

Pūrongo ā-Tau

Annual Report

2018-2019

Tō mātou kaupapa

Ka whakaawe te ao mātauranga e NZCER. Ko mātou ngā kaiarataki i te mahi rangahau, i te whanaketanga o ngā rākau āwhina me te tuku ratonga e kōkiri ana i ngā akoranga tōtika kia puta mai ai ngā hua tōtika i ngā mahi kaupapa here me ngā wāhi mahi.

Ō mātou uara

Mā ēnei uara, ā mātou mahitahi ki ētahi atu, ō mātou whanonga me ō mātou whakataunga e arataki.

Te tū motuhake

Nā ngā taunakitanga tōtika e hāngai ana, e whai mana ana ā mātou kōrero.

Te mahi ngātahi

Ka mahi ngātahi mātou ki ngā rōpū whai pūkenga kē, kia tino whai hua ngā mahi.

Te auahatanga

Mā ā mātou rangahau, ā mātou rākau āwhina me ā mātou ratonga te ao mātauranga o āpōpō e tārai.

Te ngākau pono

Nā ō mātou pūkenga me ō mātou mātāpono tōtika e tutuki ai ā mātou kaupapa i te wā tika, i roto hoki i te ngākau pono.

Ngā whāinga tōmua a te rautaki

Kua tohua ngā whāinga tōmua e toru hei whakatutuki i tā mātou kaupapa.

Ko te mahi a NZCER:

1. he whai kia tōkeke ai, kia matatika ai te tū o ngā tāngata katoa i te ao mātauranga
2. he whakapiki ake i ngā putanga mātauranga o ia ākongā Māori
3. he kōkiri whakaaro, he tārai i te mātauranga o āpōpō.

Our purpose

NZCER inspires education. We play a leading role in research, developing tools, and providing services that drive effective learning and positive change in policy and practice.

Our values

Our values guide how we work with others, our behaviours, and decision making.

Independence

We use robust evidence to speak with confidence and authority.

Collaboration

We work with complementary expertise to achieve greater impact.

Innovation

Our research, tools, and services help shape the future of learning and education.

Integrity

We use our expertise and strong ethical principles to deliver work that is timely and trusted.

Our strategic priorities

To achieve our purpose, we have identified three strategic priorities. NZCER will:

1. contribute to a socially just and equitable education system
2. improve education outcomes for every Māori learner
3. lead thinking and shape the future of education.

Mā te mātauranga e taea ai e ia ākongā o Aotearoa te kite i ō rātou pūmanawa kia ea ai ō rātou wawata.
Education in Aotearoa New Zealand should enable all learners to discover their potential and realise their aspirations

Ngā rārangi take

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Tēnei mātou

—About NZCER

Established in 1934, the New Zealand Council for Educational Research (NZCER) is an independent research and development organisation, operating under its own legislation. We use the principles of the Treaty of Waitangi as the founding document of Aotearoa to help us uphold mana Māori in our work, relationships, and ways of working.

We draw on a rich heritage of, and play an active part in, shaping the future of education. The New Zealand Council for Educational Research Act 1972 provides us with a mandate to carry out and disseminate education research, and provide independent information, advice, and assistance.

I whakatūria te NZCER i te tau 1934. E tū motuhake ana a Rangahau Mātauranga o Aotearoa (NZCER) hei whare rangahau, hei whare whakawhanake i raro i tāna ake ture. Ko ngā mātāpono o te Tiriti o Waitangi te tūāpapa o ā mātou mahi, mā konā e hāpaitia ai te mana Māori i roto i ā mātou kaupapa mahi, i ngā hononga me ngā tikanga mahi.

Ka tōia mai ngā mātauranga o mua, ka kuhu atu hoki mātou ki ngā mahi mātauranga o nāianei, hei tārai i te ao mātauranga o āpōpō. Kei raro i te Ture o New Zealand Council for Educational Research 1972, kei te kawē, kei te tuku atu hoki mātou i ngā momo rangahau mō te ao mātauranga. E tū motuhake ana mātou ki te tāpae pārongo, ki te tuku whakairo me ngā momo ratonga āwhina ki te iwi whānui.

