

EDUCATION COUNCIL
NEW ZEALAND | Mātauranga Aotearoa

ANNUAL REPORT | 2017



**“We’re working collectively to strengthen
New Zealand’s education system, for
teachers and for society.”**

Gary Sweeney
Principal of Pukekohe Intermediate
School and member of the NZAIMS
Executive

*Gary contributed to the Standards
and Registration and Certification Review
working groups.*



**WHAT
WE’VE
BEEN
DOING**



CONTENTS

Letter from the Chair	1
FEATURE PROJECT	
Our Code Our Standards	3
THE YEAR IN REVIEW	
Annual highlights 2016-2017	7
STATISTICS	
The year in numbers	11
YOU ASKED US	
Consultation outcomes	13
TE AO MAORI	
Biculturalism at the council	15
OUR PEOPLE	
Board members	17
MAP	
The council comes to you	20
PERFORMANCE MEASURES	21
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FINANCIAL STATEMENTS	
<i>Statement of Comprehensive Revenue and Expenses</i>	24
<i>Statement of Changes in Equity</i>	25
<i>Statement of Financial Position</i>	26
<i>Statement of Cash Flows</i>	27
<i>Notes to the financial statements</i>	28
<i>Independent Auditor's Report</i>	42



Letter from the chair.

E ngā mātāwaka o te motu, tēnā koutou
katoa i roto i ngā āhuetanga o te wā

It's hard to believe it's been a year since I introduced the Education Council of Aotearoa New Zealand's first annual report.

Last year, I told you about this new organisation, an independent statutory body whose job is to be the professional body for teachers. Now, I'm thrilled to share some of the great work we've done over the past year alongside our teaching colleagues to represent the aspirations of teachers and help raise the status of the profession.

Throughout the past twelve months, we've worked with teachers from across the profession and across New Zealand to fulfil two of our important legislative obligations, with the release of **Our Code Our Standards: Code of Professional Responsibility and Standards for the Teaching Profession**. We've travelled the country from top to bottom to talk to teachers about what they want from us. We've had conversations with the profession, academics, iwi, providers, and other education agencies to understand how we can work together better to support and grow leaders and leadership. And, we've taken some important steps towards getting our systems online, testing them with real teachers as we went.

As a teacher and principal myself, what feels most valuable to me about all we've done so far is how closely we've worked with teachers on every aspect of this work. Every one of the projects we've delivered so far has been truly co-constructed: with the profession, by the profession and for the profession.

Teachers are the experts on what's best for teachers and learners, and the way we've been able to thread this expertise throughout the Council's work is something I'm immensely proud of.

We do this work because we believe that teachers make a difference for every child, every day. No matter what their circumstances or what part of the country they're in, every learner in New Zealand deserves the same educational opportunities to help them develop their full potential and so give them better life choices. That's another part of our work as a Council that inspires me.

It's not a coincidence that many of us on the Education Council Board are teachers. Helping to lift the status of the profession matters deeply to all of us because we know it can empower teachers to grow, collaborate, and develop together. If we truly want to serve children and families, tāmariki and whānau, we need to make sure there are excellent teachers in front of our kids every day.

Please take a little time to read about the work we've done this year. I invite you to get involved in what we do next, too.

The work we do at the Education Council isn't about legislation, or paperwork, or red tape; it's about you. It's about how we can work together to help every learner in New Zealand to be as successful as they can.

We're looking forward to continued work with you to achieve this over the coming year.

Noho ora mai i roto i ngā manaakitanga katoa.



Barbara Ala'alatoa | Chairperson

*Education Council of New Zealand
Matatū Aotearoa*

Our Code Our Standards.

Working with the profession to define teaching in New Zealand

Releasing the Code of Professional Responsibility and Standards for the Teaching Profession was our biggest piece of work to date. But, we didn't create them alone. The Code and Standards were created with the profession, for the profession.

When we talk about what it means to be a profession, we probably think about what our profession means to the public or to other external parties. But, something that sits at the core of a profession is the commitment professionals make to their peers, and the principles that guide their professional activities.

One of our key achievements this year was the release of **The Code of Professional Responsibility and Standards for the Teaching Profession** to the profession. The Code sets out the high standards for ethical behaviour that are expected of every teacher. The Standards describe the expectations of effective teaching practice. Together, they set out what it is and what it means to be a teacher in Aotearoa New Zealand.


Releasing the Code and Standards was a significant milestone for us, because it meant we fulfilled two of our legislative obligations as an independent statutory body. Creating a new code of conduct and criteria for teachers' practice were part of the same amendment to the Education Act that created the Education Council as the professional body for teachers in 2015.

Among other activities that help to raise the status of the profession, creating and implementing the Code and Standards is, fundamentally, why we exist.

But, we didn't create them for ourselves, and we didn't create them by ourselves. The story of how the Code and Standards came to be is a story of true collaboration.

Some of the first conversations we had were about modernising the existing Code of Ethics—which was almost 15 years old—and refreshing the Practising Teacher Criteria to create more contemporary standards. We brought together stakeholders from across the profession for a brainstorm to hear what they needed. They told us that we could do more to make these foundational documents work for everyone in the profession, no matter the person's role, environment, or sector.

The Standards working group agreed on what was important and designed a framework for the new standards. A team of writers then took that framework, reviewed the evidence and created the first drafts to be reflective of contemporary teaching. They tested



“We didn’t create them for ourselves, and we didn’t create them by ourselves. The story of how the Code and Standards came to be is a story of true collaboration.”

these draft Standards with early childhood education specialists, Māori medium and English medium practitioners, and academics. The draft Standards were consulted on broadly across the profession and also piloted in schools, kura, and early childhood education settings, and in Initial Teacher Education (ITE) settings to make sure they were valid across different settings and teaching roles.

Something we can all be proud of is the way the Standards were co-designed to ensure they adequately represented a Māori world view. Like all our publications, the Standards are bilingual. But they weren’t simply translated from English into te reo Māori; they were written in both languages from the start. If you look at the final Standards document, you’ll notice that the English and te reo versions are presented side by side on the page, because that’s how they were designed.

The Code was developed with the help of a profession-wide working group, too. We held six focus groups and meetings with key organisations, conducted two online surveys, and did an extensive review of the codes of conduct for international professional bodies. We also reviewed the codes of other professions, such as nursing, medicine, and law, to help us understand the scope of a professional code.

