer
Acker, Vivienne (to Mar 09)

Senior Project Officer
Kruse, Julie (to Feb 09)

ACER Press

General Manager
Saubern, Ralph, GradDipCompScience (Hons) RMIT, BA Melb, BEd La T, MTESOL Monash, CTEFLA Holmes College, AIMM AIM

Sales & Marketing Manager
Rolls, Annemarie, BA (Hons Lit) CoC,
MA (Communications) Monash, GradCert (Ed & Training) VUT

Marketing Coordinator
Sieradzki, Melissa, BA, La T, GradDipPub&Edit Monash

Assistant Marketing Manager
Gotmaker, Yana (from Aug 09)
Stephens, Mandy, BA Monash, GradDipMktg RMIT

Marketing Promotions Officer
Koch, Josh, Cert IV Prof Writing & Editing RMIT

Advertising Manager
Brown, Carolyn

Sales Manager
Smith, Barbara, BCom, DipEd, Melb,
GradDip (SecStudies) VicColl,
GradCert (Career Counselling) RMIT
Consultant Psychologist
Power, Marian, BA (Hons), MA(AppPsych)
Melb, GradDip Career Educ RMIT, MAPS, AACC, AusAPT

Sales Consultants, Education
Cornish, Terri, BEd (Hons) Wollongong, Dip Book Editing & Publishing Macleay College
Elvish, Karen, BA, DipEd Flinders
Inglis, Julia, BA Monash, DipEd Rusden
Thompson, Shane, DipT Kuring-gai, BEd Deakin

Sales Consultants, HR/Psychology
Ferrara, Gerard, BA(Psych/HRM) Swin, GradDip(AppPsych) VU, MAPS, AHRI
Lammi, Erini, BA(Ed), MA(CounsPsych), PostgradCert(OrgBeh)

Distribution Manager
O’Loughlin, David

Customer Service Coordinator
Higgins, Christine, GradCert(Mgt) Deakin, CertIV Electronic Publishing Holmesglen

Customer Service Officers
Gardiner, Jan
Keele, Julie, TPTC Coburg
King, Alex, BEnvSci(mgt) CSU
Malbon, Megan, BComm(journ), DipEd(Sec) Monash
Marshall, Lexie
Whitehead, Simone (to Aug 08)

Despatch Manager
O’Neill, Steven

Despatch Officers
Choi, Monty
Gilder, Peter
Parsons, Steve
Smith, Ian

Purchasing Officer
Major, Victoria, BA, GradDipPsych Melb

Publishing Manager
Watson, Andrew (to Nov 08)

Production Manager
Coates, Jillian, DipPM

Product Manager (Assessment)
Lim, Li-Ai, BSoSc (Honours Psych), MA (App Psych)

Project Editors
O’Keefe, Maureen, BA, GradDip InfoMgt/ Librarianship UNSW
Pinches, Amanda, BComm (Public Relations) Monash, CertArts & DipArts (Professional Writing and Editing) Chisholm, GradDip (Editing & Publishing) RMIT

Publishing Assistant
Webb, Elisa, BA (Hons) Melb, GradDip (Editing & Publishing) RMIT

Production Assistant
Proctor, Holly, BA, Swin

Publishing Manager, Journals
Holden, Steven BA (Hons), DipEd, MA, PhD Tas

Project Publishing Manager
Grose, Craig, Dip Art (Graphic Art) QUT

Senior Desktop Publishing Officers
Jeffrey, Darren, DipArt (Graphic Art) RMIT
McGregor, Wendy
Schubele, Ralph
Swanwick, Robyn (to Sept 08)
Wilson, Karen (from Nov 08)

Desktop Publishing Officer
Locock, Gloria (to June 09)

Bookseller
Stoks, Tracey, BA, Canterbury, GradDiplPub Whitireia

ACER Leadership Centre
Director ACER Leadership Centre
Carrington, Neil, DipTeach Griffith, BEd QUT, MEd, MEd(Psych) JCU, PhD UNE

