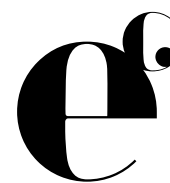


# Matatū Aotearoa Annual Report



EDUCATION COUNCIL  
NEW ZEALAND | Matatū Aotearoa

# 2018



Annual Report

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Matatū Aotearoa comes from the words mata/face and tū/to stand.

## **Matatū to stand up and take notice;**

to ensure you are alert so you can take on the challenges that appear before you and that you are aware of your surroundings by looking in all directions, not just one.

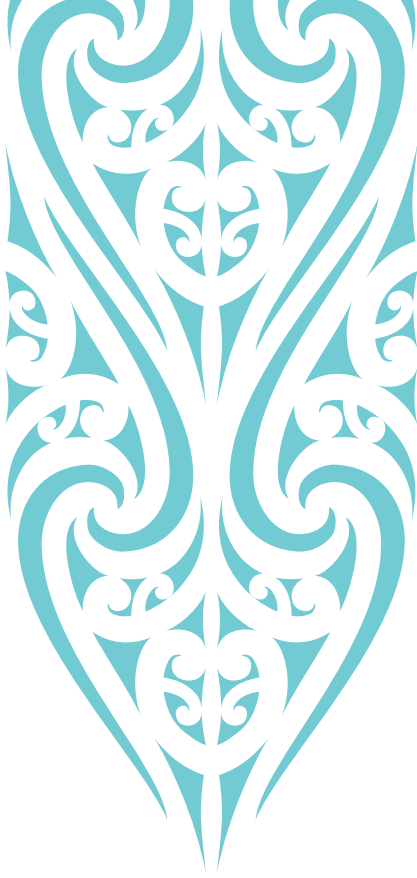
Our design represents the many pathways an individual takes to seek knowledge – being aware of the various environments, taking on the challenges along the way and striving to be the best they can be.

With knowledge comes learning; with learning comes expertise; with expertise comes the ability to teach and pass on the knowledge to guide those who follow.

**We aim to boost the status of teaching, strengthen accountability and support the teaching profession to deliver excellent and innovative teaching practice.**

## Our Vision

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



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# Letter from the Chair

Me mātau ki ngā whetū i mua i te kōkiritanga o te haerenga  
*Before you set forth on a journey, be sure you know the stars*

I'm delighted to introduce the Annual Report for the Education Council of Aotearoa New Zealand.

Teachers are at the heart of our work, and this year we've been working closely with the profession to lift the status of teaching. I'm excited to share the key achievements of the Education Council team to champion good teaching practice, foster new ideas and showcase inspirational leadership in the profession.

One of the highlights from this year for me, as a teacher and principal, has been the Education Council and teaching profession working together to create the *Leadership Strategy*. It signals a new approach by giving opportunity for the growth and development of leadership capability to all registered teachers. It's relevant to teachers in positional and non-positional roles from early childhood, schools, and other professional settings, across English and Māori mediums.



Along with the companion document, the *Educational Leadership Capability Framework*, the *Leadership Strategy* is steeped in both international and Aotearoa New Zealand evidence. *The Leadership Strategy* guides and informs a system-level approach to the development of leadership capability and the identification of priorities for investment in leadership learning and development opportunities.

It has been eagerly awaited by the profession and I wish to acknowledge everyone who has been involved in the conversations that have shaped its development over the past two years. It's a taonga for the profession and furthers our goal for consistent high-quality teaching and leadership.

Another major achievement this year has been embedding the *Code of Professional Responsibility and Standards for the Teaching Profession*. We've hosted 118 workshops in English and Māori medium for 3,568 teachers, principals and professional leaders throughout the country. The feedback from workshop participants is contributing to the future-focused Initial Teacher Education project already underway at the Council.

We've also worked closely with teachers and professional leaders to offer fast and convenient web-based solutions for renewing full practising certificates (EC30). The new online process saves time and paperwork. We're focused on bringing more services online in the coming months, and want to encourage teachers and leaders to embrace improvement, innovation and change.

In addition, we're also taking an innovative approach to working with the profession through our digital communications. Our focus has been on championing the profession by connecting online with our audience and sharing more of their stories on our social media channels. One of the standout interactive events was the Facebook Live session in June, with Minister of Education Hon. Chris Hipkins answering questions directly from teachers about education policy.

The new *Teaching Today* podcast series has also been a popular initiative with teachers. The audio sessions feature guests from across the education sector discussing thought-provoking topics, including the use of restraint in an educational setting, and teacher wellbeing.

Looking back at the achievements this year, significant milestones have been reached and I'd like to thank each, and every one of you for your input to the Education Council. I value your support and commitment. Thank you to the staff at the Education Council for your dedication to the team and working to lift the status of the profession.

I'm proud that the Board has been able to share our teaching experience and provide robust governance, advice and guidance.

I look forward to continuing to work with the profession to ensure safe and high-quality leadership, teaching and learning.

**Nāku te rourou nāu te rourou ka ora ai te iwi**  
***With your basket and my basket the people will thrive***



**Barbara Ala'alatoa | Chair**

*Education Council of Aotearoa New Zealand*



# Board Members

The Education Act 1989 states that the Council must have nine members, appointed by the Minister of Education. Members can serve up to three terms of up to three years each. At least five of our members must be registered with a current practising certificate and at least five members must be appointed from nominations received following notice of a vacancy in the *New Zealand Gazette*.



## **Barbara Ala'alatoa, Chair**

Member of the Human Resources and Remuneration Committee

What we do well as a profession is collaboration – we don't work alone; we work with one another and with our whānau, families and communities to understand and respond to the aspirations and well-being of our learners. These conversations help us to learn and develop our practice as professionals.



## **Anthony Mackay, Deputy Chair**

Chair of the Human Resources and Remuneration Committee

To turn the vision of a profession-led education system into what is the daily experience of practitioners and policy makers, has been the driving mission and task of the Education Council. It takes authorisation from government, business, teacher unions, the public and the media – there needs to be a “social license”. Above all, it takes capacity building of the profession itself and strong partnerships with stakeholders. In short, it takes the continuing success of the Education Council.





**Michael Rondel**

Chair of Risk, Audit and Finance Committee

I am very proud of how the Education Council team has worked extraordinarily hard to work closely with the profession this year. There has been a genuine commitment to liaise with members of the profession in all areas, to consult, to gather feedback and input, and to ensure that the Council is leading the profession in a collaborative and responsive way.

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**Ripeka Lessels**

Member of the Risk, Audit and Finance Committee and Convenor of the Māori Medium Advisory Group

My time as a Board member has required a passion with purpose while meeting the variety of functions across the Council. It has been a pleasure both to contribute and to learn alongside the Education Council Board and staff.

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**Clare Wells**

Member of the Risk, Audit and Finance Committee and Convenor of the Early Childhood Education Advisory Group

Teachers matter to the children and young people we engage with every day – in every setting. It's a privilege to be shaping the future of teaching with the profession.