What we learned from the focus groups and surveys was that teachers wanted an aspirational code that

recognised the trusted position that teachers hold in society. They wanted the Code to act as a statement of their professionalism. They wanted to see a Code that would support lifting the status of the teaching profession, in the eyes of learners, families and whānau, and society. We created the Code to reflect these aims.

Once a draft Code and Standards were written, we released the draft for consultation for six weeks. We received over 2,000 submissions; the highest engagement of any profession-wide consultation we had done to date. We heard from individual teachers, schools, and early childhood centres, learners, families and whānau, and various representative bodies, including the PPTA, NZEI, NZPF, ECC, IHC, New Zealand Kindergartens, and Montessori Aotearoa New Zealand.

With the support of the working group, we reviewed the consultation feedback, made recommendations, and changed elements of the Code and Standards to reflect what we’d been told before releasing the final version.

Thanks to the feedback, we created a separate document of examples of the Code in practice, improved the balance between negative and positive examples, changed how the Standards indicators are described so it’s clear they’re not perceived as checklists, and provided a clearer Te Tiriti o Waitangi statement across the Code and Standards.

We printed and shipped copies of Our Code Our Standards to every school and early childhood centre in New Zealand, to make sure every teacher had their own copy.

The task for this year is to continue working closely with the whole profession—from ITE to induction and mentoring, appraisal, professional learning and

development, and leadership—to build on this foundation to create practical, intuitive, valuable materials that help every teacher every day in the classroom or centre, the staffroom, and throughout their practice.

Implementing the Code and Standards to maximise the success of every learner depends on our collaboration with teachers, just as we did when we developed them.

HOW WE INVOLVED YOU

We released Our Code Our Standards: Draft Code of Professional Responsibility and Standards for the Teaching Profession for consultation to the profession for six weeks in March 2017. We received feedback on the draft from teachers, principals, centre managers and head teachers, and those in leadership roles. We heard from those working in primary, secondary, early childhood, middle schooling, tertiary, and Māori Medium education, and from teachers with less than two years' up to more than ten years' experience.

2,110

SUBMISSIONS RECEIVED



6

Focus Groups

We conducted six focus groups with approximately 60 teachers and professional leaders working in early childhood education, primary, intermediate and secondary settings.



OUR CODE

2

Online Surveys

We issued two surveys on the Code of Professional Responsibility.

1

956

RESPONSES

The initial online survey sought views on the general scope of the Code, as well as its purpose and how it might be used by student teachers, teachers, learners, families and whānau, employers and regulatory bodies. It received 956 responses.



20

Organisations

There were 20 organisations involved in the Code working group which provided advice on the draft Code as it developed as well as the wider consultation process.

2

543

RESPONSES

The second survey asked questions about what role the Code should play by presenting a range of scenarios, based on some of the cases that have been brought to the Council. This survey received 543 responses.

Anna Sullivan

Chief Executive of Evaluation Associates

Anna was one of the writers of the Standards for the teaching profession, and was involved in piloting the Standards with New Zealand schools and centres.

“I loved that writing the Standards was a highly collaborative process, where the collective wisdom of New Zealand educators helped to create a definition of standards which, irrespective of the sector they are working within, describe what it means to be a teacher in Aotearoa New Zealand.”



OUR STANDARDS

24

Organisations

2

Pilots

211

Student teachers

273

Teachers

The Standards working group consisted of 24 organisations representing different sectors, professional roles, and cultural groups. They provided advice on the development of the Standards.

We ran a trial to verify the Standards with teachers in early childhood, primary, secondary and kura, and with both students and teachers in initial teacher education settings



To find out more about **Our Code and Standards**
visit: www.educationcouncil.org.nz/OurCodeOurStandards



The year in review.



1
“I really value that the Education Council is working collaboratively towards its goals of strengthening and enhancing the profession, to support effective learning and teaching.”

Lifting and strengthening initial teacher education

Having great teachers is good for learners, and it's good for New Zealand.

We want new teachers to have the capability to teach effectively when they start teaching, and the skills to meet the teaching challenges of the future. This year, we worked with ITE providers and sector groups to come up with ways to make sure new teachers are as well-equipped as they can be for the classrooms and centres of today, and the learning environments of the future.

We want all new teachers to have excellent teaching knowledge, expertise in one or more curriculum learning areas, and the ability to adapt their practice to make sure all learners have the opportunity to reach their full potential.

In June, after over a year of research and consultation, we published six proposals to lift and strengthen ITE. We received over 200 submissions from stakeholders and the profession during the consultation period. We hope to announce decisions later in 2017.

Our package of proposals to raise the calibre of new teachers entering the profession and strengthen the quality of teacher preparation included:

- » every ITE student meeting the new Standards for the Teaching

Profession (with support) before they graduate;

- » raising entry requirements, including higher literacy and numeracy;
- » strengthening the quality of practica arrangements;
- » enabling programmes that prepare teachers to teach across different ranges of year levels;
- » strengthening programme approval requirements for all ITE programmes from 2020; and
- » expanding the availability of postgraduate ITE qualifications with the long-term aim of all teachers entering the profession with a postgraduate qualification.

Work is currently underway to strengthen programme approval requirements from 2020, and to expand postgraduate options for students seeking pathways into specialist and leadership roles. These are the first steps in a two-year work programme to lift our ITE system. The future system will also better support new teachers, from graduation to full certification, grow the pipeline of future kaiako into Māori-medium environments, review programme approval and monitoring processes, and work towards a better alignment between graduate supply and workforce needs.

1. Quote:

Beverley Cooper

Associate Dean of Teacher Education at the University of Waikato and Chair of the Teacher Education Forum Aotearoa New Zealand.

Beverley represented ITE in working groups for the Standards for the Teaching Profession, and for Teacher Registration and Certification.

Putting an emphasis on inquiry in appraisal

How do we make sure our work to raise the status of the profession is having an impact on learners?

A key piece of our work this year was to refine our thinking about effective appraisal systems. We delivered appraisal workshops all over the country, and we heard from the sector about the greater emphasis on teaching as inquiry. Given inquiry helps teachers and leaders understand the relationship between their practice and the learners' experience, it makes sense to make inquiry the central focus of appraisal cycles.