Manager ACER Leadership Projects
Cahill, Mary, MBus(HRM/IR) VU, GradDipEduAdmin Deakin, BEd Melb, CertIV Workplace Training and Assessment MCAE (to Jun 09)

Senior Project Leader
Acker, Vivienne (from April 09)

Manager, Leadership Projects (Qld)
McGruther, Tony, Med, GradDipEdAdmin USQ, BEd CQU, DipTeach NBCAE

Senior Project Officer
Cutting, Stephen (to March 09)

Centre for Professional Learning
Manager
Hoad, Kerry-Anne, MEd Melb, BA Deakin, GradDip Special Ed SCVB, DipTeach IECQ, CertIV Workplace Train & Assess Box Hill

Education Consultants
Rosman, Lynda, BEd, GradDip Melb, GradDip Chisholm

VIF Project Manager
Hayes, Jennie (to April 09)

Project Officer
Pye, Brendan, BFA VCA, DipEd Melb

Administrative Officer
Appleby, Gayle (from Jan 09)
Deakin, Sara (to Sept 08)
Taylor, Margaret

Library and Information Services
Manager
Deveson, Lance, Dip Teach (Prim), DipComp Ballarat, Dip Librarianship Melb, ALIAA, ARMAA

Senior Librarian
Grimston, Tine, BEd Librarianship Melb State Coll
Hughes, Stuart, BA (Hons) Otago, MA Monash, AALIA
Knight, Pat, BA Swin, MLS Loughborough, Grad Dip Assess & Eval Melb

Librarians
Lissonnet, Sophie, MBus (Inf Mgt) RMIT, M Ling Stud JCU
McDowell, Katie, BA Melb, Grad Dip (Info Services) RMIT
Trevitt, Jenny, BA Monash, Grad Dip Lib, MBus Info Tech (Info Mgt) RMIT

Library Technicians
Barnes, Jenny
Britton, Cheryl, Assoc Dip App Soc Sci (Lib & Inf St) Box Hill TAFE
Foot, Christopher, Dip Library/Info Services VU
Kocaj, Gabrielle

Record Services Manager
Fraser, Simon

Record Support Officer
Khan, Shamsun

ASSESSMENT SERVICES DIVISION
Director
Jackson, Deirdre, MBM, Cert Project Consulting RMIT, BA Monash, DipEd Melb

Project Operations Administrator
McErlain, Tanya, BA, Grad Dip Ed Melb, Grad Cert Bus (Proj Man) Swin

Administrative Officer
Skinner, Heather (to Feb 09)

School Education
General Manager, School Education
Butler, Adele, BSc (Hons), BEd Monash, DipEd Rusden, Grad Cert Edu Leadership VUT, MEd RMIT, MPD - Master Project Director AIPM

Education Consultants
Morath, John, DipEd, BEd Melb, BA, MA, Monash
McGuire, Alan (from Jan – Jun 09)

Senior Research Fellows
Filipi, Anna, BA, MA, Melb, DipEd, PhD Monash
Richardson, Carmel, BA Ed (Hons), MEd Psych Melb, MAPS

Senior Project Director
Srouragian, Barry, BA, Grad Dip Ed Melb, BTheol YTU, Dip Training and Assessment Systems ISIS
Weeding, David, BEd Melb, Grad Cert Bus (Proj Man) Swin (from Dec 08)

Project Directors
Dodds, Robyn, BA RMIT, Grad Dip Soc LaT
Mangum, Nicola, BEd Otago, Dip Teach Dunedin (from Jul 08)
Weeding, David, BEd Melb, Grad Cert Bus (Proj Man) Swin (to Dec 08)

Research Officer
Eames, Leanne, BA Deakin, MAJIT UQ (from Jul 08)

Senior Project Officers
Brouwers, Bernadette, BA, Grad Dip Ed, MA (Applied Linguistics) Melb, Grad Cert (Catholic Studies) ACU
Chung, Michelle, BBus (Info Systems) RMIT
Elder, Sarah, BA Monash, Grad Dip (Admin) Chisholm Inst
Hindson, Karen, BAppSc, Post Grad Cert Bus Admin Murdoch
Meachen, Janine, Cert II Bus Admin
Robertson, Glenda, BA (Hons) Canterbury, MA Harvard

