

TEACHING COUNCIL

NEW ZEALAND | Matatū Aotearoa



Matatū Aotearoa
Annual Report 2019

Annual Report

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Letter from the Chair

I'm thrilled to introduce the Annual Report for the Teaching Council of Aotearoa New Zealand, Matatū Aotearoa.

In the last year a lot has changed, has been signalled to change, in the education sector. The Government continues its reviews, including Tomorrow's Schools and our organisation has a new name and a new board structure, as our previous Board's term came to a close. Through these changes the Council has continued an ambitious work programme, representing teachers as their professional body. Even as these transitions took place around us, some things have remained the same. Perhaps the one I am most proud of, is the consistently high standards the Council holds.

We demand a lot of teachers through *Our Code*, *Our Standards*, and expect nothing less of ourselves as an organisation.

So, I thought it would be useful to look at our achievements this year through the lens of the values in the *Code of Professional Responsibility*, to see how we have measured up to the standards we set for the profession.

WHAKAMANA: empowering all learners to reach their highest potential by providing high-quality teaching and leadership.

This really is at the heart of everything we do. This year we have pursued whakamana by launching a *Leadership Strategy*, which makes leadership development accessible to all teachers, and a *Leadership Capability Framework*, which is a practical tool for teachers to use to develop and improve their leadership skills.

We released new requirements for Initial Teacher Education (ITE), to ensure new teachers are as well prepared as possibly from their first day on the job. We reviewed our approach to language competency for teachers, allowing a broader range of evidence to prove competence without lowering standards.

We've also continued to embed the *Code and Standards* working with the profession to incorporate them into daily teaching practice, and to make life easier for teachers; extending online full practising certificate renewal to all teachers, as a precursor to moving more services online in the near future.

MANAAKITANGA: creating a welcoming, caring and creative learning environment that treats everyone with respect and dignity.

Education can only be successful if it is accessible and welcoming to all learners. This year we implemented *Tapasā: Cultural competencies framework for teachers of Pacific learners*, which follows our *Tātaiako: Cultural competencies for teachers of Māori learners*.

The Council has also been working with the Human Rights Commission on a 'Give Nothing to Racism' project to address racism and bias in education. The need for action in this area was heightened after the Christchurch attacks, when many teachers contacted us to ask how they can take part in fighting racism. We were very proud of the care and solidarity teachers showed each other after the attacks and published an online 'Book of Aroha', displaying their messages of support for each other.

WHANAUNGATANGA: engaging in positive and collaborative relationships with our learners, their families and whānau, our colleagues and the wider community.

This year we've continued to expand our use of social media as a way of reaching teachers, education sector colleagues, parents and communities. Our series of podcasts offering an in-depth look at issues which directly affect teachers continue to be popular

PONO: showing integrity by acting in ways that are fair, honest, ethical and just.

None of the work I've talked about happens in isolation. We work closely with the profession and other education bodies to ensure the Council represents the voice of teachers. This year we've consulted directly with the profession on the Tomorrow's Schools reforms, Election Rules, and our new online platform, Hapori Matatū.

One of the issues confronting teachers is the use of restraint in the classroom: how to balance the rights of individual children with the need for safety for all. We have worked closely with the Minister of Education and Ministry of Education to clarify the rules around restraint.

On a personal note, one of the highlights has been the chance to work with such high-quality colleagues, both on the Board and in the Council, serving the profession through positive change. I would like to thank them all. I believe teaching is the most important job there is. The next year will bring new changes and new challenges. But the Council is in great heart and well positioned to keep on lifting the status of the profession and positively influencing education in Aotearoa New Zealand.



A handwritten signature in black ink, appearing to read 'Barbara Ala'alatoa'.

Barbara Ala'alatoa | Outgoing Chair
Teaching Council of Aotearoa New Zealand





A time of transition

This last year has been a period of transition at the Teaching Council. There has been a shift to new legislation, a new name, a new Governance Board, and subsequently, new policies. Therefore, it seems only fitting that this year's Annual Report is aptly themed 'forging ahead in times of change'.

Hon. Minister Chris Hipkins introduced The Education Council (Teaching Council of Aotearoa New Zealand) Amendment Bill in June 2017. In a press release sent from his office on 18 September 2018 Hon. Minister Hipkins said he introduced the Bill because he believed the teaching profession could be trusted to elect representatives of their own professional organisation. He also stated that the name 'Education Council' would change to 'Teaching Council', to better reflect the work of teachers and the core business of the organisation.

The Education Council Amendment Bill became law on 29 September 2018. In addition to changing the name of our organisation, the Bill increased the size of the Board to a total of 13 members, seven were elected by the profession with the remaining six members appointed by the Minister. However, there were no changes to the statutory functions of the Teaching Council and we continue to be the professional body for all registered teachers, from early childhood through to primary and secondary schooling. While our name change was effective immediately, the process of socialising our name has taken place over the last 12 months, including changing our domain name, renewing publications and working on the logo and other elements.

The process of forming our new Governance Board has also occurred in the last year. Elections for the seven candidates (composed of one teacher and one leader from each of the Early

Childhood Education, Primary and Secondary sectors, and one representative from the Initial Teacher or Continuing Teacher education sector), closed on 26 March 2019, after a three-week voting period. The Minister of Education then announced the remaining six appointees on 29 June 2019, forming the new Governance Board. The Board was formally inducted on 25 July 2019 with a traditional pōwhiri welcome that had iwi leaders from both Ngāti Toa and Te Atiawa mana whenua in attendance.

Alongside a new Governance structure, the Council also developed a series of new policies too. The renewed Initial Teacher Education Requirements, *Registration and Certification*

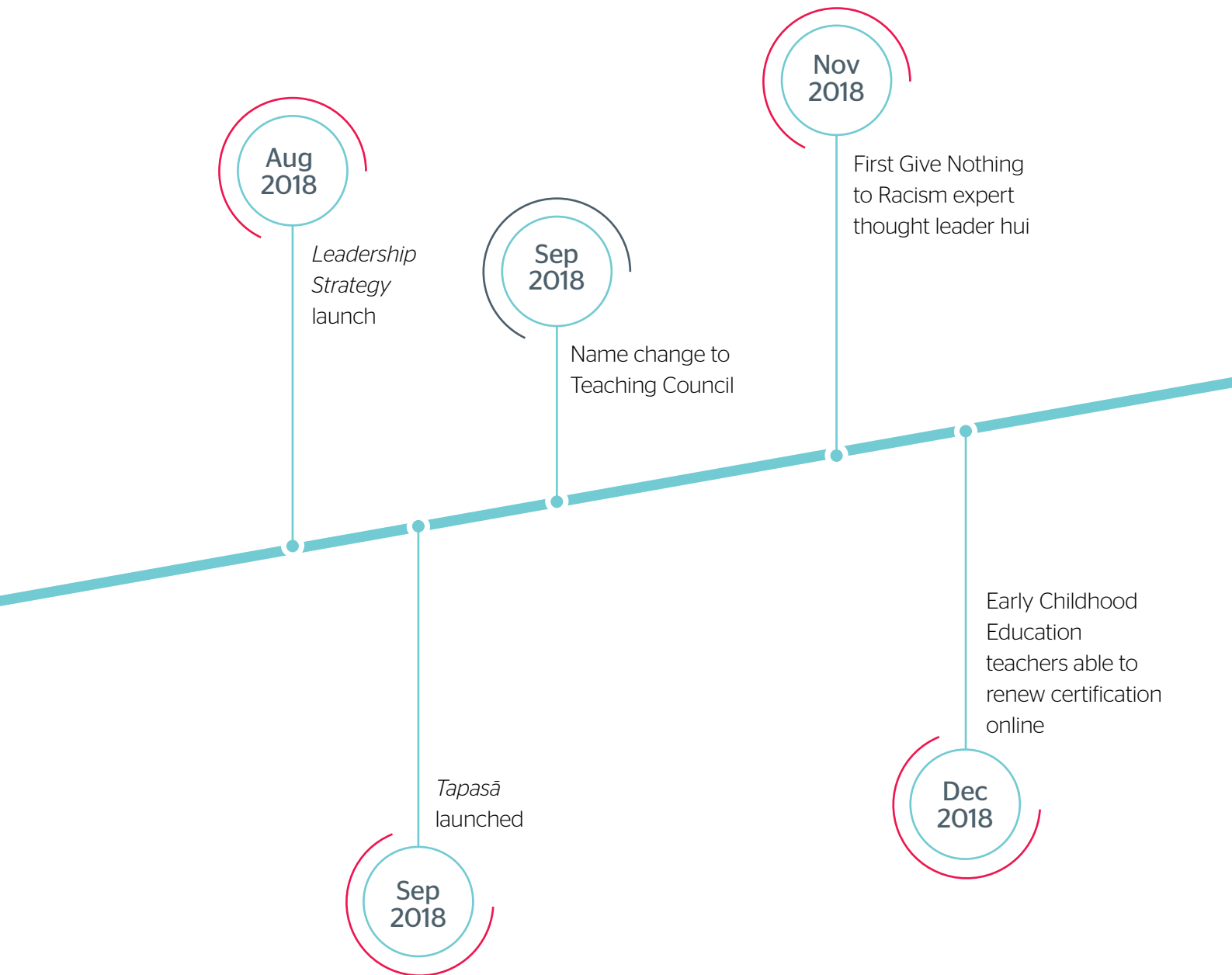
Policy, and *English Language Competency Policy* all came into effect in the last year, having been reviewed and improved to better serve the profession.