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**Nicola Ngarewa**

Member of the Human Resources and Remuneration Committee

It has been a privilege to be part of a diverse team that has worked to develop a culture of connectedness and powerful partnerships to support and add value to the teaching profession.

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**Simon Heath**

It is such a great pleasure and privilege to be part of the work of this Education Council governing board. The achievements over this past year as detailed in this report will have a lasting impact on the profession as we actively raise its status.

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**Helen Timperley**

The Education Council Board has given me an opportunity to combine my experience as a teacher and leader with my interests in policy and research to help shape and influence education matters.

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**Claire Amos**

Serving on the Education Council has been an opportunity to learn alongside an incredible group of education professionals. This report is a testament to the Council's integrity, professionalism, and commitment to co-designing with the teaching profession.

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# Advisory Groups

One of the ways we consult with the profession is to convene groups of teachers and professional and sector leaders to construct, advise and test our policies. The Board has two advisory groups to call on: the Māori Medium Advisory Group and the Early Childhood Education Advisory Group.

## Māori Medium Advisory Group (MMAG)

The Māori Medium Advisory Group provides the Council with advice relating to teachers/kaiako, 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.

‘I have enjoyed working with the MMAG and have found the experience enlightening, especially considering the challenges presenting to all the different types of teaching in te ao Māori. There have been areas of commonality, such as the lack of qualified kaiako able to teach in Māori and the responsibilities kura Māori have to their communities within tikanga Māori. I do feel like the issues discussed in the MMAG are heard and I see moves being made to implement some of the suggestions.

‘I am grateful to the chair and administration kaimahi of the MMAG for all their work in collating and presenting the views of the roopu; and especially to the other members of the MMAG for their generosity and candour.’

*Dy Stirling*

## 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.

‘It has been an extremely rewarding role to be part of the Advisory Group. It has given me an insight to the important work that the Education Council does to enhance and support the profession.

‘Through the advisory group and other Education Council groups I have been invited to participate in, I feel that I have a voice and I am contributing a teacher’s perspective on behalf of my teaching colleagues. Most importantly, through this process, I am sharing information with many schools and colleagues about the work the Council does. I feel very privileged to participate in this group and highly recommend to all colleagues to become involved in your professional body in any way that you can.’

*Vicki Hiini*

## Other groups that we have convened throughout the year

- Initial Teacher Education (ITE) Advisory Group
- Teacher Advisory Group for online services
- Leadership Strategy – Academic Forum, Māori Forum, Profession Forum, Agency Forum, Expert Writing Group, Summits for Kāhui Ako leaders
- Registration Reference Group



Mā te rongō ka mōhio, mā te mōhio ka mārāma,  
mā te mārāma ka mātau, mā te mātau ka ora

*Through resonance comes cognisance, through cognisance  
comes understanding, through understanding comes knowledge,  
through knowledge comes life and well-being*



The Leadership Strategy is a world-class document. It is steeped in both international and New Zealand research, providing a unique Aotearoa New Zealand perspective of growing and developing leadership capability across the teaching profession. The *Leadership Strategy (the Strategy)* is the culmination of almost two years of co-construction with the profession.

## Leadership Strategy - taonga for the profession

Every teacher, regardless of their role or setting, should have the opportunity to develop their own leadership capability. That's why in 2017, we worked collaboratively with teachers, leaders, academics, and representatives of the teaching profession to review evidence and stimulate thinking about future-focused leadership in Aotearoa New Zealand. A range of forums, focus groups, iterative discussions and an online survey informed the development of the *Strategy*.

The draft *Strategy* was released for consultation in December 2017. We received 195 submissions; 156 of the submissions were through the online survey and 39 sent in by email, hard copy or using the submission template. Many respondents welcomed the strategy and commented on its timeliness.

The feedback received from the profession has enabled it to be shaped and re-shaped as it responds to emerging trends and the conceptual understanding that underpins our unique Aotearoa New Zealand education landscape.

The profession also indicated they supported the development of a leadership capability framework, allowing all registered teachers to develop their own leadership capability and making leadership development accessible to everyone. We commissioned the New Zealand Council of Educational Research to develop the *Educational Leadership Capability Framework*.

The *Framework* gives life to the *Strategy*. It clarifies the capabilities needed for effective leadership across the profession and what they look like in practice in different spheres of leadership influence: organisational leadership, team or middle leadership, and expert teachers and those who take responsibility for an initiative.

The *Framework* provides teachers with a practical tool to identify, grow and develop their leadership capability. It also illustrates what leadership looks like in practice, in kura, schools, and early childhood education services.

We are proud of the genuine New Zealand vision of leadership, building on the foundations of earlier work. It recognises *Te Tiriti o Waitangi*, as well as the cultural distinctiveness of leadership in Māori medium and bilingual settings.

The *Strategy* is relevant to all teachers in leadership and non-leadership roles from early childhood, schooling, and other professional settings, across English and Māori medium.

In late August, we launched the *Leadership Strategy* and the *Educational Leadership Capability Framework*. It is a taonga for the profession.



# Listening to the Profession

Thank you to the teachers who provided feedback on the proposed changes to fees in April 2017. Our Board has spent significant time discussing these changes and would like to make some comments.

To provide some background, we have developed a chronological narrative of discussions regarding the proposed changes. The full chronology is available on our website and will be updated as matters progress. This section provides a summary to 30 June 2018.

In July 2015, the incoming Education Council Board agreed with the Transition Board's decision that fees would not be changed in the first 12 months. This was despite acknowledgement from the Transition Board that the current fee settings would not enable the Council to operate sustainably, let alone undertake its expanded legislative functions.

In October 2016, the Minister sought Cabinet approval to provide transitional funding to support the Education Council to become self-sufficient in performing its statutory functions under the Education Act 1989.

July  
**2015**

No fee change agreed in the first 12 months

October  
**2016**

Cabinet approval sought to provide transitional funding

November  
**2016**

Funding Agreement signed

In November 2016, a Funding Agreement was signed between the Council and the Ministry of Education (the Ministry) that provided a one-off investment of \$21.43 million in transitional funding to cover the period up to June 2019. This date coincided with the expiry of the last of the collective agreements - the Area School Principals' Collective Agreement. The funding was conditional upon the Council becoming self-sufficient and sustainable by 1 July 2019 and delivering its statutory functions during the period of the Funding Agreement.

In April 2017, the Council began consultation with the sector on proposed fees to take effect from 1 July 2019. More than 10,000 submissions and responses to an online survey were received. The volume of feedback resulted in the Board requiring more time to analyse all submissions and reach a decision.

In September 2017, the general election took place and the Board deferred making an announcement on fees to allow time for the new government to be formed. It also enabled the Board to confirm with the new Minister of Education that the facts on revenue sources in the Consultation Document and the Funding Agreement with the Ministry remained accurate.

