

■ Annual Report

2001-2002



NEW ZEALAND COUNCIL FOR EDUCATIONAL RESEARCH

TE RŪNANGA O AOTEAROA MŌ TE RANGAHAU I TE MĀTAURANGA

Values

NZCER's strategic direction and day-to-day activities are guided by commitment to the following values:

Quality

NZCER provides quality educational research, information, and advice to support educators.

Equity

NZCER fosters and undertakes research which contributes to equitable outcomes in education.

Responsive relationships

NZCER respects and fosters collaboration and reciprocal efforts in all its research relationships.

Honouring the Treaty of Waitangi

NZCER accepts its responsibilities under the Treaty, and is working with Māori and tauwiwi to provide educational research and information appropriate to both national aspirations and Māori development.

MISSION

NZCER supports learning and teaching through quality educational research, resources and information.

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Foreword

The New Zealand Council for Educational Research is committed to providing research that will help to improve educational outcomes for all New Zealanders. NZCER's research spans early childhood, primary and secondary schooling, and increasingly the transition from secondary school to employment or further education. The work programme for 2001–2002 was set within a strategic framework that has focused NZCER's activities well beyond the current year. Priorities for the year included Māori issues in education; early childhood education; building the professional capability of schools and teachers; curriculum, teaching, and learning with a focus on addressing underachievement; assessment and test development; and programme and policy evaluation.

This report documents how well these priorities have been achieved.

The New Zealand Council for Educational Research

MISSION

NZCER supports learning and teaching through quality educational research, resources, and information.

NZCER is a national organisation with a bicultural focus and an international reputation for producing quality educational research and research-based products. It aims to provide educators, students, policy-makers, and the public with innovative and independent research, analysis, and advice. NZCER provides this evidence-based research and information in a way that is both relevant and accessible to teachers and the wider community of interest.

VISION

NZCER will:

- be a high-performing, professional, growing organisation
- be proactive and responsive to the educational needs of the community
- be an organisation responsive to the Treaty of Waitangi
- contribute to improving learning.




This vision will enable NZCER to be a leading, authoritative source of quality research and independent, informed comment on educational issues, especially those in New Zealand.







Strategic intentions

NZCER is looking to build on its strengths so that it can continue to make a proactive and valuable contribution to education within a rapidly changing New Zealand society. To achieve this, NZCER aims to:

- be at the leading edge of relevant, quality educational research
- establish NZCER as a primary source of authoritative comment and information on educational issues and debates of the day
- develop an expanding range of timely, quality and innovative reports, resources, and information, and disseminate these using a range of appropriate delivery methods
- increase New Zealand expertise in educational research and development
- seek opportunities for collaborative research studies and information sharing within NZCER and externally
- take a strategic, integrated approach to communications.

People at NZCER

| | | | |
|---|--|---|---|
| <p>DIRECTOR Robyn Baker <i>BSc, MEd, DipTchg.</i></p> | <p>CHAIR Ruth Mansell <i>JP, BA, MEd, DipEdStud, DipTchg.</i> Senior Adviser, NZ Teachers Council.</p> | <p>DEPUTY CHAIR Professor Graham Hingangaroa Smith <i>BA, MA, PhD, DipTchg.</i> Ngāti Porou, Ngāti Apa, Ngāi Tahu, Ngāti Kahungunu Pro Vice Chancellor (Māori), University of Auckland.</p> | <p>THE BOARD</p> <p>The members of the Board of NZCER represent a wide cross-section of educational interests. Through their diverse networks they contribute an overview of educational issues, and are able to select those which are relevant for the strategic direction of the Council.</p> |
|  |  |  | |

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|---|---|--|---|---|--|
|  <p>Joce Nuttall <i>BEd, MEd (Distinction), DipTchg.</i> Visiting lecturer, Advanced Education Programme, Christchurch College of Education.</p> |  <p>Professor Keith Ballard <i>MA, PhD, DipEdPsych, DipTchg.</i> Dean, School of Education, University of Otago.</p> |  <p>Deirdre Dale <i>JP, BA.</i> Chief Executive, Whitireia Community Polytechnic.</p> |  <p>Associate Professor Terence J. Crooks <i>BSc (Hons), MS, PhD.</i> Department of Education and Educational Assessment Research Unit, University of Otago.</p> |  <p>Associate Professor Margaret Carr <i>MA, PhD, DipEd Stud, DipNZFRU.</i> School of Education, University of Waikato.</p> |  <p>Professor Arohia Durie <i>PhD, DipTchg.</i> Ngāti Porou, Ngāi Tahu, Rongowhakaata Department of Māori and Multicultural Education, Massey University.</p> |
|---|---|--|---|---|--|

MEMBERS

STAFF

Director: Robyn Baker *BSc, MEd, DipTchg*

Research

Research Group Directors

Cedric Croft *MA (Hons), AdvDipTchg, RegPsych*
(Learning, curriculum, and assessment)

Pauline Waiti² *BSc, DipTchg Te Rārawa* (Māori education)

Cathy Wylie *BA (Hons), PhD* (Educational policy and evaluation)

Senior Researchers

Sally Boyd *BSc (Hons), MA (Appl) SocSciRes*

Marie Cameron *BEd, MPhil (Hons), DipEdPsych, DipTchg^{2,1}*

Rosemary Hipkins *BSc (Hons), DipTchg, MEd²*

Linda Mitchell *BA, MA*

Alex Neill *BSc, DipORS, DipTchg*

Researchers

Garrick Cooper *BA; Ngāti Whanaunga, Ngāti Ranginui*

Jane Dugdale *BA (Hons), MPhil (Psych), DipClinPsych, DipChPsychotherapy, RegPsych¹*

Karyn Dunn *MA (Hons), RegPsych*

Anne Gilbert *BA (Hons), BSc, DipTchg*

Susan McDowall *BEd, BA (Hons), DipTchg*

Taina Tangaere McGregor *BA, MA (Hons); Ngāti Porou¹*

Teresa Maguire *BA (Hons), DipTchg*

Chris Marston *BSc, DipTchg*

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Gareth Rapson *BA, DipTchg, DipEd*

Ed Strafford *BSocSci, DipTchg*

Karen Vaughan² *MA, PhD*

Margaret Wilkie *BA, MA, DipTchg; Ngāti Porou, Ngāpuhi¹*

Research Project Co-ordinators

Rachel Bolstad *BSc, MSc (Hons)²*

Tineke Fijn *BA, DipArts, MA* (Assistant)

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Lia Mapa

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Beverly Robinson

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Anita Walford, Tuhoe, Ngāti Porou

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Statistician and Manager²

Barbara J. Bishop *Cert Microcomputer
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DipSecSchoolTchg, DipEarlyChildhoodEducation²