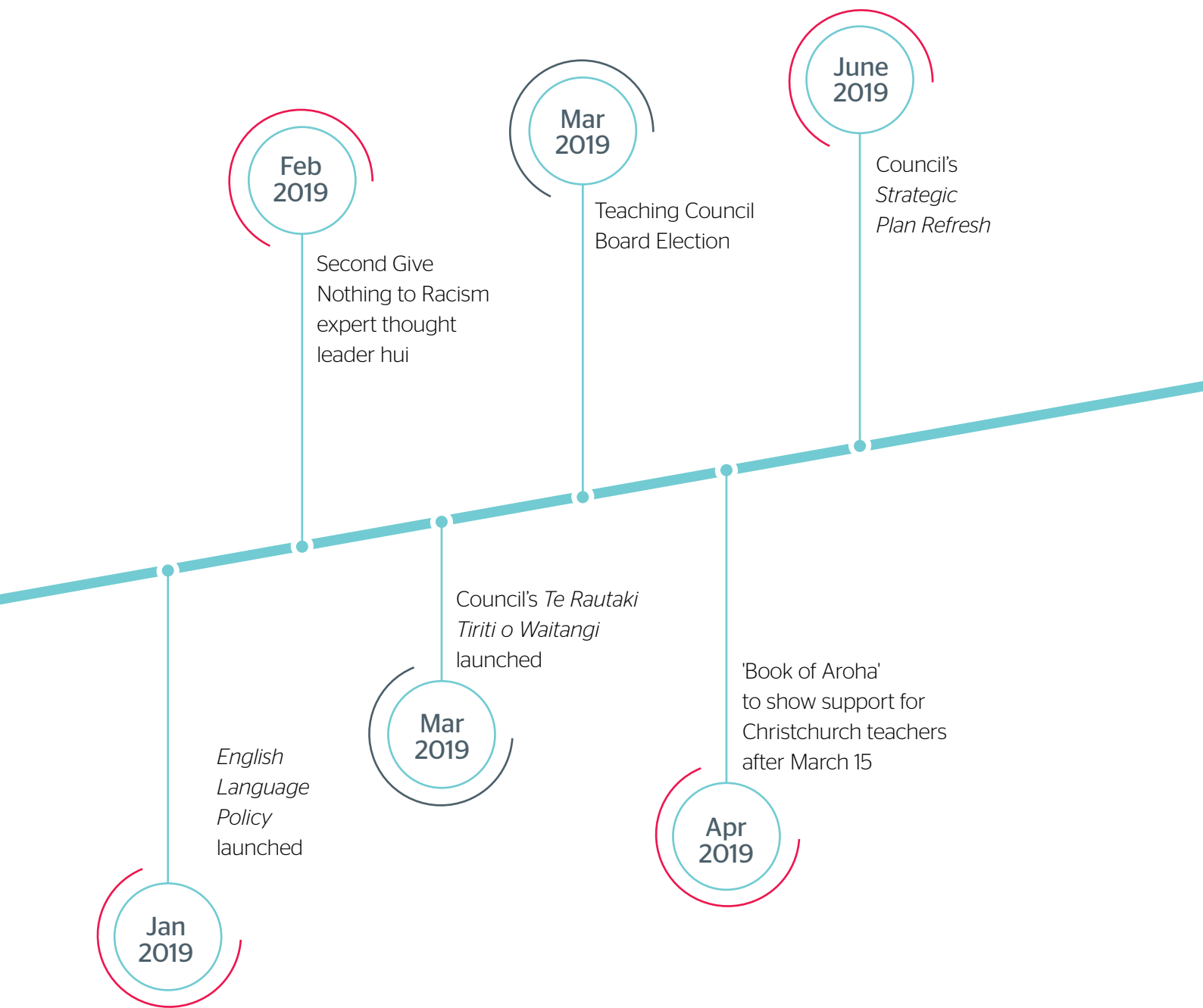
These changes have been significant for us here at Matatū Aotearoa and we continue our work to implement them. Transition has not stopped the Teaching Council, or the previous board, from achieving some fantastic work, all while prioritising the needs of the profession. We are proud of our organisation's ongoing tenacity during times of change and look forward to another exciting year ahead.

Photo left:
previous Board members (Anthony Mackay not present)
Photo below:
new Board members



Milestones this year







Featured project

Hapori Matatū | Online Community – our online services for registration and certification

Hapori Matatū | Online Community is the Teaching Council's online services system, developed specifically for the teaching profession of Aotearoa. Over the last three years the Council has worked alongside teachers and professional leaders to design this online service to ensure

the right tools are available for the profession. Hapori Matatū allows teachers to access an online community and register, apply for, and renew certification online.

The name Hapori Matatū, is derived from the te reo terms hapori (community), and matatū (to stand up and take notice). We chose this name because it captures the essence of teachers as being a community of professionals who stand up for our tamariki.

Hapori Matatū will act as the 'digital front-door' allowing teachers to access all online services and is a secure and professional space. It was important to us that a digital platform could offer more to users than just online registrations. Therefore, Hapori Matatū will also allow both teachers and professional leaders to: submit applications and reports; track progress of their activities; find out about and book into upcoming workshops and seminars; manage profile information; apply for their own extension which the professional leader will approve online and get online assistance from our Teaching Council Customer Service Team. Online registration is a positive step forward for the Council in our work to streamline teachers' application processes.

An important aspect of Hapori Matatū will be the ability for users to create and join online groups, where teachers and leaders can generate meaningful conversations, share research and resources to support professional learning and development, and collaborate with the education community more effectively.

It is our hope that the discussions developed here will be invaluable for increasing networking, connectedness and good teaching practice across Aotearoa.

Services for teachers and leaders will also improve, as our Customer Support staff will be able to bring up their records and talk to their queries with real time information.

"The registration process is logical and simple to follow. This will save teachers a great deal of time, reduce the error rate and remove the uncertainty of the renewal process."

Jeremy Edwards, Principal, Northland School, Wellington

By providing an online platform, Hapori Matatu will support the important everyday conversations teachers have in staffrooms and classrooms, with students and with each other.

Teachers and professional leaders will gain access to Hapori Matatū using their Education Sector Log-on (ESL). Users will be able to make payments online through credit cards and POLi.

We are very excited about the launch of Hapori Matatu. It signifies the successful conclusion of three years of challenging work, but more importantly, it will provide a dramatically improved service for teachers. We exist to support the teaching profession and we are in a much better position to do so with an online registration and community platform.

Annual highlights

The year in review

Refreshing our Strategic Plan

As required triennially under our enabling legislation, in early 2019 our Board refreshed its inaugural *Strategic Plan 2016-2021 Our Path to the Future*. The *Strategic Plan 2019-2024 Refresh* reflects both the progress that has been made towards shaping a self-regulating profession and a continuing commitment to fostering professionalism.

The new *Strategic Plan 2019-2024* reasserts the Council's strategic goals and objectives and focuses on the delivery of an ongoing work programme of major initiatives over the next three to five years. To date, this work programme has seen the development of the *Code of Professional Responsibility and the Standards for the Teaching Profession*, development of a *Leadership Strategy for the Teaching Profession*, as well as drafting new standards for Initial Teacher Education.

In conjunction with refreshing the *Strategic Plan*, we have also developed an integrated strategic outcomes framework. This framework outlines how we will give effect to our legislated purpose and statutory functions through our activities, as well as the strategic shifts that are still required to achieve the best possible outcomes for the profession and learners.

While the *Strategic Plan 2019-2024 Refresh* is an update of the 2016-2021 Plan by charting a continuing course of strategy, it provides an important opportunity for the newly elected and appointed Board to come together and work with the profession on any shift in future direction they may propose for the Teaching Council.