Project Officer
Hoebyberg, Mette, BA (Hons) Online Comms & Cult Stud Roskilde

Higher Education
General Manager, Higher Education
MacMahon Ball, Marita, BA (Hons) Dip Ed Sydney, MA (Communications) Monash

Senior Project Director
Nankervis, Susan, BEd, MEd Melb, Grad Cert Bus (Proj Man) Swin

Project Directors
MacLeod, Kirsty, BEd/BA (Hons) Monash, Grad Cert Bus (Proj Man) Swin
Norris, Lisa (from Sep 08)
Veley, Veronica, BA (German) Melb, M Tech (Internet & Web Comp) RMIT, Grad Cert Man AIM

Senior Project Officers
Hong, Joyce, BA, NUS, PG Dip Ed NUS, MA (App Ling) Melb
Mauger, Kellie, BMus (Composition) Qld Conservatorium (from Sep 08)
Norris, Lisa (to Sep 08)
Plunkett, Simon, BA, ANU, Dip Ed Canberra

Project Officer
Mauger, Kellie, BMus (Composition) Qld Conservatorium (to Sept 08)
Corporate & Vocational Education

Manager, Corporate & Vocational Program
Foster, Larry, BA, (Hons), MA, PhD Manchester, PGCE/DipEd, MA Melbourne, GradCertMgmt


VUT, CertLeadershipDev Arizona, GradCertMgmt CSU, CertIV Assessment and Workplace Training Holmesglen, Certificat de la Langue Française Paris

Project Director
Brinson, Laura, AssocDipSocSci (Lib&InfSt) Swin

Project Officers
Good, Susannah

RESEARCH DIVISION

Assessment and Reporting
Research Director
Forster, Margaret, BA (Hons), DipEd La T, MEdSt
Monash, PhD Melb

Principal Research Fellow and Head, ACER Brisbane
Matters, Gabrielle, BSc, UQ, AMusA, QCM, PhD QUT, FACE

Principal Research Fellow and Manager, ACER Perth
Cook, Jocelyn, BA UWA, Teachers’ Cert STCWA

Principal Research Fellows
Fraillon, Julian, BA GradDip Melb, GradDip(Maths) Melb (from Feb 09)
McCrae, Barry, BSc (Hons), DipEd Melb, MEd Monash
Mendelovits, Juliette, BA (Hons), DipEd La T, MA(Eng) Melb
Rothman, Sheldon, BA Massachusetts, MAT New Mexico State, MEd (Hons) UNE, EdD Harvard

Senior Research Fellows
Anderson, Prue, BA, MEdSt Monash, DipEd La T

Bibby, Yan, BEng Shanghai, MEng Auck, CertIT Newcastle, GradDipAppFinInrv SIA

Bovell, Martina BA, DipEd, PostGradDip (Arts), UWA
Bryce, Jennifer, BA, BEd Melb, DipArts VicColl, MSocSci RMIT, PhD RMIT
Farkota, Rhonda, Dip Teach, BEd Melb, MEdSt. Monash, EdD Monash
Fraillon, Julian, BA GradDip Melb, GradDip(Maths) Melb (to Feb 09)
Hambur, Sam, BSc (Hons) Monash, DipEd HIE
Lindsey, John, BSc (Hons), PhD Monash, DipEd Melb
Lumley, Thomas, MA Oxon, DipEd La T, MA PhD Melb
Martin, Ron, BSc, BEd, GradDip EduAdmin Melb, MEnvSci PhD (Environmental Studies) Monash
McCurry, Doug, BA (Hons) DipEd La T, PhD Monash
Peck, Ray, BSc, DipEd Melb, BSpecEd Monash (from Mar 09)

Stephanou, Andrew, PhD, DipEd Melb, Laurea di Dottore in Fisica Rome

Senior Project Director
Hay, Andrew, BSc, DipEd, MEd Melb, GradDipEd, (Maths Ed), Dip.Frontline Management Chisholm (to Jul 08)