The new professional Standards for teachers sit within appraisal

systems, so that we all have shared expectations of accountability for teachers. The Standards and their elaborations are benchmarks for practice, but are also aspirational and support teachers to grow and develop their practice throughout their careers. Our ongoing workshops have a dual focus of accountability and professional growth.

Teachers and professional leaders also asked us for more resources to support effective appraisal. So, we worked with them to improve existing resources, develop new resources, and re-organise the appraisal section of our website to make the resources more accessible.

A leadership strategy to guide our profession

As a profession, we have some ambitious collective goals, and we need leadership to help us all work towards those goals.

That's why we're working with the profession, academics, Māori leaders, providers, and our shared education agencies to build an agreed leadership strategy. The leadership strategy will guide future investment to support and grow leaders and leadership across the profession.

This year, we've hosted events across the sector to set priorities and plans to establish a leadership strategy. Academics, government agency partners, professional bodies across the profession, Māori leaders, and providers of professional learning and support have had an opportunity to provide critique, perspective, and advice.

Some key themes have emerged from these discussions that will

inform the strategic direction of the strategy. We have also pulled together additional evidence, literature, insights, and feedback from the profession, which will similarly inform the strategy.

An advisory group has been established, made up of experts from different parts of the profession and education landscape. The advisory group will work with a team of writers to co-construct a draft strategy that provides a strategic direction and vision for leadership that resonates, inspires, and shows a coherent investment story for building leadership capacity across the profession.

This leadership strategy will support teachers and leaders across the sector, and it's important that we hear from the profession. We will release a draft strategy for wider consultation with the sector next year.

Promoting professional responsibility

As a profession, teachers have expectations that we all share.

An important part of our role as a professional body is to work with the profession to manage teachers' conduct and competence to uphold those expectations.

The Education Council Rules 2016 came into effect on 1 July 2016, and changed how we investigate and make decisions about teacher conduct and competence issues. Also established in July, the Rules-based Competence Authority has delegated authority to make decisions about teachers being investigated for competence concerns. The Competence Authority was established as a specialised body with particular expertise in teacher competence, and to free up the Board to focus on leadership and strategy.

The Competence Authority is now established under the Education Act. This gives the Competence Authority the ability to cancel teacher registration and practising certificates for competence reasons.

This year, we established a Triage Committee to consider all mandatory reports and complaints about teachers. Having a Triage Committee that meets three times weekly allows us to take urgent action on serious matters, and to decide whether we should carry out further investigations.

We have an in-house team of investigators who carry out investigations for the Complaints Assessment Committee (CAC). This helps us appropriately investigate any alleged conduct before the CAC makes a decision. This has resulted in the CAC being able to make more robust decisions.

Working to bring our services online

This year, we've been doing some exciting work behind the scenes to bring all of the Council's services online.

We're working hard to keep it teacher-focused, safe, and future-proofed. We'll end up with an online system that truly supports teachers and, as always, we will work with teachers to test the new systems as they become available.

An important step towards bringing all our services online is the the EC30 renewing a full practising

certificate online process. Soon, teachers in schools with an Education Sector login will be able to put together and submit their entire application for a practising certificate renewal online.

We tested the first iteration of this project with a group of teachers and principals. EC30 Online has been a long time coming and we are looking forward to offering a simple, efficient, and secure way for you to renew your full practising certificate online from next year.

The Year in Numbers

THIS YEAR OUR REGISTRATION TEAM



Handled

5,000

new teacher registrations

Finalised



37,000

applications

Moved



5,000

teachers to full certification from Subject to Confirmation or provisional certification