Actions

- Strengthen a self-managing profession
- Build professional capability
- Enable leadership of a coherent, high-performing education system
- Speak out and speak up for the profession
- Enhance our organisation's effectiveness



MAXIMISE
THE SUCCESS
OF EVERY
LEARNER
THROUGH HIGHLY
EFFECTIVE
LEADERSHIP AND
TEACHING

Goals

- Collective responsibility for the learner journey and equitable outcomes for every learner
- Consistent high quality teaching and leadership within and across learning environments
- Every teacher and leader embraces improvement, innovation and change
- Champion the profession

The Strategic Plan 2019-2024 Refresh

Purpose

To ensure safe and high quality leadership, teaching, and learning for children and young people in early childhood, primary, secondary and senior secondary schooling in English medium and Māori medium settings through raising the status of the profession

Strategic result areas

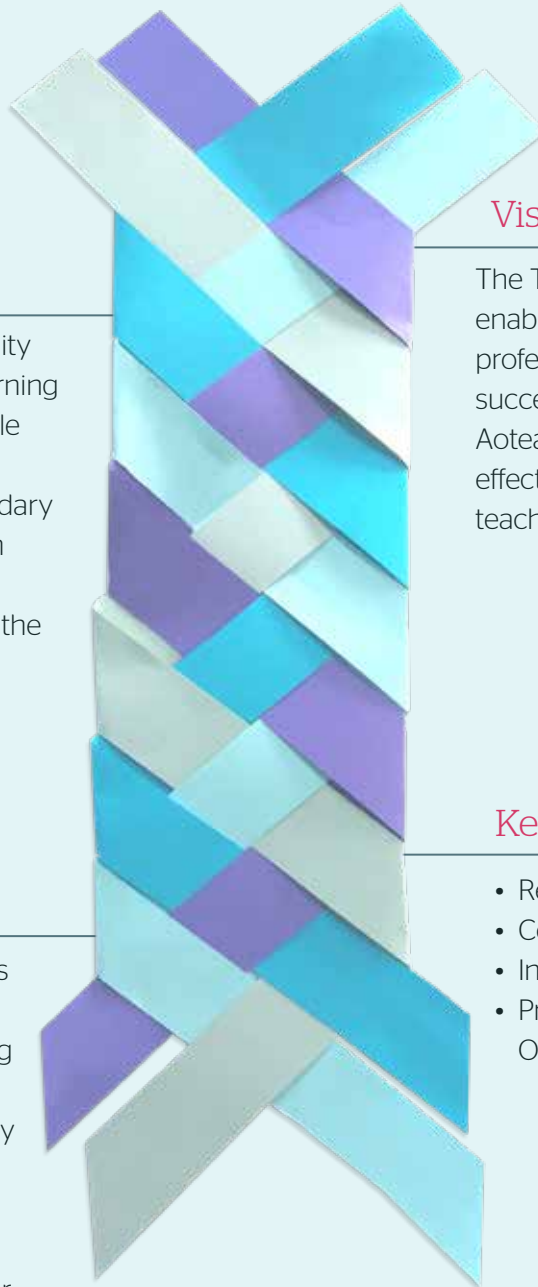
- Enhance our organisation's effectiveness
- Strengthen a self-managing profession
- Build professional capability
- Enable leadership of a coherent, high-performing education system
- Speak out and speak up for the profession

Vision

The Teaching Council will enable and support the profession to maximise the success of every learner in Aotearoa through highly effective leadership and teaching

Key functions

- Registration & Certification
- Conduct & Competence
- Initial Teacher Education
- Professional Leadership & Other Services



Language Competency Policy

Based on responses from the profession that our previous language policy was ambiguous and inconsistent, we have reviewed and improved the new *Requirements for the Teaching in Aotearoa New Zealand Policy*, which came into effect on 1 January 2019.

The new policy focuses on evidence of English language proficiency, and accepts a broad range of specified evidence, combined with a transparent discretionary framework. Other changes include having the same English language proficiency requirements for registration and entry to Initial Teacher Education and extending the range of recognised test providers. The policy is in line with the approaches of the New Zealand Qualifications Authority and Immigration New Zealand.

The new *English Language Policy* responds to feedback from the profession, supporting high quality applicants to more flexibly demonstrate the correct level of competency.

Registration and Certification Policy review

To improve the registration and certification process for teachers, the Council consulted widely and has developed a new *Registration and Certification Policy*. The new *Registration and Certification Policy* aims to support a self-managing profession, demonstrate trust in teachers and professional leaders, reflect professional views on the registration process and embed te reo me ngā tikanga Māori.

The design of the new *Registration and Certification Policy* will ensure a streamlined registration and certification process delivered via our online Hapori Matatū platform. The new policy is based on a high trust model of endorsements and professional judgments from teachers. It also includes the updated te reo Māori titles for the Registration and Practising Certificates, reflecting the Council and profession's commitment to Te Tiriti o Waitangi. It is our hope that through developing a transparent and high-trust registration and certification policy and process, we can honour the evolving nature of the teaching profession in Aotearoa.

Speaking out and up for the profession - Submissions on Wellbeing and Te Tiriti o Waitangi in education.

A fundamental part of our purpose as the professional body for teachers is to speak out and up for the profession. One of the main ways we have supported the profession this year has been through our submissions to the New Zealand Government and the United Nations, regarding mental health and wellbeing, as well as the crucial role Te Tiriti o Waitangi plays in our education system.

Our submission to the Rights of Indigenous Peoples requested that the national action plan includes explicit acknowledgement that racism is a societal problem and reality for our tangata whenua, as well as actions to ensure Māori are full partners in the decision-making process throughout the sector. Our submission to the Right to Education in Aotearoa proposed that the right to education should also be considered within the broader framing of human rights, as set out in the Universal Declaration of Human Rights, and that a 'human rights lens' is considered across the Education Work Programme, with specific attention to Te Tiriti o Waitangi. Our submission to the Government inquiry into Mental Health and Addiction was formed through the lens of our *Code and Standards* as being a document that honours the importance of wellbeing for the profession. We know that teachers understand and take ownership of the influence they have on shaping the futures of children and young people and helping them to realise their potential.

Other submissions the Council has made this year include:

- Submission on the Tomorrow's Schools Independent Taskforce's Report, April 2019
- Submission on He Taonga Te Tamaiti: Every Child a Taonga, March 2019
- Submission on the Review of Home-Based Early Childhood Education, October 2018
- Submission on Tomorrow's Schools Review from the Board of the Education Council, 6 August 2018

Each of these submissions are an important way we achieve our statutory commitment to ensure safe and high-quality leadership, teaching and learning through raising the status of the profession.





Podcast series - 'Teaching Today'

More than **29,000**
podcast listeners

This year, the successes of our *Teaching Today* podcast season one gave way to a second season. Each episode is a chance to create connections, share teacher stories and experiences and explore the ideas and issues that are important to the profession. The final episodes of season one explored different perspectives on Modern Learning Environments, a case study on culturally responsive teaching and raising engagement and education outcomes for Māori learners. We also discussed the benefits of using sport as a learning and engagement tool and how professional boundaries can help teachers navigate the complexities of everyday teaching.

"The podcast was incredibly helpful, I'm going to make sure that all the teachers at our school get to listen to it."

Season two was launched in early 2019 with a special myth busting episode. Our Council Lead Advisor, Christina Thornley, and ERO Manager of National Projects, Jane Lee, together demystified the appraisal process and explained how appraisal is a lever that drives up best practice in teaching. Episode two took us on a journey with the teachers involved in the first purpose-built Pasifika kindergarten in Aotearoa. They explained how they nurture strong language and cultural identity in their learners and became the heart of the local community along the way.

Podcasts are a versatile and dynamic way the Council leads public discussion and reaches out to teachers as they lead busy lives.

Initial Teacher Education (ITE) requirements

Tūngia te ururoa kia tupu
whakaritorito te tupu o te harakeke

Set fire to the overgrown bush
and the new flax shoots will spring up

The new Initial Teacher Education (ITE) Programme Approval, Monitoring and Review Requirements (the Requirements) were developed from consultation with the ITE sector and other key stakeholders over the course of three years. Multiple factors, including as the increased level of expectations for all teachers to make a difference for learners, have raised the requirements of teachers as practising professionals. Therefore, a decision was made to redesign how we attract, select, and educate teachers to prepare for the future of teaching and learning.

“Thanks for a wonderful session yesterday afternoon - the team can see a way forward on strengthening our te reo commitment in the programme now.”

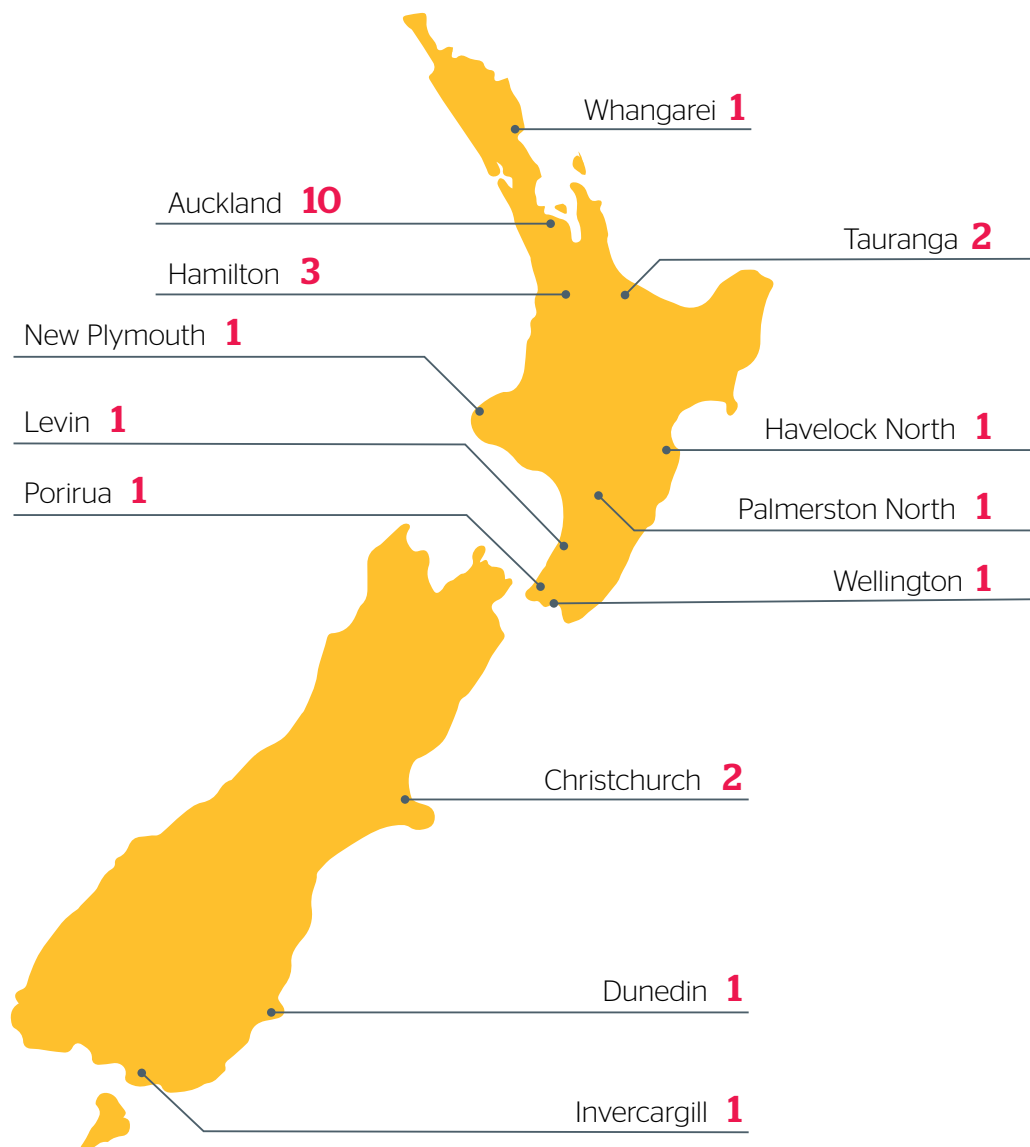
In 2016, the Council set up an Initial Teacher Education Advisory Group (ITEAG) of education experts across the sector to provide us with advice and guidance on shaping the requirements. In 2017, we consulted on proposals for future focussed ITE and released our vision for the new ITE system, with detailed decisions. In July 2018, we released the draft requirements for consultation and in December 2018 the Council released an ITE Statement setting out what we heard, our response and next steps.