Earlier this year, various announcements were made that could have implications for the Council's governance structure and statutory functions, and thus also for the requirement for fees. The fees decision was put on hold.

The Council therefore continues to work with the Minister and Ministry on the options available to the Council to achieve self-sufficiency and financial sustainability.

April  
**2017**

Consultation  
with the  
sector on  
proposed fees

September  
**2017**

Fees announcement  
on hold due to  
general election

March  
**2018**

Fees decision delayed  
following a government  
announcement of  
Tomorrow's Schools  
review



## Annual Highlights

# The Year in Review

### Developing future focused Initial Teacher Education (ITE)

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Following a year of discussions with the profession, the Council released its proposals for future-focused ITE in June 2017. The Board then announced decisions in December 2017 on shaping a future-focused ITE system and a work programme for delivery.

This included:

- Lifting entry requirements, including higher literacy and numeracy capability
- Strengthening the quality of practica
- Providing ITE programmes that prepare teachers to teach across different ranges of year levels
- Requiring that every ITE student must meet the *Standards for the Teaching Profession* (with support) prior to graduation
- Strengthening approval requirements for all programmes from 2021

- Expanding the availability of postgraduate ITE qualifications, with the long-term aim of all teachers entering the profession with a postgraduate qualification

The *Code of Professional Responsibilities and Standards for the Teaching Profession* set new expectations for teachers. We want a joined-up system that enables graduates to be well prepared and supported to meet these expectations.

A key element is strengthened ITE programme approval requirements. This will position new graduates to work effectively as a teacher immediately.

Draft requirements were developed in conjunction with the ITE Advisory Group. These were released for sector feedback in July 2018, with the

aim of being approved and published in late 2018.

Another key aspect of the work programme includes working with the New Zealand Council for Educational Research on surveying the literacy and numeracy capability of new ITE students, to inform policy decisions in mid-2019 on the setting of literacy and numeracy benchmarks.

We are also reviewing programme approval, monitoring and reviewing processes to ensure better alignment with New Zealand Qualifications Authority and Committee of University Academic Programmes processes. In addition we will be changing the emphasis of reviews of existing programmes to focus more on providers demonstrating that their programmes are meeting the desired outcomes.



More than **2,073**

online applications by July

### An easy and convenient way to renew practising certificates

Feedback from teachers about the Education Council's online service to renew full practising certificates (EC30) has been overwhelmingly positive.

By July 2018, more than 2,073 school teachers had applied online to renew their full practising certificate (EC30). Online applications are able

to be processed three-times quicker than paper based applications.

The Council has adopted the Ministry of Education's Education Sector Logon (ESL) as the authentication tool. Teachers must use the ESL logon to open and submit an application online,

while principals can open an application, assert identity and endorse an application submitted by a teacher.

We have worked closely with the Ministry to ensure that access for all sectors and all teachers will be available via our online services in the near future.

received **492**

online surveys

### Review of Registration, Certification and Limited Authority to Teach Policy

The interim policy for registration was put in place to reflect changes made in the Education Act 1989 while the Education Council was being established.

The review follows the development and launch of *The Code of Professional Responsibilities and Standards for the Teaching Profession (Our Code, Our Standards)*, which sets the expectations for behaviour and practice in teaching.

We have been working closely with a range of stakeholders from the profession, including sector representative organisations and unions, to

produce the proposed changes to the registration policy. The key themes for proposals were leveraging *Our Code, Our Standards*, strengthening bicultural capability, introducing more flexibility into the process and making sure knowledge is current for beginning teachers and experienced teachers.

We used this feedback from the wider profession to inform the consultation. We launched our eight-week consultation with the profession at the end of February 2018. We received 492 online surveys and 11 written submissions. The survey was open to the public and targeted at individual teachers and leaders.

The written submission process was targeted at education organisations. We'll be using the consultation findings to draft the revised policy with the working group. This will be considered by the Board prior to release.

The timing of the release and implementation of the policy is dependent on our online solution being ready. Any changes made will be implemented in a way that gives teachers plenty of time to meet any new requirements.

hosted **3,568**

teachers in

**118** workshops in  
English and Māori mediums

## Applying Our Code, Our Standards into teaching practice

We launched the *Code of Professional Responsibility and Standards for the Teaching Profession (Our Code, Our Standards)* in 2017.

Ngā Tikanga Matatika mō te Haepapa Ngaiotanga me ngā Paerewa mō te Umanga Whakaakoranga. It provides the foundations for effective teacher practice and decision making. Together they set out the values, standards and expectations held by the teaching profession. *Our Code, Our Standards* replaced the *Code of Ethics* and the *Practising Teacher Criteria* in the past year.

We have been working with the profession to embed *Our Code, Our Standards* within their daily practice. The two key ways we have done this are through face-to-face workshops, and by producing free resources that have been made available in a number of formats.

Our workshops have been held in both English and Māori medium, and have attracted 3,568 teachers, principals and professional leaders across all sectors. The feedback from participants is contributing to the design of the next series of workshops.

Resources have been developed to support the profession in understanding how to apply *Our Code, Our Standards* in school and centre settings. The resources include website content, webinars and videos. A printed copy of the booklet, *Code of Professional Responsibility: Examples in Practice* has been sent to every registered teacher.

Later this year we will provide further learning opportunities, including workshops and online resources for Māori medium kaiako and tumuaki,

facilitated by Evelyn Tobin and Hineihaea Murphy.

Our next phase of professional learning for English and Māori medium will be designed to deepen understanding of *Our Standards* as quality practices, and to embed *Our Code* with the underpinning values being understood as those that define, inspire and guide us as teachers.

This professional learning will also aim to build all teachers' cultural competence in *Our Standards* through the lenses of *Tapasā* and *Tātaiako*.



## Wellbeing videos

The Education Council recognises that as teaching professionals, there are many ways we can improve our own individual wellbeing.

Teacher wellbeing is a collective responsibility. Many early childhood education centres, kura and schools are already

exploring what it means to look after the spiritual, mental, physical and social wellbeing of their teachers.

Early childhood education centres, kura and schools all have their own distinct ways of cultivating teacher wellbeing that reflect their own context.

To illustrate how wellbeing is being approached, we produced videos with Sancta Maria College and Te Kura Kaupapa Māori o Te Whānau Tahī where they talk about teacher wellbeing in differing ways, reflecting their own school and kura philosophies.

More than **897**

teachers enrolled in TER courses

## Teacher Education Refresh

Record numbers of teachers enrolled in the Teacher Education Refresh (TER) programme this year.

The programme updates provisional teachers' knowledge of teaching practices and current education trends.

A total of 83 teachers completed TER programmes between July 2017 and December 2017.

Late in 2017, the Minister of Education announced that it would fund the cost of the TER for all eligible teachers for the first six months of 2018.

More than 780 teachers enrolled in TER courses between January to June 2018.

Courses are mainly completed online so teachers can keep working and earning while completing the programme.