THIS YEAR OUR SERVICE TEAM RECEIVED



69,000

Phone Calls



40,000

Emails



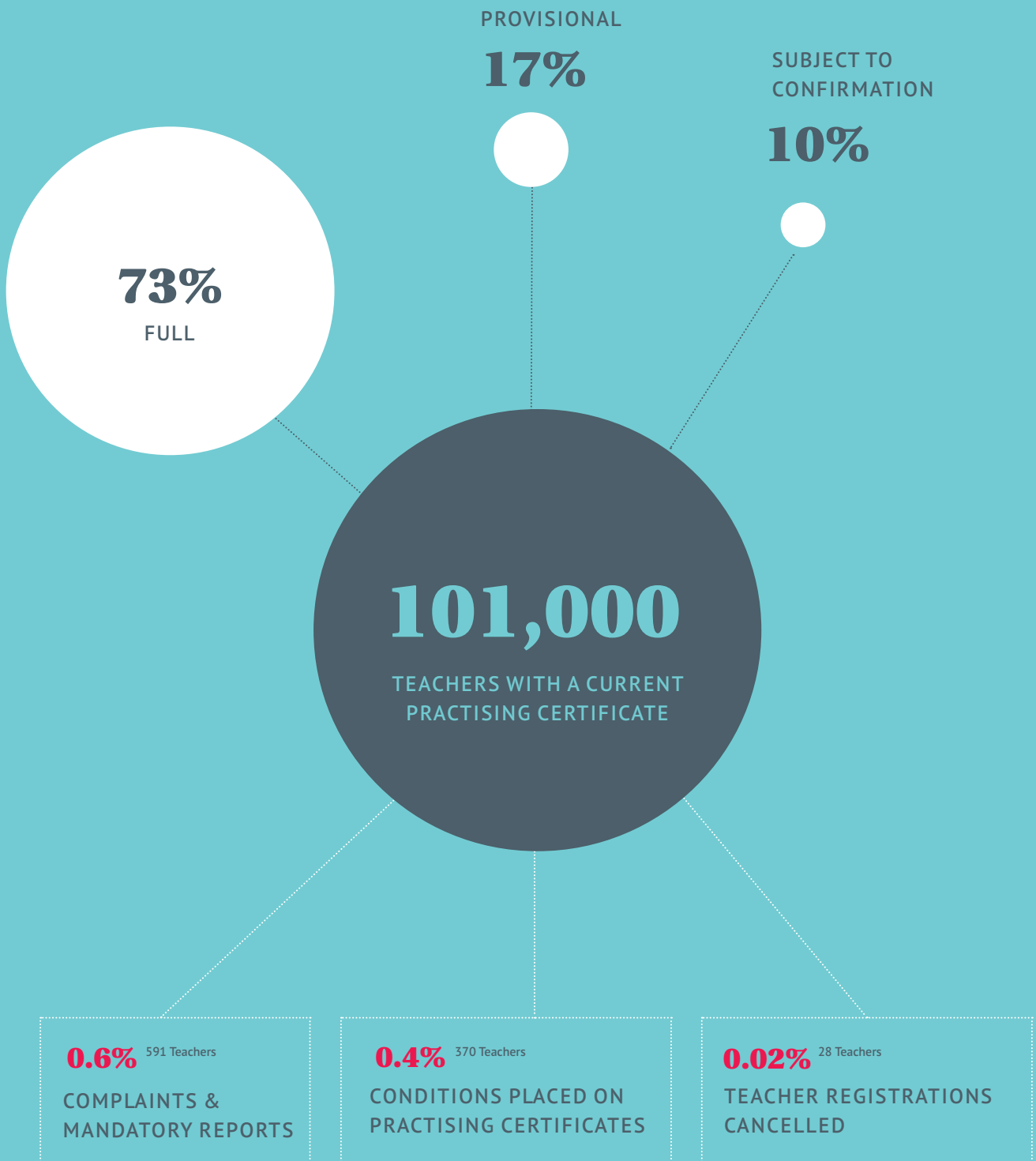
Answered

65% of your phonecalls within **60** SECONDS

NOW IT'S UP TO 75%

127,000

REGISTERED TEACHERS



“Itinerant music teachers need a Teacher Education Refresh programme that works for them.”

“If the Code and Standards are going to be the foundations for the teaching profession, they need to be underpinned by values.”

“Could you make your registration forms easier to use?”

“Help provisionally certificated teachers access induction and mentoring opportunities.”

“I’d like to see an online option for Teacher Education Refresh.”

You asked us.

This is your Council, and we’re listening. Here are a few programmes and changes to our work that came because of input and feedback from the profession.

1 Values to define, inspire, and guide

In working to set a Code and Standards for the profession, members of working groups advised that a shared set of values was needed to underpin and inform the framing of both pieces of work.

Since the Code and Standards will be the foundations for the teaching profession, it is imperative that the values are identified through a highly consultative process, and with close engagement with teachers. The values were conceived by the working groups, made up of members of the profession, and tested with teachers through focus groups and surveys.

The values are expected to inspire, guide, and define the teaching profession. These values – whakamana, manaakitanga, pono, and whanaungatanga – and their descriptions sit at the centre of what it is to belong to the profession and reflect the ideals to guide effective teaching practice and ethical behaviour.

2 Changes to Teacher Education Refresh

Did you know that the Teacher Education Refresh (TER) programme was created in response to conversations with the profession? The TER programme was established by the Teachers Council to make sure that all learners have access to the best quality teaching.

Now, as a result of feedback we've received on the TER programme options, we've worked with providers to establish programmes that are more affordable and flexible. We asked TER providers to offer an entirely online option, so teachers are not required to travel away from home, and for a more modular approach that allows teachers to spread their study and the associated costs over a longer period. The feedback we received from teachers will inform the Request for Proposals for TER providers in the coming fiscal year.

This year, we heard from itinerant teachers of music that the TER programmes on offer weren't suited to their needs. We've held meetings with Music Education New Zealand Aotearoa, the Institute of Registered Music Teachers New Zealand, and individual teachers to help us design and implement a TER programme that is tailored to the needs of itinerant teachers of music. The programme was launched in 2016.

3 Support for provisionally certificated teachers

In May, Education Minister Hon Nikki Kaye announced new funding to create induction and mentoring opportunities to help certain provisionally certificated teachers work towards full certification. We worked with the Minister to establish this programme after we heard that provisionally certificated teachers were having trouble finding induction and mentoring opportunities.

Provisionally certificated teachers who work as relievers or itinerant teachers of music can now arrange for their mentoring programme to be provided across more than one school or setting, with support provided by the Council to the schools to provide a mentor for the teacher. We've also reached out to provisionally certificated teachers individually to make them aware of this option, and to see if there is anything else we can do to help them get induction and mentoring.

Gaining access to an induction and mentoring programme will help provisionally certificated teachers work towards full certification.

4 Making our registration process easier for you

While we work with teachers from across the profession in many different ways, registration and certification renewal is the most common interaction a teacher will have with us. That's why we're always working to improve the registration process.

Our new forms are designed to be filled out on screen, which we hope will help you make sure your form is complete. If we have all the information we need when we receive your application, we can get to work processing it right away.

We have also changed the way we assess applications. Now, when we receive an application, we do an initial assessment to make sure all the necessary information is there. Complete application forms will be fast tracked, and the applications that are missing information will be handled separately. That means that when we receive an application that has all the required information, it's usually processed within a few days. Since we put this new system in place, the number of applications finalised in less than four days has gone from 47% to 80%.

Biculturalism at the Council.

As the professional body for teachers, we are committed to honouring Te Tiriti o Waitangi. It has implications for the work that we all do.



That's why all our publications are offered in te reo Māori and English, and why the Code and Standards are underpinned by core values derived from a Māori world view.

Our staff know that we must be culturally competent if our beliefs, expectations, and practices are to make a real difference. Our monthly all-colleague meetings and presentations at external events are framed around tikanga Māori, beginning and ending with karakia and waiata (which we practice every Friday) and mihi whakatau for all attendees.

This year, every member of our organisation completed four modules on Ka Hikitia - Accelerating Success 2013–2017. The e-workshops were specifically tailored for our staff by the Education Sector Training Services team.

Most of us also did training on Te Tiriti o Waitangi with Network Waitangi Otautahi. Through these experiences we have developed important connections with mana whenua and Pipitea Marae. We were honoured to have Kura Moeahu conduct the opening ceremony to bless our premises in Wellington.

Part of our annual performance management framework is built around Tātai Pou: Pou Hono, Pou Mana, and Pou Kipa. We have several initiatives that incorporate te reo Māori and tikanga Māori for inspiration and guidance.

In the coming year, we'll be offering te reo Māori lessons to our employees while continuing our efforts to create and establish a bicultural Council. We'll keep working to weave together the rich cultural fabric of this country in our words and deeds.