Research Fellows
Butler, Mark, BSc (Hons) Worwick, PGCE Manchester
Connolly, Nick, BSc, PGCE Hull, BA (Hons) London (from Oct 08)
Courtney, Louise, BA (Hons) Monash, DipEd Melb (from Nov 08)
Duckworth, Daniel, BA (Hons) La T, GradDipEd (Secondary) Melb
Edwards, Jane, BSc (Hons), MSc (GeoL) Melb, BEd Deakin
Gallaher, Janelle (from Dec 08)
Gross, Roslyn, BA (Eng & Hons Hist), DipEd Melb
Hall, Robyn, BA (Hons), BSc Monash
Harding, John, BSc, BEd Monash, DipEd Rusden DipArts Bendigo
Hohfield, Karin, BA, GradDipEd Monash
Hudson, Ross MSc (Science Education) Curtin, BScEd Melb (from August 08)
Hunt, Malcolm, BSc (Hons), DipEd, PhD Melb
Hutton, Barry, BA, DipEd La T, MEd Melb
Inglis, Andrea, BA (Hons), DipEd, MA, PhD Melb
Jackel, Brad, BA (Hons), PhD Monash
Kelly, David, BA (Hons), MA UQ, DipEd Sydney
Kreibich, Robyn, BSc (Hons), DipEd Monash
Lay, Dulce, BEdco La T, GradDip Sci (AppStat) Swin DipLang (Chinese), La T
Le, Luc, BSc (Hons) Hve, MEd RMIT
Lye, Helen, BSc Melb, DipEd Monash
Martin, Ron, BSc, BEd, GradDip EduAdmin Melb, MEnvSci PhD (Environmental Studies) Monash
McGregor, Margaret, BEd(Prim), MEd Studies Monash, TPTC Frankston
McKinnon, Nicola, BEd (Prim) MEd Melb (from Jan 09)
Moore, Jacqueline, BEd(Sci) Melb, GradDip TESOL&Linguistics VUT
Nguyen, Van, BSc, BEd UWA, MEd RMIT, MA Psych, PhD Hanoi
Nixon, Judy, BA DipEd Melb, BA (Hons) Psych Deakin
Normis, David BA Monash, MA prelim. (archaeology) La T
Peck, Ray, BSpecEd Monash, BSc, DipEd Melb (to Mar 09)
Perrett, Bill, BA Melb, DipEd, PhD La T
Pye, Robert, BSc, BEd, PhD
Raieva, Andrew, BA (Hons), DipEd, BLit (Hons) Monash, GradDip MathSc, MCAE
Reid, Greg, BEdBA (Hons) ICU, Prep Cert TEFL, International House, London, DST Sydney, GradCertWriting UTS
Sadeghi, Rassoul
Searle, Dara, BA, BSc (Hons) Psych Melb
Sandy-Smithers, Lynn, BA, DipEd Monash, COGE UNSW
Simpson, Brian, BSc, DipEd Melb (to Feb 08)
Tan, Ling, BAppSc (Hons) RMIT, PhD Monash
Thau, Felicia, BSc, DipEd Melb
Tout, David, BSc, DipEd, BEd, CertIVTrain&Assess, AdvDipLanguage,Lit&NumPracVET (from Sep 08)
Urbach, Daniel, BCom (Hons) Monash
Zoumboulis, Stavroula, BSc/BEd, Monash, GradCertEdStudies(Gifted Ed)

Research Officers
Bates Jarrod, BA (Hons) La T, Postgrad Dip (Editing & Comm.) Melb
Calvitto, Leanne, BAppSci (Hons) RMIT
Knowles, Sandra, BA, BA (Hons), PhD UNSW (from Feb 09)
Murphy, Esther, BA (Languages) Monash, CCELTA Holmes Institute (from Jan 09)
Pearson, Penny, BSc ANU, DipEd(Sec) Canberra, GradDipLang(Jap) Monash