## Bringing the teacher voice to the discussion of restraint in a classroom setting

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Following public interest in cases where teachers have been disciplined for using force unreasonably or without justification, the Minister of Education asked the Education Council to facilitate discussions on the use of physical restraint in education.

To achieve this, the Education Council:

- Published a 'fact check' article on the use of restraint and encouraged feedback via email
- Hosted a workshop with sector representatives, including school principals, Ministry of Education advisors, unions and parents
- Hosted a parent focus group
- Produced a podcast on the topic of physical restraint in an educational setting with panellists from across the sector.

Although these discussions about physical restraint in education were initiated following concerns raised about whether the law was achieving the right balance, the issues are more complex, and the solution multi-faceted.

While there is some support for a change to the law, a legislative change on its own will be ineffective in reducing a need for teachers to use physical restraint. Nor will it adequately reduce the confusion teachers and staff are experiencing.

For change to be impactful, participants have told us, the guidance needs to be aligned with other relevant legislation and must provide specific guidelines on what teachers can do, with an increased investment in training and support.

Underpinning this must be a strong partnership and agreement between teachers, other experts, whānau and communities.

We are now working with the Ministry of Education on further action to achieve greater clarity for teachers.

More than **5,500**

watched the interview

## Social media: Facebook Live

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This year we presented teachers with the unique opportunity to ask Minister of Education Hon. Chris Hipkins their questions directly and hear him answer in a Facebook Live Q&A session. Minister Hipkins was quizzed on topics ranging from early education ratios, and

special education funding, to compulsory te reo Māori. More than 70 questions were submitted by teachers and more than 5,500 people tuned in to watch the interview.

We're pleased with the success of the Facebook Live session,

as it was an innovative way to work with the profession and connect with the Minister on topical education issues. Further sessions are being planned due to the success of the inaugural interview.



More than **7,000**

listeners for our podcasts

## Podcasts about teachers, with teachers and for teachers

One of the Education Council's roles is to lead public discussion on teaching issues. To engage with busy teachers in a digital world, we launched a podcast series called *Teaching Today* connecting the passionate community of educators around the country to fellow teachers, experts and academics on subjects that matter to the profession.

The first episode, 'Physical restraint in an educational setting', released in May, brought together four panellists to share their expertise and experiences. Teachers have a duty to promote the wellbeing of children and protect them from harm, but there is a lack of guidance on when and how to use physical restraint.

The panel tackled the current guidelines, legislation and how whānau and teachers can work together on the issue.

The panellists were Heather Henare, CEO Skylight Trust; Mark Potter, Principal, Berhampore School; Tom Haig, Deputy General Secretary of Policy, PPTA; and Mandy Coupe, Professional Services Manager, Kindergarten Taranaki.

It was a topical subject and we received good feedback including, 'The speakers were a great representative of the sectors who are qualified to speak. I am going to add this podcast to our professional learning.'

The second episode of *Teaching Today*, focused on teacher wellbeing and brought together a Māori health professor and a psychologist to share their views.

Teachers strive to provide high-quality learning for students, dedicating long hours to preparing lessons, marking work and upskilling.

It's important for teachers to have a good work-life balance and our panellists discussed this, providing practical knowledge and understanding on taking care of hauora and looking out for others.

The panellists were Meihana Durie, Head of Te Pūtahi-ā-Toi School of Māori Art, Knowledge and Education at Massey University and Jacqui Maguire, a registered clinical psychologist and Managing Director of Umbrella Health.

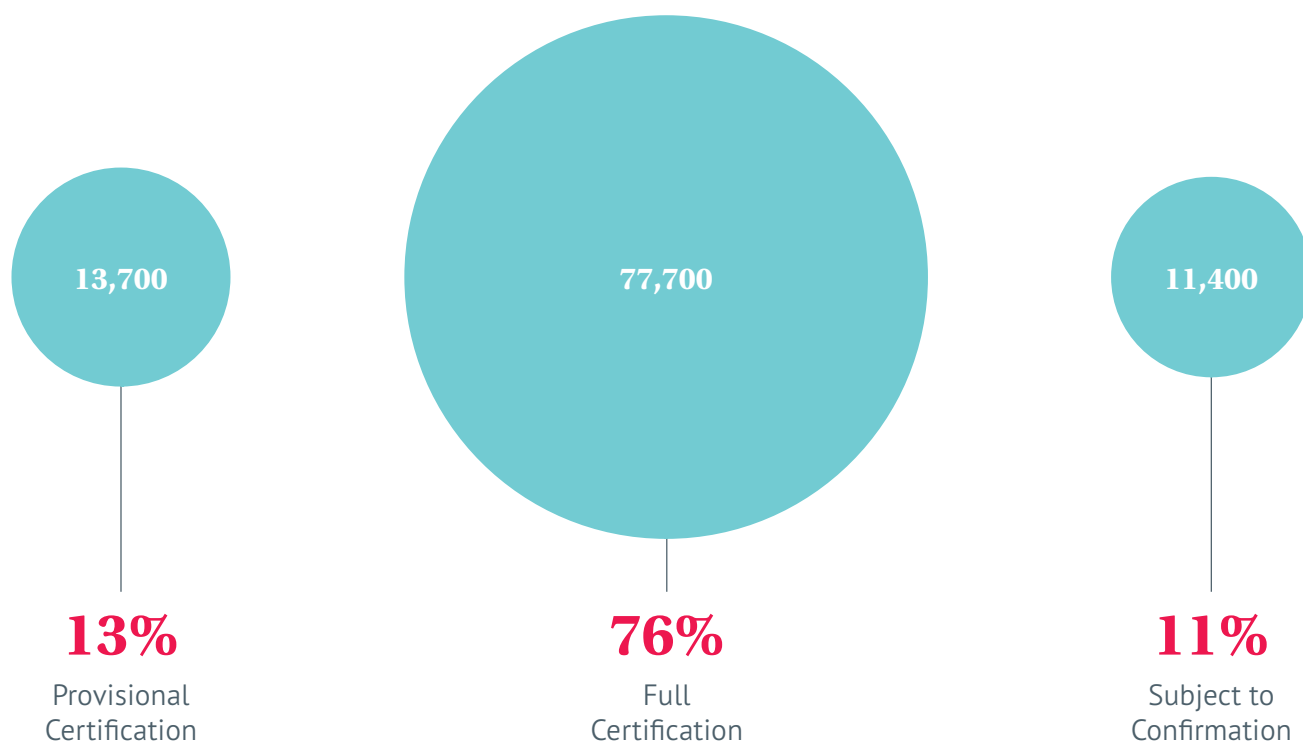
We received positive feedback on the podcast, including this quote, 'Thank you, I have found this helpful as I have often found myself feeling lost and questioning why and what is best for me and my wellbeing. Your podcast was very helpful and will help me determine how I lost my way after 20 years of teaching.'