Roberta Tiatia

Information Services

Beverley Thomson *BA, DipNZLS*, Manager

Kristina Louis *BA, DipLib*

Leigh Montford *CertNZLS¹*

Christine Northover *BA, PGDA, DipSLT*,
RSACertTEFL, DipTchg, TTC²

Susan Tompkinson *BA (Hons), AIPM*

Support Services

Suzanne Hay, Executive Officer and Co-ordinator

Carlene G. Grigg

Shamshad Sen¹

Christine Williams²

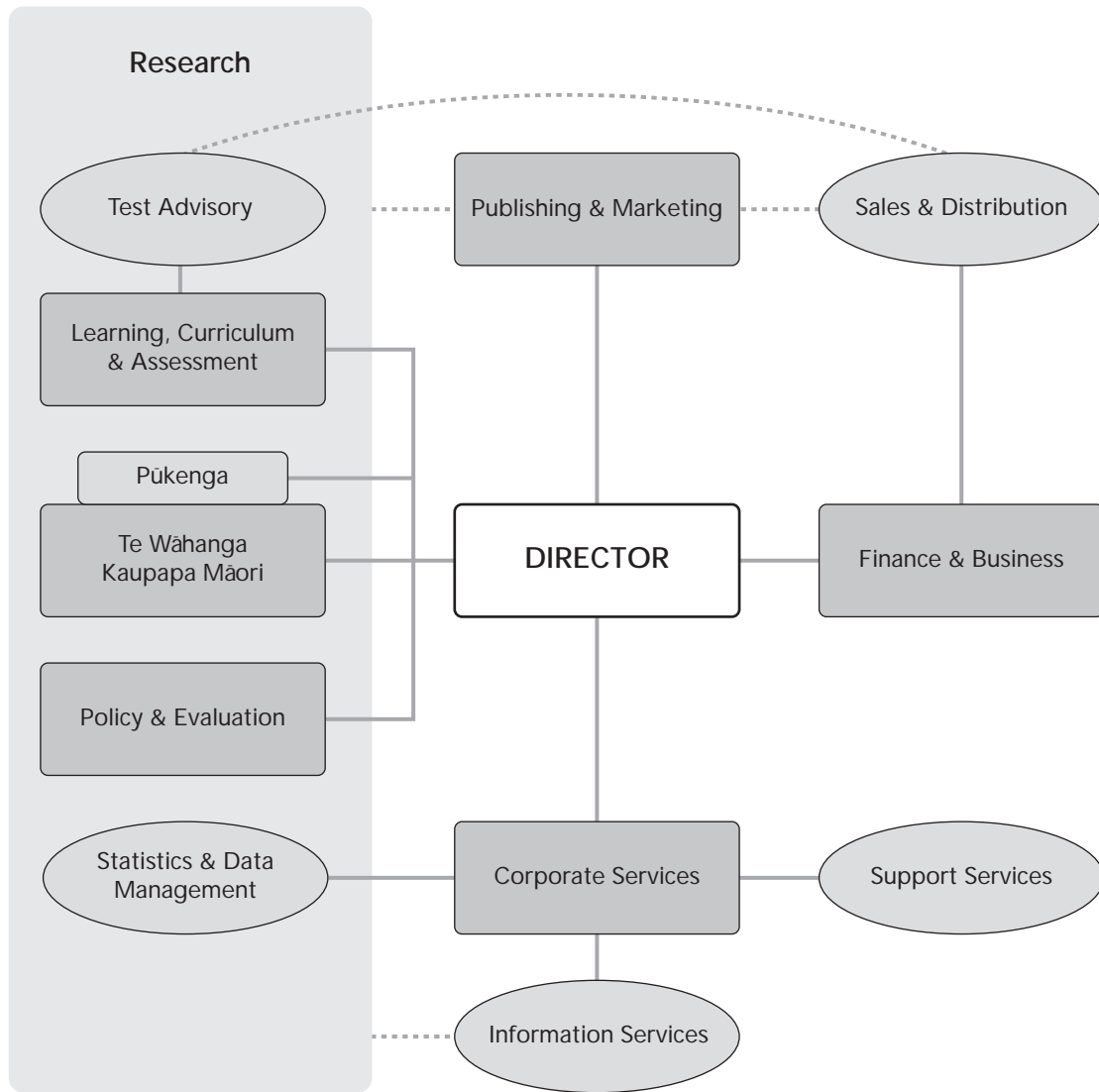
¹ left during the year

² appointed during the year

Structure of NZCER

SECTION 4

NZCER's structure is designed to maximise the links between the key areas of the business and to ensure that the expertise of all groups contributes to quality outcomes.



Strategic Intentions and Achievements

REPORT FROM DIRECTOR AND CHAIR

An emphasis for the year has been the strategic use of NZCER's capacity to enable priority areas of research to be explored in depth and across a range of aspects. NZCER has used its Purchase Agreement with the Ministry of Education, its contestable funding, and a number of collaborative ventures to pursue an integrated, coherent work programme for 2001–2002.

The Purchase Agreement with the Ministry of Education provides an invaluable vehicle for NZCER to undertake independent, quality research. The findings of such research are critical for the formulation of evidence-based policy and to inform the ongoing development of educational practice. The development of the 2001–2002 purchase agreement research programme was guided by the key themes identified within the NZCER Strategic Plan 2001–2003 and the existing longitudinal projects, such as *Te Rerenga ā te Pīrere – Māori Children's Language and Achievements*.

To enable the collection of rich qualitative and quantitative data, leading to substantive findings, the new projects have a longitudinal element. *Innovative Pathways from School*, for example, involves the collection of baseline data from Year 12/13 students as they enter a transition programme; the second data collection is planned to align with the end of the programme (after one or two years), and the students will be interviewed again six months later. Similarly, *Learning Curves: Meeting student needs in an evolving qualifications regime*, is designed to track changes in the programmes of learning offered in six schools over three years in response to the new qualifications regime.

In order to maximise the impact of the research findings, NZCER has sought to ensure synergy between work within the Purchase Agreement and the contestable work pursued. *The Evaluation of Secondary Tertiary Alignment Resource*, for example, is providing additional insights into our other work in the senior secondary school. Similarly, the *Whaia te iti Kahurangi* and *Te Hiringa i te Mahara* evaluations are enriching the understandings emerging from *Te Rerenga ā te Pīrere*. In the long term, the strategic value of having related projects, in combination with projects that are monitoring changes over time, will enable NZCER to make a more robust and multifaceted contribution to the understanding of key educational issues.

Another strategy for extending the scope of NZCER's research activity is to pursue collaborative research ventures. NZCER has worked with the Centre for Science and Technology Education Research at the University of Waikato and the Auckland College of Education to complete a review of available evidence about pedagogical approaches that make a difference to students' learning in science. Another project, investigating parent and whānau involvement in children's learning, is a shared venture between NZCER, Early Childhood Development, Wellington College of Education, and the University of Melbourne. NZCER staff also worked in partnership with Auckland University to prepare a bid for an Education Research Centre of Excellence. While the bid was unsuccessful, it prepared the way for possible collaborative work in the future.

Early childhood was a significant focus of activity for NZCER in 2001–2002. The annual conference in October enabled participants to explore the role of early childhood education within a democratic society. The role of early childhood services in fostering competent children was a strong message, so it was timely that the Minister of Education, Trevor Mallard, used the conference as a forum to launch the *Competent Children at 10* report. The findings of this project continue to signal the importance of quality early childhood education, and to provide rich information relevant to policy-makers and practitioners. It was these features that gave support for the next stage, *Competent Children at 14*.

One of the Board's visions for NZCER is that it will be a professional, growing organisation. The realisation of this vision is evident in the new appointments, including Pauline Waiti as the Research Group Director Māori, Edith Hodgen as Statistician/Data Manager, and Rosemary Hipkins, Karen Vaughan, Linda Sinclair, and Rachel Bolstad, who have joined the research staff. The Board elections in October also brought change at the governance level, with Ruth Mansell and Terry Crooks being re-elected and Arohia Durie and Margaret Carr joining the Board. Our special thanks to the retiring members, John Gill, Dick Harker, and Kathie Irwin, all of whom made a special contribution to NZCER.

As we look to the new year, the Board is placing its focus on implementing the decisions of a review undertaken in 2001–2002 of its work in assessment. The Board has reaffirmed its view that the aim of NZCER's work in assessment should be to enhance the ability of teachers in schools, centres, and kura to monitor and support student learning. The intention now is to build further on NZCER's reputation and expertise in this area by taking a multi-stranded approach. This will include undertaking research in assessment that will inform the development of policy and practice; consolidating and building on our work in the provision of a range of assessment tools; providing a more co-ordinated assessment service to the school sector; and being proactive in supporting and promoting debate about assessment and ensuring the effective dissemination of research-based information on assessment.

The Board is confident that its work in the past year has contributed to the ongoing development of NZCER as a nationally focused centre of education research. NZCER is providing research, publications, and advice that are adding significantly to the knowledge needed to develop and improve New Zealand education.



Robyn Baker, Director



Ruth Mansell, Chair

STRATEGIC INTENTIONS AND ACHIEVEMENTS

NZCER has a commitment to improving educational outcomes for all New Zealanders and to ensuring equitable access to quality education. NZCER continues to make a proactive and valuable contribution to education within a rapidly changing New Zealand society.

Strategic Intention | 1

Research: To be at the leading edge of relevant, quality educational research.

Objectives:

To plan new research projects that incorporate the identified priorities so that the findings can contribute widely to new knowledge and to the development of research expertise in these key areas of educational research.

Achievements:

Two of the new projects begun in the 2001–2002 year investigate the changing nature of the senior secondary school. *Innovative Pathways from School and Learning Curves: Meeting student needs* in an evolving qualifications regime aim to identify current assessment practices within the compulsory school sector.

Other Purchase Agreement projects which will continue into the 2002–2003 year met the reporting requirements negotiated in the agreement:

- Te Rerenga ā te Pīrere (longitudinal – 2005) Māori Children’s Language and Achievements
- Achievement in Mathematics—formerly Essential Skills Assessments—Numeracy
- Parent and Whānau Involvement in Early Childhood Education
- Assessment Practices in Schools

Research for two Purchase Agreement projects was completed with publication expected early in the 2002–2003 year:

- Essential Skills Assessments – Work and Study Skills

- Sustainable School Improvement in New Zealand.