Senior Administrative Officer
Crawford, Kirsty, BA (Anthropology) Monash, GradDip Museum Studies Deakin

Teaching, Learning and Leadership
Research Director
Dinham, Stephen, DipTeach, Alexander Mackie CAE, BA, MEdAdmin, PhD, UNE, FACE, FACEL, FAIM

Principal Research Fellows
Ingvarson, Lawrence, BSc, DipEd UWA, MA London, PhD Monash FACE
Purdie, Nola, PhD, BEd, BEd, DipPhysEd UWA, TC Claremont
Rowley, Glenn, BSc, BEd Melb MA, PhD Toronto
White, Gerry, DipT, CertEdAdmin, AdvDipT (Distinction), BEd, MEd Finders, MACS, FACE (from Oct 08)

Senior Research Fellows
Anderson, Michelle, BEd Rusden, MEd Melb
Kleinheinz, Elizabeth, BA, BEd Melb, EdD, MEd Monash TPTC
Kos, Julie, BA (Hons) Deakin, MA (Clin Psych)/PhD RMIT
Meiers, Marion, BA, DipEd Melb, BEd, MEd Monash, MACE
Scott, Catherine, BA Sydney, DipEd Mitchell CAE, GradDipChildDev (Hons) FCYS (Foundation for Child and Youth Studies), PhD Macquarie (from Apr 09)

Research Fellows
Friga, Tracey, BSc La T, DipEd Bendigo, GradDipAdol&ChildPsych Melb
Hillman, Kylie, BA (Hons) MEd Psych Melb, Psych Reg Board Vic
Ozolins, Clare, BA LLB Monash, BTeach(Prim) Melb
Wilkinson Jenny, BA, BEd Melb, MEdStud, CertGiftedEd Monash

Indigenous Education Researcher
Milgate, Gina, BCom(Mkt & Mgt), GradDipBusStud(Mkt & Mgt), GradCertHigEd UNE

National and International Surveys
Deputy CEO (Research) and Research Director
Ainley, John, BSc, MEd, PhD Melb, FACE

Principal Research Fellows
Cresswell, John, BSc, BEd UWA, MEd UTas, PhD Curtin (from Jun 09)
Schulz, Wolfram, Dipl-Pol Berlin, PhD (EcoSocSci) Rostock
Thomson, Sue, BAppSci RMIT, DipEd, PhD Monash, GradDipMathsEd Deakin, MEdSt Turner, Ross, MSc, DipEd Melb, DipEdPsych Monash

Senior Research Fellows
Gebhardt, Eveline, BA Psych UvA
Kovarcikova, Nora, Dipling, DipEd Slovak Technical University
Lietz, Petra, BEd Hamburg, MEd Finders, CTEFLA Cambridge, MAcc CBU, PhD Finders (from Feb 09)
Macaskill, Greg, BSc (Hons) Adel, GradDipComStudies RMIT, GradDipStatsOR RMIT
Mellor, Suzanne, BA, DipEd Melb, BEd La T, MEdSt Monash, MACE
Murphy, Martin, BA, DipEd, MEdStds Monash, GradDipSocStat Swin
Routtsky, Alla, BSc (Hons, Maths), PhD (Maths) Voronezh, DipEd Melb, DipSocStats Swin
Walker, Maurice, BA (Hons) VUW, MAssessEval Melb

Research Fellows
Buttress, Wei, BBus(International Finance), BA(Foreign Languages) Shenyang
Chow, Renee, BBus(Mkt), RMIT, PostgradCertAssess&Eval, MAssess&Eval Melb
De Bortoli, Lisa, BAppSc Deakin, GradDipCountsPsych RMIT
Han, Mee Young (from Aug 08)
Hong, Jennifer, BA, MSc (App Statistics) Swin
Huang, Tony (to Apr 09)
Itzlinger, Ursula (to Aug 08)
Menyen, Thoa, MSci(Stats) Monash, GradDipHumanServ (counselling) Swin
O’Malley, Kate, BA, BCom, MCrIm (cont) Sydney (from Apr 09)
Tabata, Naoko, BEd (Special Ed) Kyoto University of Education, MEd (Int & Comparative Ed) Indiana-Bloomington, DEd (Program Evaluation) Melb
Van De Gaer, Eva, MPsych, PhD EdSci KU Leuven (from Nov 08)
Wernert, Nicole, BBSc La T, GradDipPsych, MAssessEval Melb