# The Year in Numbers

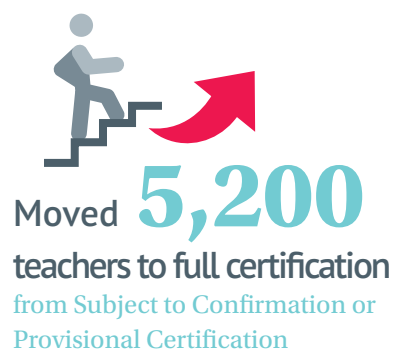
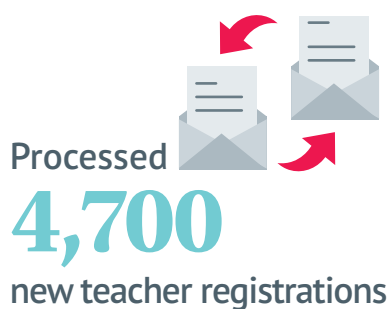
This year 102,800 teachers held a current practising certificate

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This year our registration team

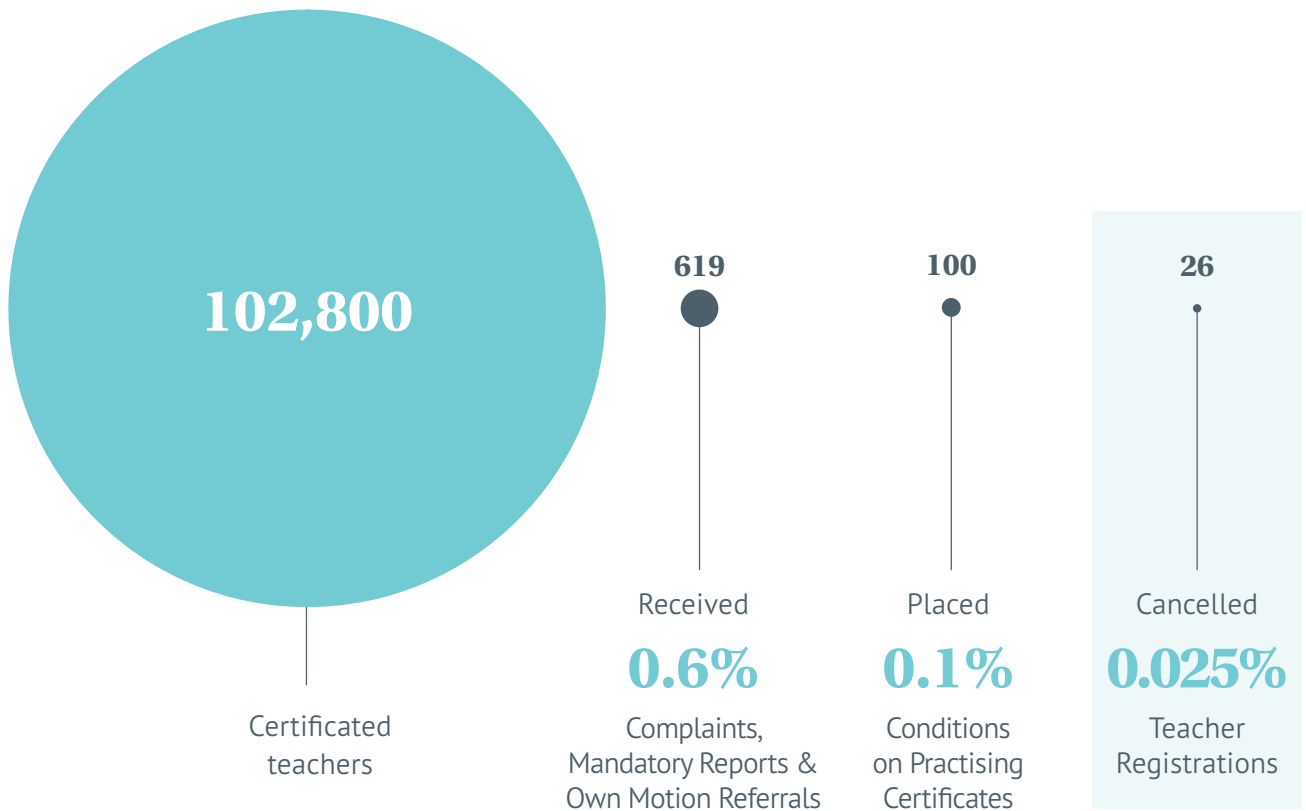
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# 102,800

Registered teachers with a current practising certificate



## This year our service team

Received   
**61,300**  
phone calls

Received   
**36,500**  
emails

 **Kia ora**  
Answered  
**73%**  
phone calls within  
 **30**  
seconds

# Organisational Capability

## Building capability

The Council introduced an organisation-wide change to becoming paperless and the Professional Responsibility team lead the way with implementing process changes designed to make it easier for the profession to engage with the Council.

The Council also introduced several new functions to the Professional Services Group this year to enable us to better support the profession.

### Innovation and Collaboration

The Innovation and Collaboration team designs, implements and leads innovation through building strong collaborative relationships across the profession and across all parts of the sector. This team works collaboratively with teachers and leaders, enabling them to make a bigger difference for their learners and has the complex task of sharing knowledge, research and teaching pedagogy across the system in a way that changes teaching and learning on the ground.

The Leadership Strategy is a fine example of how the Innovation and Collaboration team works in co-construction with the profession to enable leadership for ongoing improvement, innovation and transformation that will open up new ways for the system to support and enhance learning.

### Teacher Capability and Development

The Teacher Capability and Development team helps influence and shape the system interventions the Council now holds with Initial Teacher Education (ITE). With the introduction of this team we are well positioned to create a more coherent and effective response for our learners and provide a system-level professional learning feedback loop. The Teacher Capability and Development team will deliver the complex operational processes to support a future focussed ITE system in a way that meets the needs of the Kāhui Ako, schools, kura and ECE services.

### Policy and Implementation

The Policy and Implementation team focuses on ensuring the Education Council's strategic goals are implemented in line with our legislative and regulatory responsibilities.

This is achieved through the provision of robust policy advice using quality evidence gained through our regional interactions with the profession.

The team has worked across education sector agencies, and through a co-design approach have achieved a range of important first steps to support a future focussed Initial Teacher Education system as well as new Teacher Registration and Certification Policy.

The Policy and Implementation team also has a focus on the Māori medium education sector to identify and understand the challenges and opportunities facing the profession that will support system improvement.

## Honouring Te Tiriti o Waitangi

This year the Council focussed on supporting employees to become more confident in their knowledge of Te Ao Māori and to honour *Te Tiriti o Waitangi*. Kaimahi were encouraged to attend a *Te Tiriti* workshop, regular waiata sessions, and te reo Māori lessons to raise their confidence and proficiency.

The Council acknowledging Te Tiriti has encouraged our kaimahi to wānanga another viewpoint. This has helped our organisation better support and respond to our teaching profession. For example, acknowledging kaiako with their preferred language of Māori or English is just one of the first steps in honouring Te Tiriti.