“I was excited about the potential of the Education Council to be the true voice of the profession and to inform and challenge policy. I want to bring a Māori voice, and to encourage a true understanding of the language around biculturalism. It's critical that Māori are at the table and are sharing in these conversations.

What we really need to do is ensure that there is cross-cultural dialogue at a leadership level that enables eyes to open.”

Hoana Pearson, President of Te Akatea
New Zealand Māori Principals Association

Hoana was a contributor to the Code and Standards working groups, and the Initial Teacher Education working group. She has also been involved in developing the leadership strategy for the profession.

Board members.



Barbara Ala'alatoa | Chair

Member of the Human Resources & Remuneration Committee

“Our Board is made up of mostly teachers, and we never stop learning. We’re all grounded by the fact that we’re deeply involved ‘at the chalk face’. We entertain multiple perspectives, but we never take our eyes off the big prize, which is great outcomes for New Zealand’s learners.”



Anthony Mackay | Deputy Chair

Chair of the Human Resources & Remuneration Committee

“There has never been a more important time for the educator profession to lead a learning system that will serve the needs of all young people. The Education Council is committed to the strengthening of our profession—to promote powerful learning, inspire political commitment, engage stakeholders as partners, and generate public confidence.”



Claire Amos

“I’m a huge believer in taking the opportunity to have a voice; to be at the table. Being on the Education Council Board is a chance to participate and support positive change for education in New Zealand. It’s an opportunity to support and contribute to the wider profession, and to learn, connect, and collaborate with a range of educators who really care about the best opportunities for our students.”



1 IN **3**
OF OUR PERMANENT
STAFF ARE TEACHERS OR
FORMER TEACHERS.



Simon Heath

*Member of the New Zealand Teachers
Disciplinary Tribunal*

“I have felt very privileged to be working with such a diverse, dynamic, and knowledgeable team of educators. This work has been uplifting and empowering, as we collectively share a vision for raising the status of the teaching profession in New Zealand and ensuring our kids get the best learning through the best teaching.”



Ripeka Lessels

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

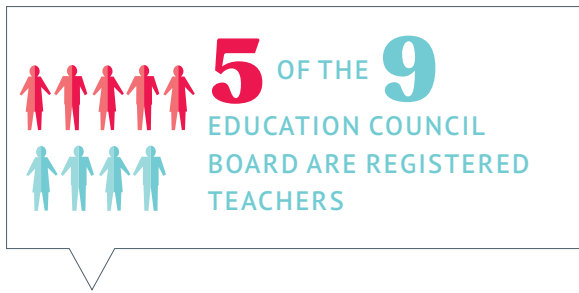
“It is easy to slip into local responses for local challenges without seeing the big picture, or even the need for a big picture. The Council has impacted the way I view my place in the profession. The greatest impact on my practice has been to recognise the connection between having a local picture of a national and international educational stage.”



Nicola Ngarewa

*Member of the Human Resources
& Remuneration Committee*

“Education plays a vital role in improving the lives of young people, families, communities... locally, nationally, and globally. I believe strongly in what the Education Council represents, and the vision, strategies, and extensive work that is being done to support and challenge a high quality education system in New Zealand for all.”



Michael Rondel

Chair of the Risk, Audit, and Finance Committee

“The Education Council plays a critical role in developing and enhancing the teaching profession in New Zealand. Quality education delivered by high quality teachers is a cornerstone of a modern, egalitarian, and prosperous country. As a relatively new organisation, I am keen to be part of the further development of the Education Council and the teaching profession.”



Helen Timperley

“My whole career has been about education, first as a teacher, then a leader, then moving onto research and policy. The Education Council has given me an opportunity to bring these interests together in ways that help to shape and influence them as a whole, rather than as separate pieces.”



Clare Wells

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

“Working with the Education Council gives me the opportunity to make a real difference for every young person, celebrating all that is unique about teaching and learning in Aotearoa, and lifting our sights to be at the cutting edge of education change and innovation.”

The Council comes to you

We get lots of requests from teachers around the country who want to take part in our work, or find out more about us. Here are a few of the places we visited this year...

Myles Ferris

Principal of Te Kura o Otangarei and Vice President | Treasurer of Te Akatea

Myles contributed to the Registration and Certification Review working group.

"I'm passionate about having a high level of teaching in this country. I know that as we raise the bar and keep our standards very high, we're going to get a better education for students all over New Zealand."



"Working with the Council gave me the opportunity to be involved in the bigger goals and ideas for the profession; to help lift the status of the profession."

Noreen Melvin

Principal of Southland Girls' High School

Noreen worked with the Council to develop and facilitate workshops and resources for principals, senior leaders and teachers. She provided panel leadership for ITE, and engaged in registration, and Code and Standards working groups.

This year, our teacher education team...

VISITED

14

INITIAL
TEACHER
EDUCATION
CLASSES

HELD

151

APPRAISAL
WORKSHOPS
with teachers and
professional leaders
around New Zealand

APPROVED &
REVIEWED

10

INITIAL
TEACHER
EDUCATION
PROGRAMMES

Performance measures.

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

For continuity, we are reporting on the performance measures as for the previous year. The Council is working to implement a Results Based Accountability (RBA) outcomes based approach, used by the education sector

“Facilitating appraisal workshops was a great opportunity to help others in the profession grow. It’s been a humbling experience to meet and talk with my teaching colleagues about the profession, and how we can help each other. These conversations are good for the profession, but they’re good for society too.”



Stan Whata

Principal of Koru School

Stan facilitated workshops for principals’ appraisal.

and more widely by social sector agencies. The measures being developed will eventually cover the full scope of activity of the Education Council, and will refine and expand on the measures used to date.

The performance evaluation framework is currently under development, and will continue to evolve. Accordingly our reported measures will continue to be updated in future reports.