This process has allowed the Council to develop the new ITE Requirements in conjunction with the sector, to ensure they are outcomes focused. The new system will ensure graduates from ITE programmes are ready to teach, by signalling a significant shift in the way teacher education programmes will need to be designed and delivered, as well as how student teachers are assessed. Our new ITE requirements came into effect in July 2019, and by 1 January 2022 all ITE providers will have their programmes designed and approved under the new ITE Regulations.

The Council comes to you

Tapasā workshops

"Tapasā is not something to do - it is a way of being."



26

workshops
since February 2019

4

Expert
teacher fono

970

teachers
have attended

"I know the importance of knowing and valuing my own culture; now I need to learn about the diversity of Pacific culture and use that knowledge in my teaching practice. Exciting!"

*"It was valuable to unpack the document and see *Tapasā* not as 'additional' to a teacher's job, but as an aspirational way to be."*

By 2050, Pacific learners will make up approximately 20% of the population in schools, centres and services across Aotearoa New Zealand. A highly effective teaching profession must be one that meets the needs of our Pacific learners. As part of the Pasifika Education Plan 2013 - 2017, the Ministry of Education commissioned work to develop a Pasifika Competencies Framework - which evolved into *Tapasā*. *Tapasā* is about building the capability of all teachers to work more confidently and competently with Pacific learners.

Following the launch of *Tapasā* in September 2018, the Teaching Council was tasked with leading its implementation across the profession. Our commitment to and experience in co-design and collaboration with the profession, along with the importance of aligning *Tapasā* to the *Code and Standards*, meant that we were best placed to do so.

In October 2018 we convened a Pacific expert teacher group to co-construct the implementation and professional learning plan for *Tapasā*. The implementation plan included a series of workshops and the development of a suite of resources to support teachers to embed *Tapasā* in their practice. Between February and July 2019, the Council delivered 26 *Tapasā* workshops for 970 teachers. We also produced 16 *Tapasā* videos as part of the suite of resources. We are grateful for the ongoing support from the teaching profession in the implementation of *Tapasā*.



1,557
Video views
so far

Give Nothing to Racism in Education

In late 2018, the Teaching Council began working on a Give Nothing to Racism project under the same banner as the Human Rights Commission's national campaign, to create conversations around racism in Aotearoa New Zealand. Through participation in this project, the Council set out to support safe and productive conversations about racism that strengthen teachers' individual and collective commitment to behaviours and practices as set out in the *Code of Professional Responsibility* and the *Standards for the Teaching Profession*.

It is our vision is to equip teachers to identify, confront and dismantle bias and prejudice so that education becomes free from racism. The Council is currently working with partners and experts on the creation of a digital tool to support the Give Nothing to Racism project. The tool being developed has been co-constructed in response to, and through engagement with, our expert thought leader group and the wider sector.

We have worked through a design thinking process in partnership with teachers and with stakeholders from outside the profession. Teachers have participated in the expert thought leader group, shared knowledge and insight through interviews, undertaken a survey and 'tested resources' to provide feedback on the development of concepts and approaches. Representatives of other partners include the Human Rights Commission, Ministry of Justice, Ministry of Education, Office of the Commissioner for Children and Te Papa, and they have each played an essential role in contextualising racism, not only as an issue in education but as a societal issue.

The Council's Give Nothing to Racism project recognises that racism is something that is learned, and therefore can be unlearned. It also acknowledges the unique position and expertise teachers have in being able to address this challenge and inspire others to do the same. Give Nothing to Racism in Education will be introduced to the profession through a video launch and communication strategy that will provoke thought, stimulate conversation and direct teachers to the professional learning tool that will support them to unteach racism.

Vision:

Equip teachers with a tool that helps them identify, confront and dismantle bias and prejudice so that education is free from racism.

The logo for 'Give Nothing to Racism' features the words 'Give', 'nothing', and 'to racism' stacked vertically. The word 'nothing' is written in a lowercase, sans-serif font and includes a small, stylized smiley face with a neutral expression (a horizontal line for a mouth and two dots for eyes) in place of the letter 'o'. The words 'Give' and 'to racism' are in a bold, uppercase, sans-serif font. The background of the logo area is a teal color with a faint, decorative pattern of white scrollwork.

Leadership Strategy and Capability Framework | Te Rautaki Kaihautū mō te umanga whakaakoranga o Aotearoa

Ki te kahore he whakakitenga ka ngaro te iwi

Without foresight or vision the people will be lost

Kingi Tāwhiao Pōtatatu Te Wherowhero

In August 2018 we launched the *Leadership Strategy for the Teaching Profession | Te Rautaki Kaihautū mō te umanga whakaakoranga o Aotearoa* and the *Educational Leadership Capability Framework | Te Anga Pūmanawa Hautū Mātauranga*. Since that time we have been engaging with the profession to socialise the *Leadership Strategy* and support teachers and leaders to reflect on their leadership practice through the lens of the *Capability Framework*.

While decisions are pending regarding the Independent Tomorrow's Schools Taskforce, the Teaching Council has worked with the Ministry of Education to begin a phased approach toward implementing the *Leadership Strategy*. We want to assure teachers that we are progressing the *Leadership Strategy* and that we will continue to involve them in decisions that affect their profession. In July 2019, we sought expressions of interest from the profession to be stewards of leadership practice and learning | Te tiaki i te mahi me te akoranga kaihautū – the first focus area in the implementation of the *Leadership Strategy*. There will be two Stewardship Groups, one specific to Māori medium and the other to English medium, and they will each focus on the future state of leadership development and guide further implementation of the *Leadership Strategy*.

"System-wide change has to come from within the system, not from "top down" initiatives designed to produce specific kinds of change, thought to be knowable in advance. We need within-system initiatives designed to produce more – and deeper – interactions between the system's elements – people (teachers, students, school leaders, parents, policy makers, researchers, and so on) and their physical and intellectual environment/s.."

Jane Gilbert, Education Council,
5 Think Pieces, 2015

It is our hope that oversight of the *Leadership Strategy's* continued implementation by trusted groups of stewards will give the profession confidence in the *Strategy* itself, and ensure the consistency of key messages about educational leadership and leadership learning.

Code and Standards: workshops and resources

In July 2017 the Council published the *Code of Professional Responsibility | Ngā Tikanga Matatika mō te Haepapa Ngaiotanga (Our Code, Ngā Tikanga Matatika)*, and the *Standards for the Teaching Profession, Ngā Paerewa mō te Umanga Whakaakoranga (Our Standards, Ngā Paerewa)*. In August 2017 we began a professional learning programme of workshops and online resources to support the implementation of these publications which were immediately in high demand.

In what is now the second year of this professional learning programme we sought to continue the momentum of change by reaching teachers who had not already participated, as well as those who wanted further engagement. Using 'reach' data and evaluation feedback we determined that workshops are the more popular professional learning approach for teachers. We also learned that many teachers were not able to attend workshops because of the difficulties associated with travel to workshops held in larger towns or cities. Therefore, in the last year we chose to base 89 of our workshops (21 of which were Māori medium) in regional locations. In total we have had 2,200 participants.