## An increase in employee engagement

The Council started measuring employee engagement in 2016 using the Gallup Employee Engagement Survey. We ran the survey again in 2017 and have seen a 29% improvement in engagement in the past 12 months.


The organisation's focus has been on coaching employees to understand the mission and purpose and how their team contributes to Education Council goals and what is expected of them at work.

Education Council waiata by Ihaia Ropata

Mā wai rā te hiringa e waha rā?  
Mā ngā Kaiako te ara e para!  
Mā wai rā ngā tauira e hāpai nei?  
Kia tae atu ki ōna wawata e!

Matatū Aotearoa  
Kia mau! Hi! Ki te hiringa e!

Mā wai rā?  
Te taumata o te ao kaiako  
E hāpai ake nei!



# Information Report

**When do I use it?**  
To present information about an object, animal, person or place

**Classification**  
To describe the main categories of a topic

**Description**  
To describe the main features of a topic

**Conclusion**  
To summarize the main points of a topic

**Structure**  
Introduction  
Main body  
Conclusion

**Language**  
Formal  
Objective  
Factual  
Clear  
Concise

**Content**  
Facts  
Statistics  
Examples  
References



# Performance Measures

The Education Council is reporting end-of-year performance information, reflecting our responsibilities under the Education Act 1989.

	Actual Performance	Target
<p><b>Percentage of new registrations and renewals of practising certificates processed within 20 working days.</b></p> <p>Timeliness of processing applications has improved since 2016/17 (up from 55%) after adopting the Lean Six Sigma process improvement approach for the current paper-based system. The timeliness will improve further once the Council's services have been moved online.</p>	<b>61%</b>	<b>65%</b>
<p><b>Percentage of applications for issue and renewal of practising certificates submitted for appraisal by professional leaders that are reviewed under the auditing and moderation process.</b></p> <p>In 2017/18 we received 39,139 applications for Practising Certificates and 4,013 audits of appraisals were conducted.</p>	<b>10%</b>	<b>10%</b>
<p><b>The average length of time between referral to the Disciplinary Tribunal and the date of the Disciplinary Tribunal decisions made in the reporting period, in months.</b></p> <p>Process improvements have reduced the decision-making timeframe. In 2017/18, The Disciplinary Tribunal made 44 findings of serious misconduct, of which 36 decisions were issued within eight months or less.</p>	<b>6.4</b> Months	<b>8</b> Months

# 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 2018 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 Education Council of Aotearoa New Zealand:



**Barbara Ala'alatoa | Chair**

*Education Council of Aotearoa New Zealand  
30 November 2018*



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

*Education Council of Aotearoa New Zealand  
30 November 2018*

# Statement of Comprehensive Revenue and Expenses

Education Council of Aotearoa New Zealand  
For the year ended 30 June 2018

	Notes	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
<b>Revenue</b>				
Grant revenue – operating grant <sup>1</sup>		6,883	7,662	5,112
Grant revenue – project grant		1,288	1,288	2,030
Late processing fees		94	100	119
Processing fees		7,301	7,068	6,089
Limited authority to teach processing fees		65	64	62
Provisional/subject to confirmation full processing fees		355	347	369
Teacher education approvals		130	209	89
Discipline recovered		151	115	209
Overseas teachers processing fees		79	42	66
Other operating revenue		113	10	83
Finance revenue		181	136	138
<b>Total revenue</b>		<b>16,640</b>	<b>17,041</b>	<b>14,366</b>
<b>Expenses</b>				
Employee costs	2	10,391	10,344	8,077
Depreciation & amortisation expense	6,7	380	431	247
Other operating expenses	3	4,272	5,898	4,095
Education Council projects	17	2,711	2,161	1,761
<b>Total expenses</b>		<b>17,754</b>	<b>18,834</b>	<b>14,180</b>
<b>Total (deficit)/surplus for the year</b>		<b>(1,114)</b>	<b>(1,793)</b>	<b>186</b>
<b>Other comprehensive revenue and expenses</b>				
Other comprehensive revenue		-	-	-
<b>Total comprehensive revenue and expense for the year</b>		<b>(1,114)</b>	<b>(1,793)</b>	<b>186</b>

*Explanations of significant variances against budget are provided in note 18*

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 2019.



# Statement of Changes in Net Assets/Equity

Education Council of Aotearoa New Zealand  
for the year ended 30 June 2018

	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
Opening balance 1 July	9,401	9,399	9,215
(deficit)/surplus for the year	(1,114)	(1,793)	186
Other comprehensive revenue	-	-	-
<b>Total comprehensive revenue and expense for the year</b>	<b>(1,114)</b>	<b>(1,793)</b>	<b>186</b>
<b>Closing equity 30 June</b>	<b>8,287</b>	<b>7,606</b>	<b>9,401</b>

*Explanations of significant variances against budget are provided in note 18*

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

# Statement of Financial Position

Education Council of Aotearoa New Zealand  
as at 30 June 2018

	Notes	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
<b>Current assets</b>				
Cash and cash equivalents	4	3,933	6,416	5,717
Short term investments	5	3,759	-	3,635
Receivables from exchange transactions		151	977	205
Receivables from non-exchange transactions	8	918	-	1,213
		<b>8,761</b>	<b>7,393</b>	<b>10,770</b>
<b>Non-current assets</b>				
Intangible assets	7	805	537	104
Property, plant and equipment	6	1,182	1,025	934
		<b>1,987</b>	<b>1,562</b>	<b>1,038</b>
<b>Total assets</b>		<b>10,748</b>	<b>8,955</b>	<b>11,808</b>
<b>Current liabilities</b>				
Deferred lease liability		42	-	42
Trade & other payables	9	1,864	923	1,758
Employee entitlements	10	524	350	535
		<b>2,430</b>	<b>1,273</b>	<b>2,335</b>
<b>Non-current liabilities</b>				
Deferred lease liability		31	76	72
		<b>31</b>	<b>76</b>	<b>72</b>
<b>Total liabilities</b>		<b>2,461</b>	<b>1,349</b>	<b>2,407</b>
<b>Net assets/equity</b>		<b>8,287</b>	<b>7,606</b>	<b>9,401</b>
<b>Equity</b>				
Retained earnings		8,287	7,606	9,401
<b>Total net assets/equity attributable to the owners of the controlling entity</b>		<b>8,287</b>	<b>7,606</b>	<b>9,401</b>