Eleven research contracts were completed:

- Assessment Resource Banks in English, mathematics, and science Part 6, Phase 1
- Competent Children at 10
- Curriculum, Learning, and Effective Pedagogy: Literature Review in Science Education
- Evaluation of two Early Childhood Development Services
- An Evaluation of the Books in Homes Programme
- A Literature Review for the Evaluation of the Digital Opportunities Projects
- Scoping the Evaluation of the Digital Opportunities Projects
- Beliefs, Attitudes, and Commonsense in Science
- NZEI Support Staff Survey
- Small- to Medium-sized Enterprises’ Engagement with Formal Training – Literature Review
- Kaupapa Ara Whakawhiti Matauranga – Evaluation Scoping Project.

Nine research contracts which will continue into the 2002–2003 year met reporting requirements as negotiated:

- Assessment Resource Banks Part 6, Phase 2
- Competent Children at 12
- Evaluation of Whaia te iti Kahurangi
- Evaluation of Teacher Aides Introductory Professional Development Programme — Special Education

- Evaluation of Professional Development for the Arts in the New Zealand Curriculum
- Evaluation of Te Hiringa i te Mahara
- Evaluation of Secondary Tertiary Alignment Resource
- Evaluation of the Effectiveness of Te Hiringa i te Mahara Information and Communications Technology Professional Development Programme.
- Evaluation of Digital Opportunities—Notebook Valley Evaluation

During the year the following projects were undertaken to improve quality assurance, to improve access to NZCER databases, and to increase staff expertise:

- an external audit of NZCER's quality assurance guidelines
- an upgrade of the Assessment Resource Banks' database technology
- a series of workshops for staff on quantitative research methods.

Strategic Intention | 2

Expert advice: To establish NZCER as a primary source of authoritative comment and information on educational issues and debates of the day.

Objectives:

- To provide information, advice, and assistance to those interested in education
- To publish and disseminate informed comment contributing to the educational debates of the day
- To continue to organise and lead forums on educational research, policy, and practice.

Achievements:

NZCER places a high priority on providing quality, informed advice to a wide range of educators and those interested in education.

During the year, more than 20 media reports or interviews about or citing NZCER research were published or broadcast. There was extensive coverage of the Competent Children Project, with *Competent Children at 10: Families, early education and schools* being launched by the Minister of Education in October 2001. The release of *An Evaluation of the Books in Homes Programme* was widely reported in the general and educational media.

NZCER presented evidence-based submissions to the Education and Science Select Committee's inquiries into decile funding and teacher education.

NZCER researchers contributed to the pool of educational knowledge through the publication of 13 articles in peer-reviewed journals and 3 book reviews.

The NZCER conference in October provided a forum and networking opportunity for the early childhood sector. The topic, "Early Childhood Education for a Democratic Society", provided a springboard for discussion of some of the major issues in early childhood education: access, quality, curriculum and assessment, and the rights of the child.

NZCER's research reaches a wide audience. In total, 43 papers, seminars, and presentations were given to various organisations and agencies: the Association of Commonwealth Examination and Accreditation Bodies; the Education and Science Select Committee; Principals' Associations; Colleges of Education; Wellington Free Kindergarten Association; the Teacher Refresher Course Committee; Early Childhood Development; and the Victoria University of Wellington Institute of Early Childhood Studies. NZCER researchers also made significant contributions to the National Assessment Regional Seminars, the New Zealand Association of Researchers in Education conference, and the annual NZEI professional development conference for primary teachers, early childhood educators, and education support staff.

Strategic Intention | 3

Publishing: To develop an expanding range of timely, quality and innovative reports, resources, and information, and to disseminate these using a range of appropriate delivery methods.

Objectives:

- to publish quality research reports based on NZCER's research work
- to publish research-based resources to support teaching and learning
- to ensure the timely and relevant provision of published research information for teachers.

Achievements:

Competent Children at 10: Families, early education, and schools was published. This major research report is the fourth in the longitudinal Competent Children Project.

NZCER publishing has added 13 research-based titles to its list, including academic writing, teacher resources, student resources, tests, an interactive CD-ROM; and 3 issues of the journal *set: Research Information for Teachers*, and one *Early Childhood Folio*.

NZCER aims to make research more accessible to practitioners and parents. Progress towards achieving this goal was made with the publication of:

- a summary report, *Ten Years Old and Competent*
- an abridged version of the major report, *Māori Parents and Education*
- the development of *News and Views* – a brief newsletter for parents and whānau containing snippets of relevant NZCER research.

Strategic Intention | 4

Professional infrastructure: To increase New Zealand expertise in educational research and development.

Objective:

To continue to provide research opportunities for educators.

Achievements:

NZCER has continued to offer opportunities for educators to increase their research expertise through the annual award of the Beeby Fellowship, in partnership with the New Zealand National Commission for UNESCO.

NZCER's publishing programme has enabled the publication of the work of six researchers from external institutions, while numerous other researchers have had their work published in NZCER's journals, *set: Research Information for Teachers* and *Early Childhood Folio*.

Strategic Intention | 5

Collaboration: To seek opportunities for collaborative research studies and information sharing within NZCER and externally.

Objective:

To seek opportunities for larger-scale projects (research and research-based publications and products).

Achievements:

NZCER has both increased its research capacity and contributed its expertise to the work of other researchers through collaborative work with the University of Melbourne, the Wellington College of Education, Early Childhood Development, the University of Waikato, and the Auckland College of Education.

A continuing joint venture with the New Zealand Principals' Leadership Centre at Massey Univer-

sity has resulted in the back issues of *set: Research Information for Teachers* from 1996 to 2001 now being available on-line.

Links between groups in the research community have been strengthened through the location at NZCER of the secretariat of the New Zealand Association of Researchers in Education (NZARE).

An agreement has been reached with Copeland Wilson and Associates to provide research expertise in the development of a web-based interactive spelling resource.

Strategic Intention | 6

Communication: To take a strategic, integrated approach to communications.

Objectives:

- to build strong working relationships with organisations and agencies in education (and related fields) and with politicians
- to use events such as seminars to promote NZCER and the place of educational research generally
- to raise the profile of NZCER by keeping all interest groups informed about its activities
- to promote internal information sharing.

Achievements:

Building strong working relationships with external agencies is an important strategic activity for NZCER. During the year, the Council hosted 8 delegations from overseas organisations and initiated approximately 80 meetings with members of related New Zealand agencies and organisations, including the Ministry of Education, the New Zealand Qualifications Authority, Learning Media, the School Trustees Association, the

National Education Monitoring Project, the New Zealand Educational Institute, and Skill New Zealand. A key development has been establishing a positive working relationship with the Minister of Education through quarterly meetings.

The NZCER Information Services team continued to promote communication among education librarians through its leadership of bi-monthly meetings of the Wellington-based Education Librarians group.

As the only dedicated educational research centre in New Zealand, NZCER is well placed to show leadership by offering forums for discussion and debate on key issues. This year's invitational seminar on "Assessment – The New Paradigm", facilitated by Margaret Forster of the Australian Council for Educational Research (ACER), raised many issues which have become the focus of wider debate.

Many groups take an interest in NZCER's work. The website, regularly updated, is an invaluable way of presenting information as it becomes available. Groups are also kept informed through the Annual Report, newsletters, an information booklet, a media kit, and product catalogues.

Internal information sharing is as important as external communication. A well-informed staff is well equipped to ensure that consistent key messages are transmitted to external clients. Internal newsletters, prompt circulation of information about new publications, regular staff forums, have all contributed to greater understanding by individual employees of the organisation as a whole.

Improved internal communication has also assisted the delivery of quality, timely research to clients. Cross-organisational research teams have resulted in greater efficiency, time-saving, and higher levels of analysis through the multiple and comparative use of data.

Significant Activities

RESEARCH IN REVIEW

The projects reported in this section demonstrate the range of NZCER research, from early childhood education through the school sectors to non-compulsory education. There is leading-edge research on the impact of attitudes and beliefs on communication in science; a study of the influences on subject choice in the senior secondary school across a diversity of student groups and contexts; and further findings from the Competent Children Project which show a continuing link between quality early childhood education and children's competence.

Selected Completed Projects

Literature Review for the Evaluation of the Digital Opportunities Projects

This literature review focused on international and New Zealand evaluations of "technology-rich" information and communication technology (ICT) initiatives in schools from 1990 onwards. The review provides background material on the "digital divide" and on the Digital Opportunities projects in New Zealand; gives an overview of major international initiatives similar to the Digital Opportunities projects; summarises information from the research and evaluations of such projects; and presents conclusions.