"Recently attended a 'Our Code, Our Standards' workshop in Dunedin and found that very helpful, so will be looking online soon at the resources you have to support this, so really you are doing all the right things to engage me"

Building teachers' cultural competence has been addressed in the programme through the continued use of *Tātaiako: cultural competencies for teachers of Māori learners* and the inclusion of *Tapasā: cultural competencies framework for teachers of Pacific learners* in 2018. We have continued to create and publish on-line resources for schools, kura and services to use independently, as well as beginning work with teacher partners to develop resources, provide feedback on the programme and co-facilitate workshops. Both approaches focus on our commitment to facilitate teaching as a self-managing profession and ensure teachers in Aotearoa have the resources to thrive.

over

2,200

teachers attended

89

workshops

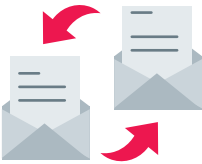
20%

Māori medium
workshops



The year in numbers

This year our Registration Team

Processed 
5,320
new teacher registrations
up 12% from last year

Finalised 
38,345
applications

Moved 
4,608
teachers to Full Certification
from Subject to Confirmation
or Provisional Certification

This year our Customer Support Team

Received 
57,753
phone calls

Received 
54,691
emails

 **Kia ora**
Answered
80%
phone calls within
 **30**
seconds

This year our Communications Team

Received 
23,229
Facebook post likes

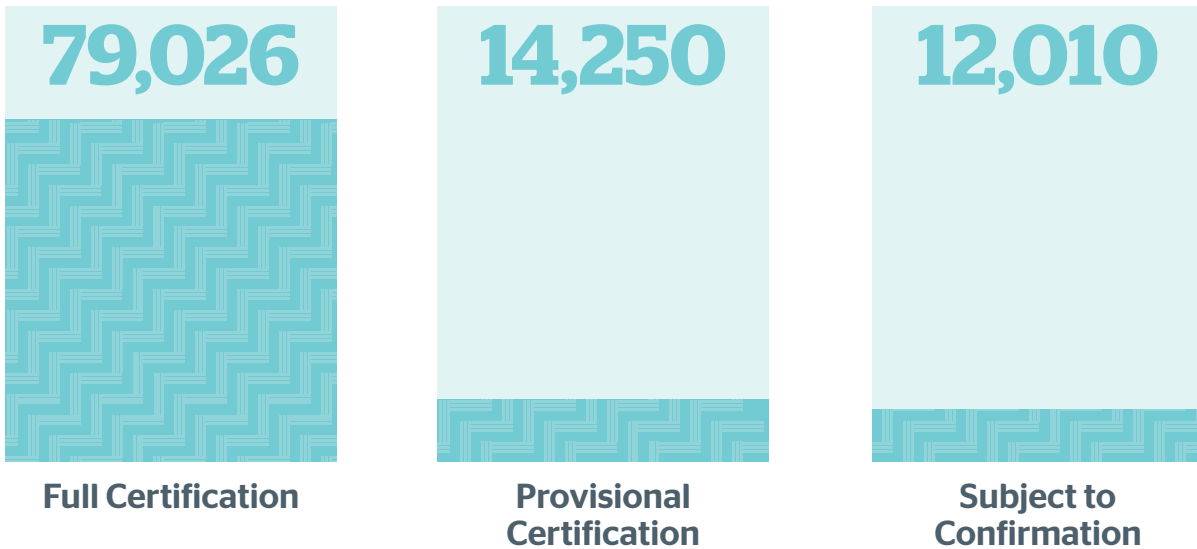
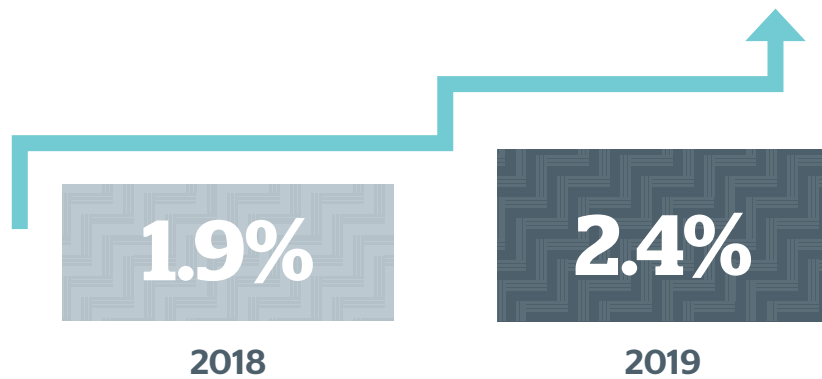
 Sent **12**
newsletters to
134,000
teachers

Received 
483,928
Teaching Council
website visits

105,286

Registered **teachers** with a current Practising Certificate

Growing number of teachers with a current Practising Certificate.



This year our Professional Responsibility team

received **647** complaints and mandatory reports

0.6%*

put **119** teachers on conditions

0.1%*

cancelled **21** registrations and **2** practising certificates

0.02%*

* of all Registered teachers with a current practising certificate

43 kaimahi
participated in our te reo
Māori classes this year.

That is nearly **half** of all
Council employees.



Organisational Capability

Ko te matū o tēnei tauparapara e hāngai ana ki te pōkai ao e tae atu ai ki tētehi pae tawhiti, ā mā te mahi tahi a tēnā, a tēnā e ū pai ai ki taua pae tawhiti rā.

The essence of this tauparapara relates to navigating the world to reach a long awaited destination by binding everyone's strength together so that they get to the right destination safely.

Te Ati Awa Taranaki Whānui

Human resources

A key initiative headed by our Human Resources team in the last year saw the creation of *Te Rautaki Tiriti o Waitangi*, developed by and designed for Teaching Council kaimahi. We engaged with Te Amokura Consultants to assist us throughout the consultation process with employees, management and the Senior Leadership Team, which established a current capability level, and identified investment opportunities for building and strengthening Māori capability across the Council.

Our draft *Te Rautaki Tiriti o Waitangi* was shared with Te Atiawa Taranaki Whānau, who gifted us a tauparapara, and their feedback has been included in the final version. We also discussed the strategy with Ngāti Toa, and they gifted the Council a whakatauāki to use in the strategy. We feel very honoured to have been given these taonga.

Te Rautaki Tiriti o Waitangi was approved by the Board at the October 2018 hui, and launched at our all-kaimahi hui in February 2019.

Beyond 2019, the implementation plan spans eleven years, with a review at five years, and includes an annual check-in to gauge progress and allow for changes as required. To ensure we effectively and safely implement the strategy we have recruited a Kaihautū to help manage this implementation process, provide counsel on a Māori capability programme, and provide tikanga advice and cultural support to the Council's Leadership Team.

Operations

Supporting our move to online service delivery the Council has been focussing on improving the safety and security of our ICT infrastructure, application and systems. We commissioned an

external security review of core services in 2018 and are well on-track to complete all the identified areas of work.

Information security improvements

Information security has improved through the implementation of a cloud-based firewall, the development of a Business Continuity plan and through an ongoing programme to build staff awareness and capability.

We have made substantial progress on a review of our policy and processes, implementing

formal change management processes within the ICT function and establishing a Change Advisory Board for internal stakeholders. We have improved our access and control management via formal ICT onboarding and offboarding processes.

ICT service improvements

In addition to information security improvements, service has improved. We have a new cloud-based telephone system that integrates with the online service platform helping us improve our ability to answer teachers' questions. We have implemented improved software solutions, such as the rollout

of Office 365, which better supports flexible work styles for our kaimahi. We have also implemented improved website support and maintenance. Our hardware is now up to date with a refresh of PCs and mobile devices being completed over the last two years.

Domain name change

During the year we migrated to the new 'teachingcouncil.nz' domain. The successful implementation demonstrated the ICT team's increasing ability to manage complex projects. The team designed a streamlined configuration

between services that will provide for more flexibility for any future changes and allowed the change to be made with minimal downtime. The solution the team created was innovative and cost effective.



Thank you to our groups

Our advisory groups

Working with advisory groups is an important way we consult with the profession. The Board has two advisory groups to call on: the Māori Medium Advisory Group and the Early Childhood Education Advisory Group. Through this collaborative work, we can construct, advise, and test our policies with teachers, as well as sector and professional leaders in education. Without support from each of these groups, much of the work we have achieved this year would not be possible.



Māori Medium Advisory Group (MMAG):

The Māori Medium Advisory Group supports the Council with advice relating to kaiako/teachers, ākonga/students and others in the field of Māori medium education.

The current members are Ripeka Lessels (Convenor and Governing Council member), Matthew Fraser, Hilda Halkyard-Harawira, Wiremu Kaua, Rita Powick, Dy Stirling, Tatai Takuira-Mita, Evelyn Tobin and Tui Yeager.

“Kua tawhiti mai tō haerenga mai, kia kore e haere tonu. He tino nui o mahi, kia kore e mahi nui tonu”

Tā Himi Henare.

“You have come too far to not go further, you have done too much to not do more”

Tā James Henare

“Koia nei te āhua o ā tātou mahi i te Matatū Aotearoa. Ara noa atu ngā whakaaro kua puta mai hei arataki aua mahi. Kua whai mana ngā whakaaro Māori i roto i ngā whakawhitinga kōrero ā te Matatū ahakoa te kaupapa. Nā koutou katoa te Matatū Aotearoa i whakarangatira.”