Research Officers
Buckley, Sarah, BSc (Hons), PhD Melb (from Feb 09)
Deery, Alana, BA (Hons) Psych Melb (from Oct 07)
Friedman, Tim, BSc (Hons) Psych Monash
Fitzgerald, Kate (from Apr 09)
Hersbach, Elizabeth
Nicholas, Marina
O’Malley, Kate, BA, BCom, Sydney (to Apr 09)
Plotka, Anna
Waters, Charlotte (from Jun 09)
Wenn, Louise, BA (Hons) Psych, Melb (from Sep 07)

Senior Project Officer
Bates, Susan

Senior Administrative Officer
Zubrinich, Julie, BA UWA, BEd Deakin

Policy Analysis and Program Evaluation
Research Director
Beavis, Adrian, BA CIT, MEd, PhD Melb

Principal Research Fellows
Dowling, Andrew, BA (Hons), GradDipTeach(Sec), MA (Research), Executive MBA AGSM, PhD Sydney
Lonsdale, Michele, BA (Hons) DipEd Melb,
GradDipStudentWelfare HIE, MEd, PhD La T

Research Fellow
Nesteroff, Stefan MSc (Medical Science) Amsterdam,
GCert Teaching & Learning in Higher Education Swin (from Nov 08)

Research Officer
Underwood, Catherine, BA, GradCert(SocStats), Swin

Administrative Officer
Bramich, Meredith, BA Melb, GDipSecEd La T, GDip InfoMgt RMIT (from Nov 08)

The Psychometrics Institute
Principal Research Fellow
Khoo, Siek Toon, BSc Canterbury, DipEd Singapore,
GradDipCompSc La T, MEdSt Monash, PhD UCLA

Systemwide Testing
Research Director
Freeman, Chris, MA Macquarie, BComm UQ, Dip Teaching ASOPA

Manager, System Testing
Arthur, Phillip, BEd ACAE

Research Fellow
Eveleigh, Frances, MEd, BEd UNSW, DipEd SCAE

Administrative Officer
Babet, Jennifer

Transitions and Post-school Education and Training
Research Director
McKenzie, Phillip, BEd (Hons), DipEd, MEd, PhD Monash, FACE

Principal Research Fellows
Coates, Hamish, BA (Hons), BSc, MEd, PhD Melb
Marks, Gary, BSc (Hons), MSc Melb, PhD UQ

Senior Research Fellows
Brown, Justin (from Feb 09)
Edwards Daniel, BA (Hons), PhD Monash (from Dec 08)
McMillan, Julie, BA (Hons), PhD UQ

Research Officer
Stefan Nesteroff, MSc (Medical Science) Amsterdam,
GCert Teaching & Learning in Higher Education Swin (to Nov 08)
Radioff, Alexandra

Administration Officer
Firth Trish
Melbourne office
19 Prospect Hill Road (Private Bag 55)
Camberwell VIC 3124
Telephone +61 3 9277 5555
Facsimile +61 3 9277 5500

Sydney office
1/140 Bourke Road (PO Box 6483)
Alexandria NSW 2015
Telephone +61 2 8338 6800
Facsimile +61 2 9693 5844

Brisbane office
1/165 Kelvin Grove Road
Kelvin Grove QLD 4059
Telephone +61 7 3238 9000
Facsimile +61 7 3238 9001

Perth office
7/1329 Hay Street
West Perth WA 6005
Telephone +61 8 9485 2194
Facsimile +61 8 9485 2195

Adelaide office
Level 10, 60 Waymouth Street
Adelaide SA 5000
Telephone +61 8 8407 3529
Facsimile +61 8 8407 3599

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