The review report offers a number of suggestions for further evaluations of ICT initiatives in low-income schools:

- A continued focus on outcome evaluation, to ensure that programmes are in fact making a difference to teaching and learning.
- The need to examine more than just increased access to technology by low-income communities, by focusing on the needs that are being addressed and how these needs are being met.
- Research questions that encourage the evaluation to consider the complex conditions and interactions that support successful programmes.
- A longitudinal design that takes account of the fact that change in school systems can be slow. Many evaluations document the implemen-

tation process in the first year of the evaluation, and the outcomes in the second or third year, yet outcomes can take longer to emerge.

- Evaluations to include a re-examination of the indicators used, to ensure that they match the skills required in the "information age".
- The development of measures that are clearly related to the goals of the projects, rather than relying on standardised test results (which are not necessarily related to project goals) to indicate programme success.
- The inclusion of some of the additional indicators commonly used to evaluate initiatives in low-income communities, such as improvements in student retention, development of students' career goals, increased community access to ICT, better communication between home and school, increased involvement of parents and the community in the education of their children, and improved behaviour.
- A design that includes the viewpoints of the multiple stakeholders involved in a project.
- A design that ensures that at least two sources of data are used to corroborate self-reported evidence, for example, the inclusion of observational analyses of behaviour.

Sally Boyd

Funded by the Ministry of Education (Contract)

Evaluation of Two Early Childhood Development (ECD) Services

The evaluation of Early Childhood Development's licensing and chartering advice and support, and advice and support to licence-exempt playgroups, drew largely on interviews with national and regional Ministry of Education and ECD staff, parents, and individuals who had used ECD's services.

The report of the evaluation, published in March 2002, described similarities and differences in perspectives of the nature, purpose, and impact of ECD's work, and factors associated with its effectiveness.

Some of the main findings with respect to licensing and chartering advice and support were:

- Licensing and chartering advice and support require a high level of specialist skill and understanding of early childhood teaching and settings, and how these contribute to quality. The evaluation highlighted variability in the quality of advice and support, and suggested ways in which this might be addressed, including the mentoring of inexperienced staff, the importance of developing a pool of specialist staff, and extending current ECD resources to include such things as sample centre budgets related to operational models, environment resources and management resources.
- Groups and individuals who worked with ECD staff reported a high volunteer workload; the need to have a clear understanding from the start of what is involved in licensing and chartering; and greater support such as help with assessing community needs and access to exemplars. The struggle to become established as a licensed centre and remain viable in the first year of operation led to suggestions for improved establishment grants and higher levels of bulk funding.
- Further issues were raised for Pasifika groups who did not always understand fully the

processes of licensing and chartering or their responsibilities. Problems were reported in attracting staff with Pasifika languages, and some groups were taking many years to become licensed and chartered. Pasifika ECD co-ordinators had a full and diverse workload.

- Ministry of Education and ECD staff did not seem to have common frameworks of understanding of their respective roles and responsibilities, or effective communication in every area. Useful suggestions were made about the alignment of policies; for example, the discretionary grants criteria being aligned with quality standards for environments and design of buildings. Other policy issues that emerged were how to bring together the planning capacity of the Ministry of Education and ECD's expertise in assessing community needs; whether ECD's targets for licensed and chartered centres should be associated with an assessment of unmet needs in the community; and whether standards should be set in regulations about group size and design of space in relation to age groupings.

The evaluation of ECD's advice and support to licence-exempt playgroups showed that playgroups have a parent development component that is just as important as the early childhood education aspect. Playgroups can provide early childhood education and offer experience for parents to learn about their child's learning, offer a network of support where parents meet with other families, and provide opportunity for parents to take on community responsibilities by running the playgroup.

Linda Mitchell

Funded by the Ministry of Education (Contract)

An Evaluation of the Books in Homes Programme

Books in Homes is a literacy programme operated by the Alan Duff Charitable Foundation for children in Decile 1, 2 and 3 schools. At present some 400 schools and 78,000 students participate.

The study collected data through questionnaire responses and reading test results from 788 Year 5 students, 67 teachers, and 35 principals in a sample of 37 New Zealand schools. The sample of schools was stratified by length of time in the programme and size of community. The sample included seven schools that had participated in an earlier evaluation in 1996/97.

For principals, our enquiry focused on school-wide aspects of Books in Homes; for teachers, the primary focus was on how the core literacy aspects of the programme affected the children; for students, we were interested in the number of books they received, who else might have read them, how they viewed the books, their attitudes to reading and so on. A feature of the student data was the statistically significant gender differences in favour of girls.

Teachers and principals overwhelmingly supported the quality and suitability of the books. There was strong evidence that books were shared among family, friends, and peers. The predominant ways of incorporating books into the classroom reading programme were by silent reading in class time, group discussion of books, and shared reading.

For the tests administered in the same seven schools in 1996, 1997 and 2001, there was a significant increase in the mean score from 1996 to

2001. Earlier results had shown a significant increase from 1996 to 1997. Four years on, those gains had been maintained and improved a little. We recorded more positive student attitudes to reading and more positive teacher ratings of the beneficial effects of the programme in schools where the programme had operated for at least three years. There were no statistically significant differences in mean reading test results for students in schools that had entered the programme before January 1999, when compared with students from schools that had come into the programme after that date. Girls did significantly better than boys on the measures of reading achievement.

The Books in Homes programme was shown to be overwhelmingly enjoyable and important to both girls and boys. Principals and teachers saw the programme having stronger effects on reading habits and attitudes than on reading achievement. Might boys lag further behind without Books in Homes? This is an important question, but one that a cross-sectional study like this could not answer.

More than three-quarters of the teachers and principals considered that the best use of the money allocated to Books in Homes would be to continue with the programme in its present form. This was a positive testimony on behalf of Books in Homes.

Cedric Croft and Karyn Dunn

Funded by the Alan Duff Charitable Foundation (Contract)

Commonsense, Trust and Science: How patterns of beliefs and attitudes to science pose challenges for effective communication

This research was undertaken for the Ministry of Research Science and Technology (MoRST) by NZCER in association with ACNielsen. The research provides insights into what the public knows, thinks, and feels about science. The research took place from January to March 2002, and was reported to MoRST by mid April.

The design of the research was informed by research literature in the fields of science education and public understanding of science. Both quantitative and qualitative methodologies were used, and the research questions were related to familiar contexts as far as possible. ACNielsen surveyed 800 New Zealanders, representing a fully national sample, to elicit their views on personal interest in science; perceptions of its benefits; ideas about what science is; opinions about scientists and government controls on new developments in science; and preferences concerning reliable sources of information about science. The data were analysed to identify six sectors of the New Zealand population, each with a distinct profile of interest in, beliefs about, and attitudes towards science. These sectors have much in common with those identified in similar research carried out in Great Britain by the Wellcome Trust. The report makes some recommendations for varying communication strategies to take account of this diversity of "audiences".

The qualitative component of the research used four focus groups, which each met twice. They

were chosen to represent diverse social groups: low waged; mothers of young children; young urban professionals; and teachers with an interest in science. Each group discussed scientific research and published opinions about the potential health effects of cell-phone use. This context was chosen to allow an exploration of ideas about science without the complexities added by ethical dilemmas and differing value positions. Regardless of their science background, all groups drew heavily on commonsense when making decisions about the plausibility of the research reports and the Internet excerpts presented to them. Some groups conflated science and business interests. This was identified as a source of distrust for these groups, and most participants were distrustful of anything that appeared to be a public relations "spin". As in some previous UK research, all the participants tended to judge the merits of each piece of research on "everyday" criteria rather than in relation to the underlying scientific premises. This led them to dismiss some projects as irrelevant or implausible, and would thus appear to be another source of distrust of science.

The full report can be found at www.morst.govt.nz/publications/commonsense.html

Rosemary Hipkins, Wendy Stockwell, Rachel Bolstad, Robyn Baker

Funded by the Ministry of Research Science and Technology (Contract)

Competent Children at 10: Families, early education, and schools

The Competent Children Project is a longitudinal research project which has gathered information on the development of some 500 children in the Wellington region since 1993, when the children were nearly 5, through interviews with the children, their parents, and teachers, and tasks undertaken by the children.

The main aims of the project are to describe children's progress over time, and to chart the contributions made to that progress by some of the key experiences and elements in their lives: family resources, early childhood education, school experiences, interests and activities in the home or outside school, and relations with peers.