	ACTUAL PERFORMANCE 2016/17	BUDGET STANDARD 2016/17
<i>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 ¹</i>	11%	10%
<i>Percentage of new registrations and renewals of practising certificates processed within 20 working days ²</i>	55%	90%
<i>Percentage of cases of serious misconduct that are referred directly to the Disciplinary Tribunal and result in a decision within 10 months of receipt of referral ³</i>	84%	60%
NEW MEASURE <i>Percentage of participants in the appraisal of principals workshops who have made, or who intend to make, significant or complete changes to their principal review/appraisal practice during 2016 ⁴</i>	45% <i>made complete or significant change.</i>	65%
	OVERALL 97% <i>made or intended to make some changes as a result of attending the workshops.</i>	

1. Out of the 37,680 applications received, 4,007 audits of appraisals were conducted.
2. Timeliness of processing applications will improve once we have moved the Council’s services online. During the year as an interim measure we adopted a Lean Six Sigma process improvement approach for the current paper based process; however, the benefits of this won’t be realised until 2017-18. Volumes of finalised applications in 2016/17 increased by 3% to 36,597.
3. In 2016-17, The Disciplinary Tribunal made 25 findings of serious misconduct, of which 21 decisions were issued within 10 months or less.
4. Based on the Evaluation Report 2017, with feedback from 179 participants, of the 568 principals and Board of Trustee Chairs who attended the workshops.

OUR 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 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 2017 fairly reflect the financial position, the results of operations, and the cash flows.

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



Barbara Ala'alatoa | Chairperson
Education Council of New Zealand
20 December 2017



Michael Rondel | Chairperson
Risk, Audit & Finance Committee
20 December 2017



STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES

Education Council of Aotearoa New Zealand.
For the year ended 30 June 2017

	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
Revenue				
Revenue from Crown - operating grant ¹		5,112	5,112	3,191
Revenue from Crown - project grant		2,030	-	250
Late processing fees		119	100	124
Processing fees		6,089	6,951	12,243
Limited authority to teach processing fees		62	64	57
Provisional/subject to confirmation to full processing fees		369	347	329
Teacher education approvals		89	95	101
Discipline recovered		209	50	77
Overseas teachers processing fees		66	42	43
Other operating revenue		83	255	83
Finance revenue		138	150	182
Total Revenue		14,366	13,166	16,680
Expenses				
Employee costs	2	8,077	8,320	5,537
Depreciation & amortisation expense	6, 7	247	364	227
Other operating expenses	3	4,095	4,751	4,368
Education Council projects	17, 18	1,761	1,563	388
Total expenses		14,180	14,998	10,520
Total surplus/(deficit)for the year		186	(1,832)	6,160
<i>Other comprehensive revenue and expenses</i>				
Other comprehensive revenue		-	-	-
Total comprehensive revenue & expense for the year		186	(1,832)	6,160

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

The above statement 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 EQUITY

Education Council of Aotearoa New Zealand.
As at 30 June 2017

	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
Opening balance 1 July		9,215	11,843	-
Retained earnings transferred from New Zealand Teachers Council		-	-	3,055
Surplus/ (deficit) for the year		186	(1,832)	6,160
Other comprehensive revenue		-	-	-
Closing equity 30 June		9,401	10,011	9,215

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

The above statement 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 2017

	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
Current assets				
Cash and cash equivalents	4	5,717	10,000	7,060
Other investments	5	3,635	-	2,479
Receivables from exchange transactions		205	320	312
Receivables from non-exchange transactions	8	1,213	-	14
		10,770	10,320	9,865
Non-current assets				
Intangible assets	7	104	136	191
Property plant and equipment	6	934	972	813
		1,038	1,108	1,004
Total assets		11,808	11,428	10,869
Current liabilities				
Deferred lease liability		42	-	42
Trade & other payables	9	1,758	791	1,028
Employee entitlements	10	535	470	470
		2,335	1,261	1,540
Non-current liabilities				
Deferred lease liability		72	156	114
		72	156	114
Total liabilities		2,407	1,417	1,654
Net Assets		9,401	10,011	9,215
Equity				
Retained earnings		9,401	10,011	9,215
Total equity		9,401	10,011	9,215

Explanations of significant variances against budget are provided in note 18

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



STATEMENT OF CASH FLOWS

Education Council of Aotearoa New Zealand.
For the year ended 30 June 2017

	Notes	Actual 2017 \$'000	Actual 2016 \$'000
Cash flows from operating activities			
<i>Receipts</i>			
Fees and grants received		12,687	12,110
Other operating revenue		292	184
Finance revenue		147	179
		13,126	12,473
<i>Payments</i>			
Payments to suppliers		(4,969)	(5,178)
Payment to employees		(8,012)	(5,433)
Net GST refunded/(paid)		(197)	105
		(13,178)	(10,506)
Net cash flows from operating activities		(52)	1,967
Cash flows from investing activities			
<i>Receipts</i>			
Sale of property plant and equipment		-	-
Sale of investments		-	-
		-	-
<i>Payments</i>			
Purchase of property plant and equipment		(135)	(268)
Purchase of intangible assets		-	(161)
Purchase of investments		(1,156)	(85)
		(1,291)	(514)
Net cash flows from investing activities		(1,291)	(514)
Net decrease in cash and cash equivalents		(1,343)	1,453
Cash and cash equivalents at 1 July		7,060	5,607
Cash and cash equivalents at 30 June		5,717	7,060

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

The above statement 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
Consolidated Notes to the financial statements

For the Year ended 30 June 2017

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 for this and previous reporting years.

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 through the registration, conduct and competence, and professional leadership and development of teachers to ensure the learners across all sectors of education have the best teachers, as opposed to making a financial return.

The financial statements are for the year ended 30 June 2017, and were approved by the Board on 20 December 2017.

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 Council Members 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 a going concern basis.

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 processing fees

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

Interest 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 financial assets at loans and receivables. The Council's financial assets include: cash and cash equivalents, other investments, receivables from non-exchange transactions and receivables from exchange transactions.

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.

Loans and receivables

Loans and 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. The Council's cash and cash equivalents, receivables from exchange transactions and receivables from non-exchange transactions fall into this category of financial instruments.

Impairment of financial assets

The Council assesses at the end of the 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 through the use of 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 are 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 asset 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.

Financial liabilities

The Council's financial liabilities include trade and other payables, 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.

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% | 5 Years |
| • Office Fit-Out | 11.1 - 33% | 3 to 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

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.

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 |
|---------------------|---------|

Employee benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, annual leave and accumulated sick leave are recognised in 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.

Accumulated comprehensive revenue and expenses

Accumulated comprehensive revenue and expenses 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.