Ripeka Lessels, Convenor and Governing Council member of MMAG

Early Childhood Education Advisory Group (ECEAG):

The Early Childhood Education Advisory Group provides the Council with advice relating to teachers, students and others in the field of early childhood education. The current members are Clare Wells (Convenor and Governing Council member), Ruth Barnes, Arapera Card, Rebecca Chatwin, Sharon Coulton, Gaylene Daniels, Annie Gordon, Alex Gunn, Vicki Hiini and Tracey Hooker.

“The Early Childhood Education Advisory Group (ECEAG) provides sector knowledge, experience and expertise to support the Council’s goals for the profession. It contributes valued perspectives and input to the Council’s mahi as it relates to teaching and learning in the early childhood education sector. Significant areas of focus this year have included He Taonga Te Tamaiti: Early Child a Taonga - Early Learning Strategic Plan, changes to initial teacher education, and the Council’s leadership strategy, and the group has contributed to submissions to the Review of Home-Based ECE, and to Council policy development to the ‘English Language Policy’. Hearing the voices of the profession is central to work and success of the Council and the ECEAG is one of the ways we achieve that. It is a privilege to work alongside colleagues who are passionate about teaching and learning and focused on achieving the very best for every child.”

Clare Wells, Convenor and Governing Council Member of ECEAG

Photo left: ECEAG current members are: Clare Wells (Convenor and Governing Council member), Ruth Barnes, Arapera Card, Rebecca Chatwin, Sharon Coulton, Gaylene Daniels, Annie Gordon, Alex Gunn, Vicki Hiini and Tracey Hooker.

Performance measures

In 2019 we developed and implemented an outcomes framework to evaluate our efficiency and effectiveness. These results are reported here for the first time. The framework will continue to evolve as we gain more insight into measuring the Council's impact, and as the Council's work programme changes.

Impact measures

Standards are set and maintained through the *Code of Responsibility and Standards for the Teaching Profession*

Note, these measures are not audited

Number and percentage of professional leaders' appraisals of applications for Practising Certificates that are robust (as evaluated by ERO).

Target	FY18 Results	FY19 Results
Establish Baseline	—	829 82%

New measure in FY19

Number and percentage of mandatory reports are made in a timely manner (Improvement will indicate the Council has been effective in communicating school/ kura and centre's responsibilities).

Target	FY18 Results	FY19 Results
Improving trend	—	426 66%

New measure in FY19

Number and percentage of learner safety related complaints/referrals are acted upon within one working day (learner safety is the outcome, and the initial indicator is a prompt response).

Target	FY18 Results	FY19 Results
100%	—	67 100%

New measure in FY19

Number and percentage of workshop participants who express confidence in using *Our Code, Our Standards* to develop teaching and learning.

Target	FY18 Results	FY19 Results
95%	—	1,067 98%

New measure in FY19

Support effective leadership and teaching by improving Initial Teacher Education

Number and percentage of schools/ kura and centres where appraisal is well used to strengthen teaching and learning (system lift is a proxy measure for teaching quality) as evaluated by ERO.



New measure in FY19

“There has been a huge step forward in terms of your responsiveness to questions and timeliness with practicing certificate renewals. This makes a big difference to me in my role as a Principal.”

Improve our organisation’s responsiveness to teacher needs
Improve our engagement with stakeholders

Number and percentage of teachers engaged in a specified process/transaction who rate the timeliness, usefulness and overall satisfaction of their interaction as being positive.



New measure in FY19

Number and percentage of peak bodies who in an in-depth interview annual survey rate the efficiency, effectiveness and overall satisfaction of their relationship with the Teaching Council as being positive.



New measure in FY19



Financial Statements

Statement of Responsibility

We are responsible for the preparation of the Council's financial statements and for the judgements made in them.

We are responsible for any end-of-year performance information provided by the Council under section 19A of the Public Finance Act 1989.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, the financial statements for the year ended 30 June 2019 fairly reflect the financial position, the results of operations, the cash flows and the performance information for an appropriation.

Signed for and on behalf of the
Teaching Council of Aotearoa New Zealand:



Nicola Ngarewa | Chair

Teaching Council of Aotearoa New Zealand
31 October 2019



**Michael Rondel | Chair of Risk,
Audit and Finance Committee**

Teaching Council of Aotearoa New Zealand
31 October 2019

Statement of Comprehensive Revenue and Expenses

Teaching Council of Aotearoa New Zealand
For the year ended 30 June 2019

	Notes	Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
Revenue				
Grant revenue - operating grant ¹		9,947	10,315	6,883
Grant revenue - project grant		5,107	3,584	1,288
Late processing fees		84	87	94
Processing fees		6,101	6,650	7,301
Limited authority to teach processing fees		71	59	65
Provisional/subject to confirmation full processing fees		1,240	338	355
Teacher education approvals		29	123	130
Discipline recovered		117	115	151
Overseas teachers processing fees		135	76	79
Other operating revenue		39	75	113
Finance revenue		161	189	181
Total revenue		23,031	21,611	16,640
Expenses				
Employee costs	2	10,483	10,149	10,391
Depreciation & amortisation expense	6, 7	384	396	380
Other operating expenses	3	4,653	6,106	4,272
Teaching Council projects	17	4,027	4,183	2,711
Total expenses		19,547	20,834	17,754
Total surplus/(deficit) for the year		3,484	777	(1,114)
Other comprehensive revenue and expenses				
Other comprehensive revenue		-	-	-
Total comprehensive revenue and expense for the year		3,484	777	(1,114)

Explanations of significant variances against budget are provided in note 19

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

¹ Operating grant revenue from the Crown includes temporary financial support for the Council while a sustainable financial operating model is put in place, which is expected from July 2020.

Statement of Changes in Net Assets/Equity

Teaching Council of Aotearoa New Zealand
for the year ended 30 June 2019

	Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
Opening balance 1 July	8,287	8,284	9,401
Surplus/(deficit) for the year	3,484	777	(1,114)
Other comprehensive revenue	-	-	-
Total comprehensive revenue and expense for the year	3,484	777	(1,114)
Closing equity 30 June	11,771	9,061	8,287

Explanations of significant variances against budget are provided in note 19

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

Statement of Financial Position

Teaching Council of Aotearoa New Zealand
as at 30 June 2019

	Notes	Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
Current assets				
Cash and cash equivalents	4	4,480	8,585	3,933
Short term investments	5	2,000	-	3,759
Receivables from exchange transactions		43	-	151
Receivables from non-exchange transactions	8	3,813	569	918
		10,336	9,154	8,761
Non-current assets				
Intangible assets	7, 18	3,176	768	805
Property, plant and equipment	6	970	1,015	1,182
		4,146	1,783	1,987
Total assets		14,482	10,937	10,748
Current liabilities				
Deferred lease liability		31	31	42
Trade & other payables	9	2,084	1,321	1,864
Employee entitlements	10	596	524	524
		2,711	1,876	2,430
Non-current liabilities				
Deferred lease liability		-	-	31
		-	-	31
Total liabilities		2,711	1,876	2,461
Net assets/equity		11,771	9,061	8,287
Equity				
Retained earnings		11,771	9,061	8,287
Total net assests/equity attributable to the owners of the controlling entity		11,771	9,061	8,287

Explanations of significant variances against budget are provided in note 19

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

Cash Flow Statement

Teaching Council of Aotearoa New Zealand for the year ended 30 June 2019

	Notes	Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
Cash flows from operating activities				
<i>Receipts</i>				
Fees and grants received		19,940	24,735	16,842
Other operating revenue		40	319	113
Finance revenue		154	164	175
		20,134	25,218	17,130
<i>Payments</i>				
Payments to suppliers		(8,802)	(14,406)	(6,907)
Payments to employees		(10,411)	(8,949)	(10,402)
Net GST paid		413	(743)	(152)
		(18,800)	(24,098)	(17,461)
Net cash flows from operating activities		1,334	1,120	(331)
Cash flows from investing activities				
<i>Receipts</i>				
Sale of investments		1,756	-	-
		1,756	-	-
<i>Payments</i>				
Purchase of property, plant and equipment		(133)	(226)	(559)
Purchase of intangible assets		(2,410)	-	(770)
Purchase of investments		-	-	(124)
		(2,543)	(226)	(1,453)
Net cash flows from investing activities		(787)	(226)	(1,453)
Net increase in cash and cash equivalents		547	894	(1,784)
Cash and cash equivalents at 1 July		3,933	7,691	5,717
Cash and cash equivalents at 30 June		4,480	8,585	3,933

Explanations of significant variances against budget are provided in note 19

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

Notes to the financial statements

Teaching Council of Aotearoa New Zealand for the year ended 30 June 2019

1. Statement of accounting policies and reporting entity

The reporting entity is the Teaching Council of Aotearoa New Zealand (the Council). The Council is domiciled in New Zealand and, was established by the Education Act 1989 as the Education Council of Aotearoa New Zealand. On 25 September 2018 it was renamed to Teaching Council of Aotearoa New Zealand and is an independent statutory body. The Council is also a registered charity under the Charities Act 2005.

These financial statements and the accompanying notes summarise the financial results of activities carried out by the Council. The Council's primary objective is to provide public services, as opposed to making a financial return.

The financial statements have been prepared on a going concern basis.

The Financial Statements are for the year ended 30 June 2019 and approved by the Board on 31 October 2019.

Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Public Sector entities. For the purposes of complying with NZ GAAP, the Council is a public benefit public sector entity and is eligible to apply Tier 2 Public Sector PBE IPSAS on the basis that it does not have public accountability and it is not defined as large. This is due to the Council's expenditure being less than \$30m.

The board members of the Council have elected to report in accordance with Tier 2 Public Sector PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective, that have not been early adopted are:

PBE IFRS 9 *Financial Instruments* which replaces existing standard PBE IPSAS 29 *Financial instruments: Recognition and measurement*. This new standard is effective for annual periods after 1 January 2020. The Council will apply this new standard in preparing the 30 June 2020 financial statements. No effect is expected as a result of the change.

Summary of accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently in these financial statements.

Basis of measurement

The financial statements have been prepared on the basis of historical cost.

Functional and presentational currency

The financial statements are presented in New Zealand dollars (\$), which is the Council's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand dollars.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Council and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from non-exchange transactions

Ministry of Education grant revenue

Grant revenue with no conditions attached is recognised when earned.

Late fees revenue

Late fee revenue is only earned when an application is received late from a teacher. It is a penalty imposed by the Council.

Processing fees

All application revenue processing fees are recognised as revenue as they are received. There is no ongoing liability or a fair exchange of value in these fees.

Revenue from exchange transactions

Finance revenue

Interest revenue is recognised using the effective interest method.

Other revenue

All other revenue from exchange transactions is recognised when earned and is reported in the financial period to which it relates.

Financial instruments

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions of the financial instrument.

The Council derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Council has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the Council has transferred substantially all the risks and rewards of the asset; or
- the Council has neither transferred nor retained substantially all the risks and rewards of the asset; but has transferred control of the asset.

Financial assets

Financial assets within the scope of PS PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The category determines subsequent measurement and whether any resulting revenue and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Council's financial assets are classified as loans and receivables. The Council's financial assets include: cash and cash equivalents, short-term deposits, receivables from non-exchange transactions, receivables from exchange transactions and investments.

All financial assets are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. These are measured at amortised cost using the effective interest method, less any allowance for impairment.

Impairment of financial assets

The Council assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced using an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, the Council first assesses whether there is objective evidence of impairment for financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Council determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Cash and cash equivalents

Cash and cash equivalents represents highly liquid investments that are readily convertible to known amounts of cash and with an insignificant risk of changes in value, with maturities of three months or less.

Short term investments

Short term investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is recognised in the surplus or deficit on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

- Computer Equipment 33.3% 3 Years
- Office Equipment 20.0% - 50% 2 - 5 Years
- Office Fit-Out 11.1% - 33% 3 - 9 Years
- Fixtures & fittings 6.7% 15 Years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

The Council does not hold any intangible assets that have an indefinite useful life.

The amortisation periods for the Council's intangible assets are as follows:

- Acquired software 3 years

Financial liabilities

The Council's financial liabilities include trade and other creditors, and employee entitlements.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit in the statement of comprehensive revenue and expenses.

Loans

Loans are financial liabilities with fixed or determinable payments that are not quoted in an active market. These are measured at amortised cost using the effective interest method, less any allowance for impairment.

Operating leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Employee benefits

Liabilities for wages and salaries, annual leave and accumulated sick leave are recognised in the surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

Equity

Equity is the public's interest in the Council, measured as the difference between total assets and total liabilities. Equity is made up of the following component:

Accumulated comprehensive revenue and expense is the Council's accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

Goods and services tax

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of the receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including GST relating to investing and financing activities, is classified as net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

The Council is a registered charitable trust in terms of the Income Tax Act 2007 and consequently the Council is exempt from income tax.

Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

In applying the relevant accounting policies, management have not made judgements that would have a significant impact on the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a potential risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Council based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Council. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The estimated useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- The condition of the asset
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

The estimated useful lives of the asset classes held by the Council are listed above.

2. Employee costs

	Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
Wages & salaried	7,837	8,571	6,677
Temporary staff	2,141	992	3,151
Superannuation/KiwiSaver employer contribution	233	290	211
Staff professional development	81	188	194
Other employee costs (ACC, payroll fees, recruitment etc.)	191	108	158
Total employee costs	10,483	10,149	10,391

Explanations of significant variances against budget are provided in note 19

3. Other operating expenses

	Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
Administrative	994	2,278	1,186
Audit fees to Audit New Zealand for audit of financial statements	52	65	51
Professional/consultancy fees	195	292	252
Audit of teachers appraisals	350	407	349
Legal fees	1,169	951	639
Staff and Board Members travel expenses	389	581	367
Computer expenses	482	415	462
Advisory committees	4	17	46
Board Member fees	83	117	131
CA/DT/Impairment ² (excluding legal fees)	278	323	174
CAC panels ³ (excluding legal fees)	209	210	180
Rent	426	450	393
Doubtful debts/bad debts	22	-	42
Total other operating expenses	4,653	6,106	4,272

Explanations of significant variances against budget are provided in note 19

² CA = Competence Authority, DT = Disciplinary Tribunal, Impairment Committee

³ Conduct Assessment Committee

4. Cash and cash equivalents

Cash and cash equivalents include the following components:

	Actual 2019	Actual 2018
	\$'000	\$'000
Cash at bank	1,394	1,094
Term deposits with maturities of 3 months or less	3,086	2,839
Total cash and cash equivalents	4,480	3,933

5. Short term investments

Short term investments are term deposits with a term greater than 3 months.

	Actual 2019	Actual 2018
	\$'000	\$'000
Term deposits with maturities greater than 3 months and less than 12 months	2,000	3,759
Total short term investments	2,000	3,759

6. Property, plant and equipment

	Computer equipment \$'000	Office equipment \$'000	Office fit-out \$'000	Fixtures & fittings \$'000	Work in progress \$'000	Total \$'000
2019						
Cost	561	150	998	803	16	2,528
Accumulated depreciation	(400)	(124)	(775)	(259)	-	(1,558)
Net book value	161	26	223	544	16	970
2018						
Cost	449	143	998	799	7	2,396
Accumulated depreciation	(323)	(109)	(572)	(210)	-	(1,214)
Net book value	126	34	426	589	7	1,182

Reconciliation of the carrying amount at the beginning and end of the period:

	Computer equipment \$'000	Office equipment \$'000	Office fit-out \$'000	Fixtures & fittings \$'000	Work in progress \$'000	Total \$'000
2019						
Opening balance	126	34	426	589	7	1,182
Additions	112	11	-	4	16	142
Disposals/Tfer to assets	-	(3)	-	-	(7)	(10)
Depreciation	(77)	(16)	(203)	(49)	-	(345)
Closing balance	161	26	223	544	16	970

7. Intangible assets

	Acquired software	Total
	\$'000	\$'000
2019		
Cost and work in progress	4,255*	4,255
Accumulated amortisation	(1,079)	(1,079)
Net book value	3,176	3,176
2018		
Cost and work in progress	1,845*	1,845
Accumulated amortisation	(1,040)	(1,040)
Net book value	805	805

Reconciliation of the carrying amount at the beginning and end of the period:

	Acquired software	Total
	\$'000	\$'000
2019		
Opening balance	805	805
Additions	2,410	2,410
Disposals		
Amortisation	(39)	(39)
Closing balance	3,176	3,176

* Includes work in progress of \$2,401 (2018: \$0.766m) related to the Online Services project

8. Receivables from non-exchange transactions

	2019	2018
	\$'000	\$'000
Grants, processing fees receivable	3,813	918
Total receivables from non-exchange transactions	3,813	918

9. Trade and other payables

	2019	2018
	\$'000	\$'000
Trade payables	538	523
GST payable	304	-
Other non-trade payables & accrued expenses	1,242	1,341
Total trade and other payables	2,084	1,864

Trade payables and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value and other payables approximate their fair value.

10. Employee entitlements

	2019	2018
	\$'000	\$'000
Accrual of salaries/superannuation	250	222
Liability for annual/lieu leave	337	294
Accrual for sick leave	9	8
Total employee entitlements	596	524

11. Leases

As at the reporting date, the Council has entered into the following operating lease commitments:

	2019	2018
	\$'000	\$'000
No later than one year	241	320
Later than one year and no later than five years		241
Total leases	241	561

Deferred lease liability

The deferred lease liability represents the building owner's contribution and rent holiday provided to the Council upon taking up the lease for its premises at 80 Boulcott Street, Wellington. These contributions will be fully amortised by the expiry of the lease. This has been recorded as both current and long-term liabilities to show the amortisation over the duration of the rent holiday.

12. Related party transactions

The Council is an independent statutory body and registered charity.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that is reasonable to expect the Council would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent within normal operating arrangements between government agencies and undertaken on normal terms and conditions of such transactions.