The full report of our findings at age 10 was published this year. It includes more material on the children's perceptions of their school and home environments than the earlier reports (for ages near-5, 6, and 8). Some of the major findings for this phase of the project are:

- The quality of children's last early childhood education centre continues to make a contribution to their literacy, maths, and social skills with peers at age 10. Of particular importance are teachers' interactions with children: building on children's interests, asking them open-ended questions, and allowing them to complete their work. Providing a "print-saturated" environment was also important.
- Early experiences and resources do matter for children's progress, particularly in maths and literacy. The window of opportunity to gain the basic knowledge and skills that underpin further progress has become quite narrow by age 8. This finding adds weight to the current policy emphasis on providing professional development and useful assessment and teaching resources for early childhood education and primary teachers.
- One of the reasons why it is harder for children to gain early mastery of literacy and maths if they have not made much progress by age 8 is that they are having to undo existing habits and familiar practices, as well as take on new ones. For example, we found that watching lots of television every day was associated with lower scores. Children who are heavy television viewers at age 10 were heavy television watchers at near age 5.
- Children are resilient. They cope with change, and with things that unsettle them, with adult support. The importance of adult attention and support is illustrated by the fact that children whose parents thought they had not taken well to school as new entrants, and had made their feelings evident to the adults in their lives, performed as well as those who were enthusiastic about embarking on their school career. It was the children who were lukewarm about starting school who showed lower performance five years later. From our analysis, some of the warning signs that children need particular or more attention and support are consistently low school performance, or performance that starts to dip; bullying – as bully and/or as victim (children can be both); continuing boredom or lack of engagement; making continuous effort without reward; feeling unfairly treated by adults at school or at home; feeling they don't get help when they feel they need it; feeling lonely at home; or constantly being told off.

Data on the study children was collected as they turned 12, and the report on this phase will be released in early 2003.

Cathy Wylie, Jean Thompson, Cathy Lythe

Funded by the Ministry of Education (Contract and Purchase Agreement)

Turning Barriers into Opportunities: A literature review on small- to medium-sized enterprise (SME) engagement with formal training

This literature review focused on international and New Zealand research into the involvement of small- to medium-sized enterprises (SMEs) or small businesses in formal training. The review was the first phase of a Skill New Zealand project aimed at gaining an understanding of the barriers to and opportunities for SMEs engaging with Industry Training in New Zealand. Its purpose was twofold. First, the literature review assisted in the identification of issues and the design of instruments for the survey and interview phases of the project. Second, in conjunction with the fieldwork, it informed policy and recommendations to the government with a view to increasing the engagement of SMEs with Industry Training in New Zealand.

The review report was divided into several sections: "Understanding Small- to Medium-sized Enterprises", "Barriers to SME Engagement with Formal Training", and "Drivers and Opportuni-

ties for SME Training". The review identified a number of barriers to formal training, most of which are entrenched in the unstable and low-profit context in which SMEs operate. A legacy of mistrust of government initiatives, which tend to be driven by the concerns of large enterprises, is also a factor, as is the lack of clear evidence of the benefits to SMEs of formal training. Another major barrier is the proportionally higher costs of training (both financial and opportunity costs) faced by SME employers. The main opportunities identified by the report focus on financial incentives, flexibility of training delivery, mentors working with SMEs to create strategic training plans, and carefully matching training programmes to SME needs.

Karen Vaughan

Funded by Skill New Zealand (Contract)

Selected Continuing Projects

Assessment Resource Banks in English, Mathematics, and Science

The Ministry of Education awarded NZCER a further contract to continue the development of the Assessment Resource Banks (ARBs) in English, mathematics, and science during 2001–2002.

While the ARBs are now firmly established as a key assessment resource for teachers, with more than 3,000 items available and the number of “hits” per month steadily increasing, a number of developments with the potential to further enrich the usefulness of the banks have emerged during the year.

More of the resources in mathematics and science now report diagnostic information in terms of common errors, likely misconceptions, inappropriate calculations and so on. These data give teachers valuable information for formative assessment and subsequent programme planning. A start has been made on adding diagnostic information to resources in English.

Further assistance for teachers in the interpretation of student responses is available through scoring guides. Five generic scoring guides have been introduced for oral language, and modifications made to the levels-based scoring guide for transactional and poetic writing. The scoring guide for writing now contains annotated examples of student writing.

These developments have highlighted the need for professional development to help teachers maximise their use of the ARB items. A start has been made by posting relevant information on the ARB site. Planning to increase this aspect of ARB development was under way at the end of the year.

A major strength of the ARBs is that items are constructed by assessment specialists and trialled widely in New Zealand schools before being added to the banks. Each new resource continues to be classified according to the relevant learning

strand, achievement objective, level and process strand of the applicable curriculum statement.

During the year 544 new items were added. The growth in the number of published resources is based on continuing rounds of resource-writing, reviewing, trialling, analysis, and final editing. The “raw data” for the ARBs this year came from 65 trial sets of material, administered to 13,250 students in 415 schools nationwide.

Cedric Croft (project leader), Chris Marston, Teresa Maguire, Sue McDowall, Sally Boyd, Ed Strafford, Gareth Rapson, Christina Smits, Kirsten Harrison, Jane Tetava, Nicholas Edmonds, Natasha Kenneally and Linda Sinclair

Funded by the Ministry of Education (Contract)

Innovative Pathways Phase 1

The aim of the Innovative Pathways study is to describe innovative programmes in seven low-decile schools which assist students to develop pathways to further study and the workplace, and to document the impact of these programmes on a particular group of students.

The study has three phases. The first phase, at the start of 2002, focuses on the development of the programmes, the experiences of students as they enter them, and the students’ current transition plans. The second phase will occur when the students leave the programmes. It will focus on the students’ experiences of the programmes and the assistance provided to students in developing their transition plans; it will also examine the impact of the programmes on the students’ achievements, skills, and attitudes. The third phase, six months after the students leave the programmes, will ascertain the longer-term impact of the programmes on the students’ post-school destinations and experiences.

The Phase 1 report presents case studies of the non-conventional programmes in the seven schools that were successful in assisting students in their transition from school to the workforce

or further education and training. These case studies document elements of good practice that helped the students' decisions about transition. The case studies also provide initial information on the viewpoints and past educational experiences of a group of students who started the programmes in 2002.

One of the key similarities between the programmes that appeared to contribute to their effectiveness was that they provided extra supports for students who had previously experienced little academic success at school. These supports included courses tailored to students' individual interests, which also linked to their career interests; a whānau model of delivery; a focus on the whole student and their personal development and career plans; the opportunity for students to choose from optional content areas; and teachers who closely monitor students, build good relationships with them, and provide pastoral care.

Some of the key differences between the programmes are outlined below:

- These programmes covered a diverse range of content areas, depending on the students' interests, and employment opportunities and tertiary providers in the local area.
- All of the programmes placed an emphasis on students gaining qualifications, becoming work-ready, making links to tertiary study, and developing personally. Some programmes focused on students gaining one or more national certificates, while others focused on students getting a taste of a range of content areas, and completing unit standards in those areas.
- The amount and type of work experience offered varied between programmes. In some cases, students gained credits for on-the-job learning.
- The providers of the programmes varied, and included a mix of schools, PTEs, tertiary institutions and workplace providers.
- Schools used a number of different sources of

funding, namely their Operations Grant, STAR, Gateway, Youth Training, and local iwi funds.

Sally Boyd, Sue McDowall, and Garrick Cooper

Funded by the Ministry of Education

Learning Curves: Meeting student needs in an evolving qualifications regime

The context of this research is the introduction of a new senior secondary school qualifications regime, the National Certificates of Educational Achievement (NCEA). For three consecutive years, in six case-study schools, NZCER is exploring the way in which student subject choice at Year 11 changes in response to the implementation of the NCEA reforms. Thus the NCEA is not the direct focus of the study, but provides a context for exploring the dynamics of one potentially far-reaching set of changes as they are actually played out in the schools. All of the six schools are similar in size, but have been selected to represent a diversity of student groups and contexts.

The report of the first stage of the research, "From Cabbages to Kings", describes how the six schools are meeting the needs of their Year 11 students through the subject choices offered to them in 2002. While there are many similarities between the schools, differences in their approach to student subject choice have also emerged within the context of each school's particular circumstances, vision, and constraints. Two schools offer a broader range of "alternative" subject choices. The principals of both schools expressed appreciation of the widening opportunities for students to gain qualification credits for learning in these subjects. In the school with the narrowest range of subject choice, the staff share a broad vision of students gaining credentials in a range of national certificates – a vision closely aligned with the original intentions of reforms to the National Qualifications Framework. All schools have used the NCEA changes to structure multiple learning pathways within the compulsory subjects (math-

ematics, English, and, in five of the schools, science), and to encourage students into the pathways perceived to best meet their learning needs.