Comparatives

When presentation or classification of items in the financial statements are amended, comparative figures are restated to ensure consistency with the current year.

2. Employee Costs

	Actual 2017	Budget 2017	Actual 2016
	\$'000	\$'000	\$'000
Wages & salaries	6,273	7,273	5,141
Temporary staff	951	570	86
Restructuring costs	387	-	-
Superannuation/Kiwisaver employer contribution	200	251	167
Staff professional development	125	191	25
Other employee costs (ACC, payroll fees, recruitment etc.)	141	35	118
Total employee costs	8,077	8,320	5,537

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

3. Other Operating Expenses

	Actual 2017	Budget 2017	Actual 2016
	\$'000	\$'000	\$'000
Administrative	1,868	2,027	1,535
Audit fees to Audit New Zealand for audit of financial statements	49	49	49
Professional/consultancy fees	174	226	111
Audit of teachers appraisals	380	388	412
Advisory committees	18	33	7
Board member fees	133	208	166
Competence Authority/Disciplinary Tribunal/Impairment Committee costs	934	1,208	928
Complaints Assessment Committee panels	162	310	881
Rent	279	279	279
Doubtful debts/bad debts	98	23	-
Total operating expenses	4,095	4,751	4,368

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

4. *Cash and cash equivalents*

Cash and cash equivalents include the following components:

	2017	2016
	\$'000	\$'000
Cash at bank	5,079	5,400
Short-term deposits with maturities of 3 months or less	638	1,660
Total cash and cash equivalents	5,717	7,060

5. *Other Investments*

The Council holds term deposits with various institutions. Term deposits with a term of greater than 3 months are classified as Term Deposits rather than Cash and Cash Equivalents.

	2017	2016
	\$'000	\$'000
Term Deposits with maturities of less than 12 months	3,635	2,479
Total other investments	3,635	2,479

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

6. *Property plant and equipment*

2017	Computer equipment	Office equipment	Office Fit-out	Fixtures & Fittings	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost	334	130	581	576	215	1,836
Accumulated depreciation	(257)	(89)	(391)	(165)	-	(902)
Net Book Value	77	41	190	411	215	934

2016	Computer equipment	Office equipment	Office Fit-out	Fixtures & Fittings	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost	282	120	581	563	10	1,556
Accumulated depreciation	(217)	(70)	(327)	(129)	-	(743)
Net Book Value	65	50	254	434	10	813

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

2017	Computer equipment	Office equipment	Office Fit-out	Fixtures & Fittings	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	65	50	254	434	10	813
Additions	52	10	-	13	557	632
Disposals/Transfer to assets	-	-	-	-	(352)	(352)
Depreciation	(40)	(19)	(64)	(36)	-	(159)
Closing balance	77	41	190	411	215	934

7. *Intangible Assets*

2017	Acquired Software	Total
	\$'000	\$'000
Cost	1,076	1,076
Accumulated amortisation	(972)	(972)
Net Book Value	104	104

2016	Acquired Software	Total
	\$'000	\$'000
Cost	1,076	1,076
Accumulated amortisation	(885)	(885)
Net Book Value	191	191

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

2017	Acquired Software	Total
	\$'000	\$'000
Opening balance	191	191
Additions	-	-
Disposals	-	-
Amortisation	(87)	(87)
Closing balance	104	104

8. *Receivables from non-exchange transactions*

	2017	2016
	\$'000	\$'000
Grants, processing fees receivable	1,213	14
Total receivables from non-exchange transactions	1,213	14

9. Trade and other payables

	2017	2016
	\$'000	\$'000
Trade payables	834	399
GST payable	43	240
Other non-trade payables & accrued expenses	881	389
Total trade and other payables	1,758	1,028

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

	2017	2016
	\$'000	\$'000
Accrual of salaries/superannuation	198	145
Liability for annual/lieu leave	326	320
Accrual for sick leave	11	5
Total employee entitlements	535	470

11. Leases

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

	2017	2016
	\$'000	\$'000
No later than one year	320	320
Later than one year and no later than five years	561	881
Total leases	881	1,201

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	2017	2016
	\$'000	\$'000
Chair - Barbara Ala'alatoa	-	13
Sylvia Park School (B Ala'alatoa)	14	19
Total Chair remuneration	14	32
<i>Board Members</i>		
Centre for Strategic Education (Anthony Mackay – Deputy Chair)	18	25
Claire Amos	7	13
Hobsonville Point School (C Amos)	7	9
Lynda Stuart	1	4
May Road School (L Stuart)	7	9
Simon Heath	5	8
Renwick School (S Heath)	11	10
Iva Ropati	7	4
Howick College (I Ropati)	0	16
New Zealand Kindergartens Inc. (Clare Wells)	13	17
Helen Timperley	14	19
Te Whata Tau o Patauaki (Ripeka Lessels)	12	23
Nicola Ngarewa	2	-

Patea Area School (N Ngarewa)	5	-
BDO Christchurch (Michael Rondel – Chair Risk, Audit and Finance)	10	-
Total Board Members	119	157
<i>Less: New Zealand Teachers Council 2015 Accrual for Council member fees not claimed by the members</i>	-	(23)
Total Board Members Fees	133	166
Number of full-time equivalents*	1.0	1.0

*Estimated

There are a number of members whose daily 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
Council 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 senior management team, which consists of 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.

	2017	2016
	\$'000	\$'000
Key management personnel remuneration	1,873*	1,353**
	FTE	FTE
Number of persons	8	10

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

** Two staff in the leadership team were seconded to the Council from the Ministry of Education. The Ministry of Education was meeting the cost of their remuneration.

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:

	2017	2016
	\$'000	\$'000
Financial Assets		
<i>Loans and receivables</i>		
Cash and cash equivalents	5,717	7,060
Short term investments	3,635	2,479
Receivables from exchange transactions	205	312
Receivables from non-exchange transactions	1,213	14
Total financial assets	10,770	9,865
Financial Liabilities		
<i>At amortised cost</i>		
Trade and other creditors	1,758	1,028
Employee entitlements	535	470
Total financial liabilities	2,293	1,498

14. *Capital commitments*

There were no capital commitments at the reporting date (2016:Nil).