*Explanations of significant variances against budget are provided in note 18*

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

# Cash Flow Statement

Education Council of Aotearoa New Zealand  
for the year ended 30 June 2018

	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
<b>Cash flows from operating activities</b>			
<i>Receipts</i>			
Fees and grants received	16,842	17,091	12,687
Other operating revenue	113	125	292
Finance revenue	175	334	147
	<b>17,130</b>	<b>17,550</b>	<b>13,126</b>
<i>Payments</i>			
Payments to suppliers	(6,907)	(11,650)	(4,969)
Payment to employees	(10,402)	(7,670)	(8,012)
Net GST paid	(152)	(64)	(197)
	(17,461)	(19,384)	(13,178)
<b>Net cash flows from operating activities</b>	<b>(331)</b>	<b>(1,834)</b>	<b>(52)</b>
<b>Cash flows from investing activities</b>			
<i>Receipts</i>			
Sale of property plant and equipment	-	-	-
Sale of investments	-	-	-
	-	-	-
<i>Payments</i>			
Purchase of property, plant and equipment	(559)	(602)	(135)
Purchase of intangible assets	(770)	(500)	-
Purchase of investments	(124)	-	(1,156)
	(1,453)	(1,102)	(1,291)
<b>Net cash flows from investing activities</b>	<b>(1,453)</b>	<b>(1,102)</b>	<b>(1,291)</b>
Net decrease in cash and cash equivalents	(1,784)	(2,936)	(1,343)
Cash and cash equivalents at 1 July	5,717	9,352	7,060
<b>Cash and cash equivalents at 30 June</b>	<b>3,933</b>	<b>6,416</b>	<b>5,717</b>

*Explanations of significant variances against budget are provided in note 18*

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

# Notes to the financial statements

Education Council of Aotearoa New Zealand  
For the Year ended 30 June 2018

## 1. Statement of accounting policies and reporting entity

The reporting entity is the Education Council of Aotearoa New Zealand (the “Council”). The Council is domiciled in New Zealand and, as established by the Education Act 1989, 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 2018 and approved by the Board on 30 November 2018.

### 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.

### 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





## 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 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
Wages & Salaries	6,677	8,905	6,273
Temporary Staff	3,151	692	951
Restructuring costs	-	-	387
Superannuation/KiwiSaver employer contribution	211	298	200
Staff professional development	194	186	125
Other employee costs (ACC, payroll fees, recruitment etc.)	158	95	141
	<b>10,391</b>	<b>10,176</b>	<b>8,077</b>

*Explanations of significant variances against budget are provided in note 18*

### 3. Other operating expenses

	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
Administrative	1,186	2,192	723
Audit fees to Audit New Zealand for audit of financial statements	51	64	49
Professional/consultancy fees	252	352	174
Audit of teachers appraisals	349	412	380
Legal fees	639	809	1,026
Staff and Board members travel expenses	367	415	320
Computer expenses	462	405	560
Advisory committees	46	13	18
Board Member fees	131	137	133
CA/DT/Impairment <sup>2</sup> (excluding legal fees)	174	395	179
CAC panels <sup>3</sup> (excluding legal fees)	180	200	156
Rent	393	484	279
Doubtful debts/bad Debts	42	20	98
	<b>4,272</b>	<b>5,898</b>	<b>4,095</b>

*Explanations of significant variances against budget are provided in note 18*

### 4. Cash and cash equivalents

Cash and cash equivalents include the following components:

	Actual 2018 \$'000	Actual 2017 \$'000
Cash at bank	1,094	5,079
Term deposits with maturities of 3 months or less	2,839	638
<b>Total cash and cash equivalents</b>	<b>3,933</b>	<b>5,717</b>

<sup>2</sup> CA = Competence Authority, DT = Disciplinary Tribunal, Impairment Committee

<sup>3</sup> CAC = Conduct Assessment Committee

## 5. Short term investments

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

	Actual 2018 \$'000	Actual 2017 \$'000
Term deposits with maturities greater than 3 months and less than 12 months	3,759	3,635
<b>Total</b>	<b>3,759</b>	<b>3,635</b>

There are no restrictions over any of the cash and cash equivalent balances held by the Council.

## 6. Property, plant and equipment

	Computer equipment \$'000	Office equipment \$'000	Office fit-out \$'000	Fixtures & fittings \$'000	Work in progress \$'000	Total \$'000
<b>2018</b>						
Cost	449	143	998	799	7	2,396
Accumulated depreciation	(323)	(109)	(572)	(210)	-	(1,214)
<b>Net book value</b>	<b>126</b>	<b>34</b>	<b>426</b>	<b>589</b>	<b>7</b>	<b>1,182</b>
<b>2017</b>						
Cost	334	130	581	576	215	1,836
Accumulated depreciation	(257)	(89)	(391)	(165)	-	(902)
<b>Net book value</b>	<b>77</b>	<b>41</b>	<b>190</b>	<b>411</b>	<b>215</b>	<b>934</b>

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
<b>2018</b>						
Opening balance	77	41	190	411	215	934
Additions	115	13	417	223	7	775
Disposals/Transfer to assets	-	-	-	-	(215)	(215)
Depreciation	(66)	(20)	(181)	(45)	-	(312)
<b>Closing balance</b>	<b>126</b>	<b>34</b>	<b>426</b>	<b>589</b>	<b>7</b>	<b>1,182</b>

## 7. Intangible assets

	Acquired software \$'000	Total \$'000
<b>2018</b>		
Cost and work in progress	1,845*	1,845
Accumulated amortisation	(1,040)	(1,040)
<b>Net book value</b>	<b>805</b>	<b>805</b>
<b>2017</b>		
Cost	1,076	1,076
Accumulated amortisation	(972)	(972)
<b>Net book value</b>	<b>104</b>	<b>104</b>

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

	Acquired software \$'000	Total \$'000
<b>2018</b>		
Opening balance	104	104
Additions	769*	769
Disposals	-	-
Amortisation	(68)	(68)
<b>Closing balance</b>	<b>805</b>	<b>805</b>

\* Includes Work in Progress of \$0.766m related to the Online Services Project.

## 8. Receivables from non-exchange transactions

	2018 \$'000	2017 \$'000
Grants, processing fees receivable	918	1,213
<b>Total</b>	<b>918</b>	<b>1,213</b>

## 9. Trade and other payables

	2018	2017
	\$'000	\$'000
Trade payables	523	834
GST payable	-	43
Other non-trade payables & accrued expenses	1,341	881
<b>Total</b>	<b>1,864</b>	<b>1,758</b>

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

	2018	2017
	\$'000	\$'000
Accrual of salaries/superannuation	222	198
Liability for annual/lieu leave	294	326
Accrual for sick leave	8	11
<b>Total</b>	<b>524</b>	<b>535</b>

## 11. Commitments

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

	2018	2017
	\$'000	\$'000
No later than one year	320	320
Later than one year and no later than five years	241	561
<b>Total</b>	<b>561</b>	<b>881</b>

### Deferred lease liability

The deferred 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 other 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:

Education Council Board Members Remuneration	2018 \$'000	2017 \$'000
Chair - Barbara Ala'alatoa	3	-
Sylvia Park School (Barbara Ala'alatoa)	17	14
<b>Total Chair remuneration</b>	<b>20</b>	<b>14</b>
<b>Board Members</b>		
Centre for Strategic Education (Anthony MacKay – Deputy Chair)	14	18
Claire Amos	4	7
Hobsonville Point School (Claire Amos)	11	7
Lynda Stuart	-	1
May Road School (Lynda Stuart)	-	7
Simon Heath	4	5
Renwick School (Simon Heath)	8	11
Iva Ropati	-	7
Howick College (Iva Ropati)	-	-
New Zealand Kindergartens Inc. (Clare Wells)	9	13
Helen Timperely	8	14
Te Whata Tau o Patauaki ( Ripeka Lessels)	19	12
Nicola Ngarewa	5	2
Patea Area School (Nicola Ngarewa)	8	5
BDO Christchurch (Michael Rondel – Chair Risk, Audit and Finance)	21	10
<i>Total Board Members (excluding the Chair)</i>	111	119
<b>Total Board Members remuneration</b>	<b>131</b>	<b>133</b>
<b>Number of full-time equivalents*</b>	<b>1.0</b>	<b>1.0</b>

\* 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 directors and officers 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 13 staff (including tier 3) (2017: 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.