The students say they select subjects based on their expectations of personal enjoyment. They also draw on their understandings of their future career or study options. The selection of Year 11 courses that will engage the students yet keep their educational options as open as possible is a balancing act in all six schools. The complexity of possible subject-choice pathways within the NCEA is contributing to workload pressures for teachers. Moderation issues, ultimately grounded in the academic/vocational tensions that continue to underpin curriculum debate, are also a significant source of workload pressure for most of the Heads of Department interviewed.

Rosemary Hipkins and Karen Vaughan

Funded by the Ministry of Education (Purchase Agreement)

Te Hiringa i te Mahara

Te Hiringa i te Mahara is a programme of interventions for Māori secondary school teachers, which are designed to reduce the stresses associated with excessive workloads, build professional capability, and improve teaching practices. NZCER is currently evaluating the interventions and the resources provided in the 2002 programme. We have developed a national survey and are documenting the use of the Models of Success, providing a set of useable case studies and templates, along with a formative evaluation of the overall programme.

The final report will identify the main themes in relation to the contribution Te Hiringa i te Mahara has made to the professional development and valuation of Māori teachers, the way it has achieved this, and its legacy in terms of guidelines and approaches which could be used for further work with Māori secondary school teachers and educators in other sectors.

Pauline Waiti and Maria Maniapoto

Funded by Gardiner and Parata Ltd

Current Classroom Assessment Practices in English and Mathematics

This is a two-year multi-method study on current classroom assessment practices in English and mathematics at Years 5, 7, and 9. The major aim of the first phase (2001/02) was to document the assessment practices of classroom teachers in the key areas of English and mathematics. Three research questions were proposed at the outset: what assessments are being used in the areas of English and mathematics at Years 5, 7, and 9, why are the assessments undertaken, and which assessments are the most useful? The report will respond to each of these questions.

Just under 700 Year 5, 7, and 9 teachers from 311 schools responded to a questionnaire. The teachers who responded were broadly representative of school size, decile, and area. Overall, it was found that although teachers use a variety of assessment tools, they tend to use more teacher developed or school developed tools than externally developed tools. The most common use of assessment is for supporting learning within the classroom, and the most useful tools for these purposes tended to be teacher or school developed. Uses outside the classroom are more frequently catered for with externally developed tools, which also often rated more highly for usefulness for these purposes.

The second phase of the project (the 2002 school year) involves case-studies of some schools identified as having "good assessment practice". These schools will be visited at least twice over the school year, and interviews will be held with key staff. The intention is to document classroom and school-wide assessment policies and practices, any changes made over the year, and the reasons for these changes.

Karyn Dunn, Ed Trafford, and Chris Marston.

Funded by the Ministry of Education (Purchase Agreement)

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Publishing

Publishing is an integral part of the research process. NZCER publications make research available to the education community, contributing to the development of knowledge and evidence-based policy and practice. A wide range of publishing has been carried out this year: research reports (see Staff Publications, p.25), academic writing, teacher and student resources, tests, an interactive CD-ROM, and our journals, *set: Research Information for Teachers* and the new-look *Early Childhood Folio*.

New titles, 2001–2002

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NZCER in the Wider Education Community

NZCER staff make a significant contribution to a wide range of educational activities: advisory groups, committees, working parties, editorial boards, and national and international conferences.

ROBYN BAKER:

Council, Royal Society of New Zealand executive committee

Chair, Royal Society committee on science and technology education

New Zealand Qualifications Authority – learning and qualifications for secondary education advisory group

Education Review Office – mathematics and science education reference group

Ministry of Education:

- National assessment advisory group
- Curriculum stocktake reference group

CATHY WYLIE:

Ministerial appointment to Board of the Correspondence School

LINDA MITCHELL:

Ministerial working groups:

- Early childhood long-term strategic plan working group
- Crown representative on review of the relationship between the Crown and Te Kōhanga Reo National Trust

New Zealand Council of Trade Unions:

- Representative on the labour market policy group’s future of work advisory group

Ministry of Education:

- Early childhood policy research group
- Early childhood exemplar advisory group

ROSEMARY HIPKINS:

Ministry of Education:

- Science exemplars advisory group

New Zealand Science Teacher editorial board

The “Science For All” materials redevelopment advisory group

Third Annual Science Education Symposium working group

Royal Society committee on science and technology education

New Zealand Journal of Educational Studies – book reviews editor

CEDRIC CROFT:

Ministry of Education:

- National assessment advisory group
- Literacy experts group
- National Education Monitoring Project advisory committee

NZCER representative, Association of Commonwealth Examination and Accreditation Bodies

PAULINE WAITI:

Council, Royal Society of New Zealand

Technology Education New Zealand (TENZ) board member

INTERNATIONAL AND NATIONAL CONFERENCE PAPERS

Baker, R. (2002). *Parental and community involvement in schools: Opportunities and challenges for school change*. Paper presented at the International Symposium on Creation of Schools for the 21st Century, Tokyo, 12 March.

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Mitchell, L. (2001). *Sustainable school improvement: Practical applications from a New Zealand study*. Workshop at South Island Primary DP/AP Conference, 24 August.

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Financial Statements

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FINANCIAL REVIEW

Introduction

In this section of our annual report we provide information on our financial performance and position, together with the report on our financial statements by our independent auditor.

Highlights

The council has achieved a surplus of \$338,687

| Significant Financial Ratios | 2002 | 2001 |
|-------------------------------------|-------------|-------------|
| Liquidity Ratio | 1.95 | 1.61 |
| Net Profit Margin | 7.74% | 5% |
| Gross Profit Margin | 50.38% | 47.19% |
| Return on Investment | 23.31 | 7.69 |
| Turnover | \$5.142m | \$4.594m |

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2002

| | Notes | 2002 | 2001 |
|-----------------------------------|-------|------------------|------------------|
| Revenue | | | |
| Sales | | 1,542,512 | 1,513,180 |
| Government grant | 1 | 1,343,778 | 1,336,000 |
| Project revenue | | 2,068,411 | 1,554,091 |
| Interest | | 80,041 | 78,416 |
| Other income | | 107,117 | 111,883 |
| Total Revenue | | 5,141,859 | 4,593,570 |
| Expenditure | | | |
| Cost of Sales | | 765,467 | 799,169 |
| Depreciation | 6 | 106,289 | 100,168 |
| Amortisation of development costs | 7 | 5,100 | 12,000 |
| Operating expenses | 2 | 1,100,055 | 968,181 |
| Personnel expenses | | 2,550,077 | 2,287,447 |
| Accommodation costs | | 276,184 | 246,956 |
| Total Expenditure | | 4,803,172 | 4,413,921 |
| Net Surplus | | 338,687 | 179,649 |

The Statement of Accounting Policies and Notes form an integral part of the financial statements.

STATEMENT OF MOVEMENTS IN EQUITY

for the year ended 30 June 2002

| | Notes | 2002 | 2001 |
|--|-------|------------------|------------------|
| Equity at start of the year | | 1,283,317 | 1,127,614 |
| Net surplus for the year | | 338,687 | 179,649 |
| Library Reserve | | 0 | (23,946) |
| <hr/> | | | |
| Total recognised revenues and expenses for the period | | 338,687 | 155,703 |
| <hr/> | | | |
| Equity at year end | | 1,622,004 | 1,283,317 |
| <hr/> | | | |

The Statement of Accounting Policies and Notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2002

| | Notes | 2002 | 2001 |
|-------------------------------------|-------|------------------|------------------|
| Current Assets | | | |
| Cash and bank | | 17,407 | 14,798 |
| Short Term Deposits | 3 | 1,425,695 | 951,396 |
| Receivables | 4 | 726,694 | 1,124,331 |
| Project work in progress | | 108,411 | 15,499 |
| Inventory | | 302,013 | 297,978 |
| Total Current Assets | | 2,580,220 | 2,404,002 |
| Non-Current Assets | | | |
| Fixed Assets | 5 | 264,958 | 266,969 |
| Product Development costs | 7 | 45,649 | 5,100 |
| Total Assets | | 2,890,827 | 2,676,071 |
| Current Liabilities: | | | |
| Creditors | 8 | 335,625 | 278,389 |
| Advance subscriptions | | 58,856 | 59,797 |
| Project Income in Advance | | 508,593 | 642,977 |
| Grant Income in advance | | 130,000 | 200,000 |
| Employee entitlements | 9 | 136,157 | 135,822 |
| Total Current Liabilities | | 1,169,231 | 1,316,985 |
| Non-Current Liabilities | | | |
| Employee entitlements | 9 | 53,290 | 32,082 |
| Trust Funds | 10 | 46,302 | 43,687 |
| Total Liabilities | | 1,268,823 | 1,392,754 |
| Equity | | | |
| Accumulated Funds | | 1,622,004 | 1,283,317 |
| Total Equity | | 1,622,004 | 1,283,317 |
| Total Equity and Liabilities | | 2,890,827 | 2,676,071 |



Robyn Baker, Director.