15. *Contingent assets and liabilities*

The Council presently has cases with the Disciplinary Tribunal which may lead to liabilities of between \$100,000 to \$250,000 (2016: \$151,000 To \$242,000). 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. (2016:Nil)

16. *Events after the reporting date*

On 1 July 2017 the Minister of Education confirmed that the delivery of and funding for Professional Learning and Development would transfer to the Education Council from the Ministry of Education during the financial year ending 30 June 2018. A joint-project team from the Council and Ministry have completed an initial transition project and are awaiting further instructions following the change in government in October 2017. Professional Learning and Development is estimated to be \$65m in increased funding. On 23 September 2017 the Education Council entered into a non-cancellable lease for an additional floor, Level 7 80 Boulcott Street, from 23 September to 1 April 2020 at an annual lease cost of \$147,420 per annum. This has not been included in the Statement of Commitment as it was entered into after balance date. Further to this, since balance date the Education Council has entered into contracts for construction and furniture for an approved budget of \$0.630m associated with the refurbishment of this floor. (2016:Nil)

17.

Projects

Project	Actual 2017	Budget 2017	Actual 2016
	\$'000	\$'000	\$'000
Standards+	398	472	23
Code of Conduct+	187	132	13
Leadership^	352	416	194
ITE+	76	237	42
Appraisal of Principals	161	350	116
EC30 Online	347	(44)	-
Online Services Project	240		-
	1,761	1,563	388

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

^ A further \$1.3m was received from the Ministry of Education to continue the Centre of Leadership work commenced in the 2015/16 financial year and expected to be completed during the 2017/18 financial year.

18.

Explanation of significant variances from budget

Revenue

Overall revenue is favourable against budget by \$1.2m

Grant revenue is higher (favourable \$2.000m) than budgeted due to the Council receiving additional funding of \$1.300m for the Centre of Leadership Project and \$0.700m for the Online Services project.

Processing fees revenue is lower (unfavourable \$0.862m) than budgeted this was due to the Council receiving less applications (approx. 1,463 applications or \$0.281m) for practising certificate renewals than was expected. The Councils peak renewal period was expected to commence during the last quarter of the financial year, which did not occur. The budget also included revenue that had been already recognised in the 2015/16 financial year (as part of the revenue recognition policy change).

Expenditure

Overall expenditure is favourable by \$0.818m against budget

Employee costs (favourable \$0.243m) are lower than budgeted due largely to delays in making appointments to new positions in the restructured management team giving salaries a favourable variance of \$0.613m. This is partially offset by the use of temporary staff with an unfavourable variance of (\$0.381m) to fill some of the key vacant positions while the new Council structures were being put in place.

Other operating expenses (favourable \$0.656m) are lower than budgeted. The budgeted number of hearing days for the teacher practice panels was over-stated due to conservative estimates on the average duration of individual cases, which resulted in lower than expected costs (favourable \$0.343m). Lower administration expenses (favourable \$0.172m) was primarily in the stakeholder engagement and communication area which was affected by the delay in establishing the communications team which meant some work programmed to be undertaken was delayed.

Independent Auditor's Report

To the readers of Education Council of Aotearoa New Zealand's financial statements for the year ended 30 June 2017

The Auditor-General is the auditor of Education Council of Aotearoa New Zealand (the Education Council). The Auditor-General has appointed me, Karen Young, 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 24 to 41, that comprise the statement of comprehensive revenue and expenses, statement of changes in equity, the statement of financial position as at 30 June 2017 and the statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Education Council on pages 24 to 41:

- present fairly, in all material respects:
 - its financial position as at 30 June 2017; 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 20 December 2017. 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 company'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 2 to 41 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.

Karen Young
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Karen Young

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

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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're 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.



MATATŪ AOTEAROA



“We need to work collaboratively to produce high quality teachers for the various sectors. Teacher education institutions are only one part of the system that prepares effective teachers. If we can build a shared understanding of the role of tertiary institutions and the schooling and ECE sectors, and how we can support each other, this can only enhance the quality of graduates and their successful transition from student teacher, to beginning teacher, to fully certificated teacher.

I really value that the Education Council is working collaboratively towards its goals of strengthening and enhancing the profession, to support effective learning and teaching.”

Beverley Cooper

Associate Dean of Teacher Education at the University of Waikato and Chair of the Teacher Education Forum Aotearoa New Zealand

Beverley represented ITE in working groups for the Standards for the Teaching Profession, and for Teacher Registration and Certification.

“I am passionate about our young people having the best educational and life opportunities possible, and that this is well-supported to happen in all schools, especially within the context of our state education system. Everything that I do professionally is in support of this.

The Council is the professional organisation for teachers, is independent, and has a role in championing good teaching practice and helping raise the status and image of the teaching profession. I think it behooves us all to be as involved as we are able!”

Deirdre Shea

Vice President of the Secondary Principals' Association of New Zealand

Deirdre has contributed to the working groups for the Code and Standards, ITE, and Teacher Registration and Certification.

“Engaging with the professional body is a chance to influence and guide decision-making for the betterment of our profession. We really value this opportunity, and our relationship with the Education Council.”

Kathy Wolfe

Chief Executive of Te Rito Maioha Early Childhood New Zealand

Early Childhood New Zealand participated in the working groups for both the Code and the Standards, as well as the registration and certification review. They have also contributed to the leadership strategy for the profession, and are a member of the Disciplinary Tribunal.



MATATŪ AOTEAROA

Bali Haque

Bali has facilitated workshops both the Code and Standards working groups, and the registration and certification review.

“I was pleased to support the Education Council in the development of the Standards for the Teaching Profession and the Code of Professional Responsibility. For me, this is a core task for the Council—working in partnership with the profession to ensure that our teachers are of the highest quality and that they feel supported is really the key to making a difference in the lives of children.”

“Our work to create a leadership strategy for the profession is breaking new ground. This is the first time we have developed a strategy that aims to set out the skills, knowledge and understandings about leadership at all levels of teaching and for both aspiring leaders and those in positional roles..

This work has provided an opportunity to work with and for my professional colleagues, and to stand up for what I believe as an educator. There is a great deal of professional pride involved in seeing this unique project through to fruition.”

Frances Nelson

Principal of Fairburn School

Frances is the Convenor of the Centre for Leadership Excellence.



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