Key management personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body of the Council (which comprises the Board Members) and the leadership team (employees). The following remuneration is paid to the Board Members:

Teaching Council Board Members remuneration

	2019	2018
	\$'000	\$'000
Chair - Barbara Ala'alatoa	-	3
Sylvia Park School (B Ala'alatoa)	17	17
Total Chair remuneration	17	20

Board Members:

	2019	2018
	\$'000	\$'000
Centre for Strategic Education (Anthony MacKay - Deputy Chair)	10	14
Claire Amos	3	4
Albany High School (C Amos)	5	11
Simon Heath	2	4
Renwick School (S Heath)	5	8
New Zealand Kindergartens Inc. (Clare Wells)	5	9
Clare Wells	4	-
Helen Timperely	4	8
Te Whata Tau o Patauaki (Ripeka Lessels)	9	19
Nicola Ngarewa	5	5
Patea Area School (N Ngarewa)	4	8
BDO Christchurch (Michael Rondel - Chair Risk, Audit and Finance)	10	21
Total Board Members (excluding the Chair)	66	111
Total Board Members fees	83	131
Number of full-time equivalents*	1.0	1.0

* *Estimated*

There are several Board members whose daily meeting fee is paid directly to their school, centre or organisation. These Board members are being paid by their institutions and appropriately do not accept a payment for services to the Council.

There have been no payments made to committee members appointed by the Council who are not Board members during the financial year.

The Council had trustees liability and professional indemnity insurance in place during the financial year in respect of the liability or costs of Board members and employees.

Fees Schedule for Board Members

Board Members	Daily meeting rate	Preparation fee rate
Chair	\$900	\$450
Deputy Chair	\$800	\$400
Board Member	\$700	\$350

No Board members received compensation or other benefits in relation to cessation.

The aggregate key management personnel compensation includes the remuneration for the wider management team, which consists of 12 staff (including tier 3) (2018: 13 staff) as well as the value of compensation or other benefits paid to key management personnel in relation to cessation. The aggregate includes contracted management in fixed term positions. Remuneration for managers is set through a position sizing exercise undertaken by an independent job evaluation agency.

	2019	2018
	\$'000	\$'000
Key management personnel remuneration	2,248	2,517
	FTE	FTE
Number of persons	12	13

13. Categories of financial assets and liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

	2019	2018
	\$'000	\$'000
Financial assets		
Receivables		
Cash and cash equivalents	4,480	3,933
Short term investments	2,000	3,759
Receivables from exchange transactions	43	151
Receivables from non-exchange transactions	3,813	918
Total financial assets	10,336	8,761
Financial liabilities		
At amortised cost		
Trade and other creditors	2,084	1,864
Employee entitlements	596	524
Total financial assets	2,680	2,388

14. Capital commitments

The Council had no capital commitments at the reporting date. (2018: \$31,000).

15. Contingent assets and liabilities

The Council presently has cases with the Disciplinary Tribunal which may lead to contingent liabilities between \$100,000 to \$2,290,000 (2018: \$320,000 to \$440,000). These liabilities may arise should a teacher appeal to a higher court the decision of the New Zealand Teachers Disciplinary Tribunal.

There are no contingent assets at reporting date. (2018: Nil)

16. Events after the reporting date

There are no known events after balance date

17. Teaching Council projects

The Council worked on the following projects

Project operating expenditure	Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
<i>Code and Standards</i>	26	69	229
Leadership*	173	-	624
<i>ITE</i>	187	244	74
Workshops for appraisal	169	266	245
Induction & Mentoring Pilot	442	-	-
Registration Implementation Certification project	111	-	-
Give Nothing to Racism project (GNTR)	69	-	-
Name change project	4	-	-
Council Elections	300	-	-
<i>Tapasā</i> project	128	-	-
EC30 Online	-	-	84
Online Services project	2,418	3,584	1,440
Professional Services symposium	-	20	15
	4,027	4,183	2,711

Project capital expenditure			
Online Services project	2,401	-	766

*This Project was funded by the Ministry of Education. The Council received the majority of the funding in 2016/17 for this project, which spanned the 2016/17, 2017/18 and 2018/19 financial years.

18. Explanation of intangible asset in work in progress

The Council is working with the Ministry of Education on the development of a shared workforce platform. This is predominately being funded by grant revenue from the Crown.

As at 30 June 2019 the Council will hold \$3.167m (2018: \$.766m) in intangible asset work in progress related to the development of the platform. This reflects 100% of the capital component.

Because grant income has been recognised on receipt/invoice, the Council is reporting a surplus of \$3.484m, which is substantially due to the capital component not being expensed in the 2018/19 financial year.

Final Ownership of the asset or parts thereof are yet to be decided. The Council will work with the Ministry of Education in 2019/20 financial year to determine which entity will own what part of the asset(s) developed. This is likely to give rise to a future transfer in the 2019/20 financial statements.

19. Explanation of significant variances from budget

Net surplus/(deficit)

The Council's surplus of \$3.484m was higher than the budgeted surplus of \$0.777m by \$2.707m. The key revenue and expenditure variances are detailed below.

Revenue (over budget \$1.420m)

External grants was higher than budget by \$1.155m, which was primarily related to the Online Services project (\$1.709m fav). The budget did not include the contingency funding as it was not known if this would be required or not when the budget was approved. There was also revenue budgeted in 2018/19 that was not recognised by the Council until the 2019/20 financial year. Expenditure on the Ministry of Education funded Induction and Mentoring projects was lower than expected (see below), which resulted in a corresponding reduction in grant income (\$0.624m unfav).

All processing fees was higher than budget by \$0.421m. There were approximately 2,451 (6%) more applications processed by the Council during the financial year than budgeted.

Initial Teacher Education programme approvals were lower than budget by \$0.094m. Fewer ITE programs were reviewed during the year as a result of new guidelines being implemented on ITE approval and monitoring.

Expenditure (under budget \$1.287m)

Employee costs (\$0.334m over budget).

The cost of permanent staff salaries was under budget with vacancies taking longer to fill than anticipated in the budget. The cost of temporary staff and contractors employed to cover these vacancies more than offset the savings.

Other operating expenses (\$1.453m under budget).

Communication Expenses were under budget by \$0.295m. The implementation of a redesigned Council website was originally included in the FY18/19 budget but was deferred due to the scope of the project changing.

Computer and Telephony Expenses was over budget by \$0.170m. A new telephony system was introduced to support the Council's operations. This was not included in the original budget as it was not known what the cost was going to be when the budget was approved; however, it was noted to the board at the time of budget approval as an unbudgeted project.

The cost of auditing the appraisal process of applications for practising certificates was under budget by \$0.070m, which was due to efficiencies achieved by ERO in delivering the required 10% of appraisals audited.

The other operating expenses budget included \$1.000m for the Induction & Mentoring pilots funded by the Ministry of Education. However, the pilots were categorised as projects and the actual expenses were recorded under Teaching Council projects.

Contractors and Consultant fees were under budget by \$0.097m. This was primarily due to the reduced number of ITE programme reviews undertaken during the year caused by the overall review of ITE programme requirements.

Legal fees were over budget by \$0.211m. This was largely due to the need for legal advice to support the Council in clearing a backlog of conduct cases which were awaiting referral to the disciplinary tribunals. This was offset in part by lower than expected general Council legal support.

Teaching Council projects (\$0.153m under budget).

Online Services was under budget by \$1.175m. The multi-year budget for this project was developed in 2016 when the business case was developed. The budget was approved on the basis that it would be all operational expenditure but after analysing the 'substance over form' it was agreed that approximately 60% of the project was capital expenditure. This resulted in a favourable variance against budget for FY18/19; however, the underspend was offset by unbudgeted capital expenditure.

The Leadership project was over budget by \$0.172m. This relates to expenditure on the Leadership project that was expected to be incurred and was budgeted in 2016/17 which was deferred until this financial year.

Induction and Mentoring Pilot Project was over budget by \$0.442m. This was budgeted under other operating expenditure (see above).

The Registration Certification Implementation Project was over budget by \$0.111m. A Business Analyst was engaged to undertake the implementation of the new registration policy. This was not originally included in the budget.

Tapasā was a project that was not anticipated when the budget was approved. The unbudgeted expenditure of \$0.128m was matched by unbudgeted revenue from the Ministry of Education. The *Tapasā* project was implemented to enable teachers to enhance their understanding, knowledge and practice of Pacific ethnic-specific identities, languages and cultures.

The Council Elections Project was not included in the approved budget. The legislation requiring elections had not been passed when the budget was approved, so the cost of running elections was identified as an unbudgeted risk. The project cost \$0.300m which included one-off costs to establish the election rules.

Independent Auditor's Report

To the readers of the Teaching Council of Aotearoa New Zealand's financial statements for the year ended 30 June 2019

The Auditor-General is the auditor of the Teaching Council of Aotearoa New Zealand (the Teaching Council). The Auditor-General has appointed me, Andrew Clark, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements, of the Teaching Council on his behalf.

Opinion

We have audited:

- the financial statements of the Teaching Council on pages 35 to 56, that comprise the statement of financial position as at 30 June 2019, the statement of comprehensive revenue and expenses, statement of changes in assets/equity and the cash flow statement for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion:

- the financial statements of the Teaching Council on pages 35 to 56:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2019; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 31 October 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Council for the financial statements

The Council is responsible on behalf of the Teaching Council for preparing financial statements that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Council is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible on behalf of the Teaching Council for assessing the Teaching Council's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Teaching Council, or there is no realistic alternative but to do so.

The Council's responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Teaching Council's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Teaching Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Teaching Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention

in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Teaching Council to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information. The other information comprises the information included on pages 4 to 34.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Teaching Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Teaching Council.



Andrew Clark

Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

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