Ruth Mansell, Chair.

5 Sept 2002

The Statement of Accounting Policies and Notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2002

| | Notes | 2002 | 2001 |
|---|-------|------------------|------------------|
| Cash Flows from Operating Activities | | | |
| Cash was provided from: | | | |
| Government grant | | 1,273,778 | 1,274,000 |
| Sales receipts | | 1,556,455 | 1,527,526 |
| Projects | | 2,225,607 | 1,311,469 |
| Interest received | | 83,249 | 75,502 |
| Trust fund receipts | 10 | 15,000 | 15,000 |
| Other receipts | | 104,508 | 108,006 |
| Net GST received | | 32,098 | 40,568 |
| | | <u>5,290,695</u> | <u>4,352,071</u> |
| Cash was disbursed to: | | | |
| Salaries and related employee costs | | 2,442,691 | 2,223,771 |
| Operating expenses | | 1,502,889 | 1,282,209 |
| Cost of Sales | | 708,451 | 778,477 |
| Trust fund expenses | 10 | 12,385 | 18,256 |
| | | <u>4,666,416</u> | <u>4,302,713</u> |
| Net cash inflow from Operating Activities | 11 | <u>624,279</u> | <u>49,358</u> |
| Cash Flows from Investing Activities | | | |
| Cash was provided from: | | | |
| Sale of fixed assets | | 2,556 | 5,602 |
| Cash was applied to: | | | |
| Purchase of fixed assets | | 149,927 | 67,768 |
| Net cash outflow from investing activities | | <u>(147,371)</u> | <u>(62,166)</u> |
| Total Cash Flow | | | |
| Net increase/(decrease) in cash held | | 476,908 | (12,808) |
| Opening Balance Cash and Bank | | 966,194 | 979,002 |
| Closing Cash and Bank | | <u>1,443,102</u> | <u>966,194</u> |
| Comprising: | | | |
| Bank | | 17,407 | 14,798 |
| Investments | | 1,425,695 | 951,396 |
| | | <u>1,443,102</u> | <u>966,194</u> |

The Statement of Accounting Policies and Notes form an integral part of the financial statements.

STATEMENT OF COMMITMENTS

As at 30 June 2002

Lease Commitments

Commitments under non-cancellable operating leases, to which the Council is subject, are as follows:

| | 2002 | 2001 |
|-------------------------|--------|---------|
| Lease commitments | | |
| Less than one year | 47,221 | 155,160 |
| One to two years | 23,278 | 33,183 |
| Two years to five years | 27,988 | 9,239 |
| | <hr/> | <hr/> |
| | 98,487 | 197,582 |

The New Zealand Council for Educational Research has the following leases:

| | <u>Expiry Dates</u> |
|-------------------------|---------------------|
| Building lease | 8 September 2002 |
| Canon photocopier | 29 March 2005 |
| PABX System | 31 March 2006 |
| Air conditioning system | 31 March 2006 |
| Multimedia Projector | 28 February 2003 |

The Statement of Accounting Policies and Notes form an integral part of the financial statements.

STATEMENT OF CONTINGENT LIABILITIES

As at 30 June 2002

The New Zealand Council for Educational Research has no contingent liabilities, guarantees or indemnities outstanding as at 30 June 2002 (Nil – 30 June 2001).

The Statement of Accounting Policies and Notes form an integral part of the financial statements.

STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2002

Reporting Entity

These are the financial statements of the New Zealand Council for Educational Research, a statutory body established under the New Zealand Council for Educational Act 1972.

The financial statements have been prepared in terms of section 32 of the New Zealand Council for Educational Research Act 1972.

Measurement Base

The general accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis, are followed by the Council.

Particular Accounting Policies

The following particular accounting policies, which significantly affect the measurement of financial performance, financial position, and cash flows have been applied.

1. Receivables

Receivables are stated at their estimated net realisable value after allowing for doubtful debts.

2. Inventory

Inventory, which consists of stock tests and publications, is stated at the lower of cost or net realisable value.

3. Investments

Investment assets are stated at cost.

4. Fixed Assets

Fixed assets are recorded at historical cost less accumulated depreciation.

5. Product Development Costs

Product development costs have been capitalised and are stated at cost. These will be amortised over the future benefits derived from the sale of products, with a maximum period of three years.

6. Depreciation

Depreciation is provided on a straight line basis, at rates calculated to allocate the assets' cost, less estimated residual value, over their estimated useful lives. The estimated useful lives of assets are:

Furniture and fittings—up to 10 years.

Computing and electronic equipment—up to 5 years.

7. Revenue

Revenue is derived through the provision of research work on behalf of various institutions, sales of educational resources to third parties, and income from its investments. Project revenue on research contracts is recognised on a percentage of completion basis. Any revenue relating to work not completed on contracts has been classified as project funds in advance. Other revenue is recognised when earned and is reported in the financial period to which it relates.

8. Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are included in the determination of the operating surplus in equal instalments over the lease term.

9. Foreign Currencies

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction.

10. GST

The financial statements have been prepared on a GST exclusive basis, except for accounts receivable and accounts payable which are stated with GST included (where applicable).

11. Financial Instruments

The Council is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term de-

posits, receivables, and creditors. Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance. All financial instruments are recognised in the Statement of Financial Position.

12. Provision for Employee Entitlements

Provision is made in respect of the Council's liability for Annual Leave, Long Service Leave and Retirement Leave. Annual leave has been recognised on an entitlement basis at current rates of pay. Long service and Retirement leave is recognised on an "actuarial" basis based on the present value of expected future entitlements.

13. Income Taxes

Section 29 of the New Zealand Council for Educational Research Act 1972 exempts the Council from income tax.

14. Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which NZCER invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the entity and records the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of NZCER.

Changes to accounting policies

There have been no changes in accounting policies since the date of the last audited financial statements. All policies have been applied on bases consistent with those used in previous years.

Changes to Comparative Figures

Where necessary comparative figures have been adjusted to conform with changes in presentation and classification adopted in the current period.

NOTES TO THE FINANCIAL STATEMENTS

1. Government Grant

The New Zealand Council for Educational Research is a statutory body. The government grant shown separately in the Statement of Financial Performance is administered pursuant to a purchase agreement with the Ministry of Education.

2. Operating Expenses includes

| | 2002 | 2001 |
|---|---------|---------|
| Board members' fees # | 11,680 | 15,099 |
| Fees paid to Audit | | |
| —external audit | 13,800 | 11,800 |
| —other services | 3,500 | - |
| Library assets written off | - | 3,211 |
| Bad debts written off | 371 | - |
| Change in doubtful debts provision | (54) | (4,524) |
| Operating Lease expenses (excluding rent) | 27,781 | 25,028 |
| (Profit)/Loss on sale of fixed assets | (2,556) | 4,113 |
| Donations paid | 11,997 | 13,510 |

| Board Members' Fees | Board Fees | Other Fees | Total |
|---------------------|--------------|--------------|---------------|
| Ballard KD | 1,000 | 375 | 1,375 |
| Crooks TJ | 1,000 | 0 | 1,000 |
| Durie AE | 500 | 750 | 1,250 |
| Gill JF | 500 | 0 | 500 |
| Harker RK | 250 | 0 | 250 |
| Mansell RL | 1,320 | 2,860 | 4,180 |
| Nutall JG | 1,000 | 1,125 | 2,125 |
| Dale D ¹ | 1,000 | 0 | 1,000 |
| | 6,570 | 5,110 | 11,680 |

3. Short Term Deposits

The interest rates applicable at year end were 5.5% percent for 2002 (5.74 percent for 2001).

Trust Funds

As at 30 June 2002, Short Term Deposits included \$46,302 (2001 \$43,687) of monies relating to specific Trust Funds (refer note 10) .