	2018 \$'000	2017 \$'000
Key management personnel remuneration	2,517	1,873**
	FTE	FTE
<b>Number of persons</b>	<b>13</b>	<b>8</b>

\* Cessation payments include payments that the person is contractually entitled to on cessation including annual leave not taken, employer superannuation contributions and for redundancy and restructuring.

\*\*During the year ended 30 June 2017 compensation of other benefits in relation to restructuring totalling \$387,000 was paid.



### 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:

	2018 \$'000	2017 \$'000
<b>Financial assets</b>		
<i>Receivables</i>		
Cash and cash equivalents	3,933	5,717
Short term investments	3,759	3,635
Receivables from exchange transactions	151	205
Receivables from non-exchange transactions	918	1,213
<b>Total</b>	<b>8,761</b>	<b>10,770</b>
<b>Financial liabilities</b>		
<i>At amortised cost</i>		
Trade and other creditors	1,864	1,715
Employee entitlements	524	535
<b>Total</b>	<b>2,388</b>	<b>2,250</b>

### 14. Capital commitments

The Council has a capital commitment at the reporting date for \$31,000 for the purchase of computer hardware which had been ordered but undelivered. (2017:Nil).

### 15. Contingent assets and liabilities

The Council presently has cases with the Disciplinary Tribunal which may lead to contingent liabilities between \$320,000 to \$440,000 (2017: \$100,000 to \$250,000). 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. (2017:Nil)

### 16. Events after the reporting date

On 28 September 2018 the Education (Teaching Council of Aotearoa New Zealand) Amendment Bill received Royal assent, which changed the name of the Council to the Teaching Council of Aotearoa New Zealand. The Amendment did not change the role or functions of the Council.

## 17. Education Council projects

The council worked on the following projects

Project expenditure	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
Code and Standards <sup>+</sup>	229	211	585
Leadership <sup>*</sup>	624	325	352
ITE <sup>+</sup>	74	152	76
Workshops for Appraisal	245	185	161
EC30 Online	84	-	347
Online Services Project	1,440	1,288	240
Professional Services Symposium	15	-	-
	<b>2,711</b>	<b>2,161</b>	<b>1,761</b>

+ These projects were a legislative requirement and were substantially completed by 1 July 2017.

\* 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 significant variances from budget

### Net surplus/(deficit)

The Council's deficit of \$1.114m was lower than the budgeted deficit by \$0.679m. The key revenue and expenditure variances are detailed below.

### Revenue (under budget \$0.401m)

External grants (\$0.779m under budget). Primarily induction and mentoring programme revenue from the Ministry of Education that matches the lower than budgeted expenditure on this program, which is the result of lower numbers of mentors and mentees.

All processing fees (\$0.273m over budget). There were approximately 1,400 (2.5%) more applications processed by the Council during the financial year.

Initial Teacher Education programme approvals (\$0.079m less than budget). Revenue was below expectation due to several initial teacher education ('ITE') providers being granted an extension in approvals and re-approvals of courses while they were consulted with over proposed changes to the requirements for providing ITE.

Other operating income (\$0.103m favourable). Due to the demand, the Council ran more workshops on the Code and Standards than budgeted, which generated more income.

Finance revenue (\$0.045m higher than budget). More effective and active cash management has resulted in an increase in interest revenue.

## Expenditure (under budget \$1.080m)

Employee costs (\$0.047m under budget). The cost of permanent staff salaries was significantly under budget with vacancies taking longer to fill than anticipated in the budget. This was offset by the cost of employing temporary staff and contractors to fill the vacancies.

### *Other operating expenses (\$1.626m under budget).*

Administrative expenses (\$1.006m under budget). This was mainly due to the underspending on the induction and mentoring programme resulting from fewer mentors and mentees signing up for the programme.

Legal fees (\$0.170m under budget). Legal costs related to conduct and competence matters were underspent. The budget was conservative in estimating the number of matters that would incur legal costs. Corporate legal fees relating to the structure and future legislation of the Council as well as other general advice was higher than expected during the year which reduced the overall favourable variance.

CA/DT and Impairment panel costs (\$0.221m under budget). There were fewer tribunal and authority hearings during the year than expected in the budget. This was partly due to a change in approach where a number of cases were heard on the papers instead of full hearings resulting in cost savings in fees and travel costs as panel members could conduct hearings by phone.

### *Education Council projects (\$0.550m over budget).*

Online Services (\$0.152m over budget). The multi-year budget for this project was developed in 2016 when the business case was developed. This variance is largely a timing variance.

Leadership (\$0.299m over budget). This relates to expenditure on the Leadership project that was expected to be incurred and was budgeted in 2016/17 that was deferred until this financial year.

Appraisal Workshops (\$0.060m over budget). The budget provided for a number of workshops across the country on using the Code and Standards in appraisals. Additional workshops were delivered to meet the significantly higher demand.

# Independent Auditor's Report

To the readers of the Education Council of Aotearoa New Zealand's financial statements for the year ended 30 June 2018

The Auditor-General is the auditor of the Education Council of Aotearoa New Zealand (the Education 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 Education Council on his behalf.

## Opinion

We have audited the financial statements of the Education Council on pages 29 to 47, that comprise the statement of comprehensive revenue and expenses, statement of changes in net assets/equity, the statement of financial position as at 30 June 2018 and the statement of cash flows 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 Education Council on pages 29 to 47:

- present fairly, in all material respects:
  - its financial position as at 30 June 2018; 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 30 November 2018. 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 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 opinion.

## Responsibilities of the Council for the financial statements

The Council is responsible on behalf of the Education Council for preparing financial statements that are fairly presented and that 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 Education Council for assessing the Education 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 the Council intends to liquidate the Education Council or to cease operations, or has 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.

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

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

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 Education 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 Education 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 Education 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 6 to 27, but does not include the financial statements, and our auditor's report thereon.

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 Education 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 the audit, we have no relationship with, or interests in, the Education Council.



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

# Directory

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