4. Receivables

| | 2002 | 2001 |
|---------------------|----------------|------------------|
| Trade Receivables | 151,227 | 166,683 |
| Project Receivables | 562,144 | 947,735 |
| Accrued Interest | 4,399 | 7,607 |
| Other Receivables | 8,924 | 2,306 |
| | 726,694 | 1,124,331 |

¹ Payments for Deirdre Dale were made to her employer, Whitireia Polytechnic

5. Fixed Assets

| | Cost | 2002 Accumulated Depreciation | Net Book Value 30 June 2002 |
|------------------------------------|----------------|-------------------------------------|--------------------------------|
| Furniture and fittings | 343,967 | 282,127 | 61,840 |
| Computing and electronic equipment | <u>505,423</u> | <u>302,305</u> | <u>203,118</u> |
| | <u>849,390</u> | <u>584,432</u> | <u>264,958</u> |

| | Cost | 2001 Accumulated Depreciation | Net Book Value 30 June 2001 |
|------------------------------------|----------------|-------------------------------------|--------------------------------|
| Furniture and fittings | 339,363 | 236,619 | 102,744 |
| Computing and electronic equipment | <u>473,345</u> | <u>309,120</u> | <u>164,225</u> |
| | <u>812,708</u> | <u>545,739</u> | <u>266,969</u> |

6. Depreciation

| | 2002 | 2001 |
|------------------------------------|----------------|----------------|
| Furniture and fittings | 46,283 | 46,095 |
| Computing and electronic equipment | 60,006 | 54,073 |
| | <u>106,289</u> | <u>100,168</u> |

7. Product Development Costs

| | 2002 | 2001 |
|------------------------------------|----------------|-----------------|
| Development costs at start of year | 5,100 | 17,100 |
| Development costs capitalised | 45,649 | - |
| Amortisation | <u>(5,100)</u> | <u>(12,000)</u> |
| Development costs at end of year | <u>45,649</u> | <u>5,100</u> |

8. Creditors

| | 2002 | 2001 |
|-----------------|----------------|----------------|
| Trade Creditors | 249,535 | 192,558 |
| Staff Creditors | 86,090 | 85,831 |
| | <u>335,625</u> | <u>278,389</u> |

9. Employee entitlements

| | 2002 | 2001 |
|---------------------------|----------------|----------------|
| Leave Related Provisions: | | |
| Annual Leave | 136,157 | 109,878 |
| Long-Service Leave | 21,758 | 11,629 |
| Retirement Leave | 31,532 | 46,397 |
| | <u>189,447</u> | <u>167,904</u> |

| | 2002 | 2001 |
|-----------------------------------|----------------|----------------|
| Less current portion: | | |
| Annual Leave | 136,157 | 109,878 |
| Long-service and Retirement leave | - | 25,944 |
| Total current portion | <u>136,157</u> | <u>135,822</u> |
| Total non-current provisions | <u>53,290</u> | <u>32,082</u> |

10. Trust Funds

The Council administers a number of trust funds on behalf of other bodies, for specific educational purposes.

| Trust Funds | Balance 1 July 2001 | Revenue | Expenditure | Balance 30 June 2002 |
|----------------------|------------------------|---------------|---------------|-------------------------|
| JR McKenzie | | | | |
| Research Scholarship | 18,060 | - | - | 18,060 |
| Victoria Link | 170 | - | 170 | - |
| Beeby 1998 | 25,457 | 15,000 | 12,215 | 28,242 |
| TOTAL | 43,687 | 15,000 | 12,385 | 46,302 |

These funds are excluded from the Statement of Financial Performance, as the funds are not seen as revenue or expenditure of NZCER. However, the balance as at 30 June has been included in the Statement of Financial Position.

11. Cash Flow

Reconciliation of Net Cash Flows from Operating Activities to Net Surplus.

| | 2002 | 2001 |
|--|----------------|---------------|
| Net surplus | 338,687 | 179,649 |
| Add/(Less) Non Cash Items | | |
| Depreciation | 106,289 | 100,168 |
| Amortisation | 5,100 | 12,000 |
| Write off of Library | 0 | 3,211 |
| Increase/(Decrease) in non-current employee entitlements | 21,208 | (16,792) |
| Increase/(Decrease) in non-current Trust Funds | 2,615 | (3,256) |
| | 135,212 | 95,331 |
| Add/(Less) Movements in other Working Capital Items | | |
| (Increase)/Decrease in receivables | 397,637 | (749,078) |
| (Increase)/Decrease in work in progress | (92,912) | (15,499) |
| (Increase)/Decrease in inventory | (4,035) | 6,158 |
| Increase/(Decrease) in creditors | 57,236 | 26,754 |
| Increase/(Decrease) in advance subscriptions | (941) | 18,998 |
| Increase/(Decrease) in project income in advance | (134,384) | 515,225 |
| Increase/(Decrease) in employee entitlements | 335 | 29,707 |
| Increase/(Decrease) in grant income in advance | (70,000) | (62,000) |
| | 152,936 | (229,735) |
| Add/(Less) items classified as investing activities | | |
| (Profit)/Loss on sale of fixed assets | (2,556) | 4,113 |
| Net Cash Inflow from Operating Activities | 624,279 | 49,358 |

12. Related Parties

There were no related party transactions during the year (2001 Nil).

13. Financial Instruments

The Council is party to a variety of financial instruments as part of its everyday operations. Financial instruments include accounts payable and receivable, cash and short-term deposits.

(i) *Credit Risk*

Credit risk is the risk that a third party will default on its obligations to the Council, causing the Council to incur a loss. In the normal course of business the Council incurs credit risk from debtors and transactions with financial institutions. The Council does not require any collateral or security to support financial instruments as investments are with reputable financial institutions, and debtors are on normal trade terms. There is a concentration of credit risk in relation to the Council's receivables due to the reliance on the Ministry of Education for 67 percent of receivables at 30 June 2002 (84% at 30 June 2001). However the Ministry of Education is a high credit quality entity.

(ii) *Fair Value*

The fair value of financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

(iii) *Currency Risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in exchange rates. The Council's exposure to foreign currency risk through overseas sales and purchases is minimal. It is the Council's policy not to hedge these transactions.

(iv) *Interest Rate Risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Council's financial instruments are subject to interest rate risk, interest rates applicable at 30 June 2002 and 30 June 2001 are disclosed in Note 3.

14. Post Balance Date Events

There have been no events occurring subsequent to balance date that would result in an adjustment being required to the amounts disclosed in the financial statements.

REPORT OF THE AUDITOR-GENERAL

TO THE READERS OF THE FINANCIAL STATEMENTS OF THE NEW ZEALAND COUNCIL FOR EDUCATIONAL RESEARCH FOR THE YEAR ENDED 30 JUNE 2002

We have audited the financial statements on pages 35 to 46. The financial statements provide information about the past financial performance of the New Zealand Council for Educational Research and its financial position as at 30 June 2002. This information is stated in accordance with the accounting policies set out on pages 41 to 42.

Responsibilities of the Council

The New Zealand Council for Educational Research Act 1972 requires the Council to prepare financial statements which fairly reflect the financial position of the New Zealand Council for Educational Research as at 30 June 2002 and the results of its operations and cash flows for the year ended 30 June 2002.

Auditor's responsibilities

Section 15 of the Public Audit Act 2001 requires the Auditor-General to audit the financial statements presented by the Council. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report its opinion to you.

The Auditor-General has appointed Stephen Lucy, of Audit New Zealand, to undertake the audit.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Council in the preparation of the financial statements *and*
- whether the accounting policies are appropriate to the New Zealand Council for Educational Research's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing

Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have performed an assurance-related assignment for the New Zealand Council for Educational Research involving a review of compliance with quality assurance guidelines for research projects. Other than this assignment and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in the New Zealand Council for Educational Research.

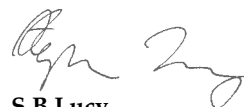
Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion, the financial statements of the New Zealand Council for Educational Research on pages 35 to 46:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the New Zealand Council for Educational Research's financial position as at 30 June 2002; and
 - the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 5 September 2002 and our unqualified opinion is expressed as at that date.



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

How to find out more about NZCER

WE ARE PLEASED TO OFFER FURTHER INFORMATION ABOUT OUR ACTIVITIES.

You are welcome to contact us

We provide:

- information on our research projects, both completed and ongoing
- details of our books in print
- catalogues of our resources for early childhood education and professional development
- copies of our newsletter, *ResearchEd News*
- catalogues and price lists of test products
- copies of *Profile*, our test advisory newsletter

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NZCER supports learning and teaching through

quality research, resources, and
information. |