Who we are

NZCER is a small organisation with 48 staff, located in Wellington. We play a leading role in research, developing tools, and providing services that drive effective learning and positive change in policy and practice. We value collaboration and work closely with strategic partners on a regular basis to achieve greater impact.

Who we work with

Ako Aotearoa
Building and Construction Industry Training Organisation (BCITO)
Blind and Low Vision Education Network NZ (BLENNZ)
Catalyst
CORE Education
District Health Boards
Education Technology Ltd
Fronde IT
Gamefroot
Ministry of Education
National Library of New Zealand
New Zealand Qualifications Authority (NZQA)
New Zealand Defence Force
New Zealand Drug Foundation
New Zealand Fire Service
New Zealand School Trustees Association
New Zealand Transport Agency
Oranga Tamariki—Ministry for Children
Royal New Zealand College of General Practitioners
Sport New Zealand
Te Aho o Te Kura Pounamu
Te Mātāwai
Te Taura Whiri i Te Reo Māori
Teaching Council of Aotearoa New Zealand
Tertiary Education Commission
United Nations Educational, Scientific and Cultural Organization (UNESCO)
University of Otago

Te kupu whakataki a te kaiwhakahaere —Chair’s foreword

Fiona Pimm, Chair

The year ending June 2019 has been one of consolidation. After significant changes in the previous year, we have successfully pursued new research, product, and service opportunities. This has strengthened our strategic impact and financial foundations for sustainability.

In this past year, NZCER staff have made a significant contribution across the reviews initiated by Government. This work is directly related to our strategic priority *to lead thinking and shape the future of education* and draws on deep collective expertise within the NZCER team. Furthermore, the Government’s engagement with the sector has generated a considerable work programme for NZCER, which has enabled us to deliver on national priorities that are aligned with NZCER strategic priorities. We are halfway through our 2017–2021 Strategy and I am proud to report that we are now seeing positive results against some of our key strategic actions.

I would like to thank the Board for their governance and commitment to NZCER during the year in review. No year passes without some changes and I wish to acknowledge Pania Gray’s service to the Board. I thank Pania for her governance expertise, insights, and rigour which she brought to the Board.

The Board welcomed Dr Jodie Hunter—the Minister of Education’s Appointee to the Board. Dr Hunter is a senior lecturer in the Institute of Education at Massey University.



Jodie’s background and expertise will add significant value to a diverse Board, especially in mathematics and supporting the interests of Pacific Peoples.

I would also like to acknowledge Dr Dinah Vincent who was the staff representative on the Board until April 2019. The role of staff representative provides a unique opportunity for Board members to hear from staff in a safe and structured way. Dinah, like her predecessors, provided the Board with valuable insight into staff matters.

Finally, I would like to acknowledge Graeme, the senior leadership team, and all the staff at NZCER for the tremendous work they do in helping NZCER to inspire education.

Fiona Pimm

He arotakenga mō te tau —The year in review

Graeme Cosslett, Director

As our Chair noted in her foreword, we are now seeing progress towards our 5-year strategic goals. This annual report outlines the initiatives we have undertaken over the past year that are contributing to the inroads we are making.



Under the strategic priority *contributing to a socially just and equitable education system*, we undertook two significant projects which supported our strategic priority. The first was the development of an impact framework that sets out the long-term outcome we want to contribute to, the impact we want to have, and how we can achieve this work. The second project involved the development of a cultural perspectives tool to help us enhance resource development in a way that could benefit ākongā Māori and all students in Aotearoa.

For the strategic priority *improve education outcomes for every Māori learner* we give an overview of the impact of Te Wāhanga—our Māori research unit—is making. We also look at our newly developed Te Reo Māori language online assessment tool and some recent book publications.

Our third strategic priority is *to lead thinking and shape the future of education*. We take a closer look at the influence our staff expertise is having as we contribute to this Government's education review work programme. I would like to acknowledge the contributions of Chief Researcher Dr Cathy Wylie as an appointed member of the Tomorrow's Schools Taskforce, and Chief Researcher Charles Darr, also appointed to the Ministerial Advisory Groups on the review of NCEA, and the Curriculum, Progress and Achievement.

Another area in which NZCER demonstrates leadership is wellbeing. We look at our growing body of research, tools, and services to support wellbeing in education.

We acknowledge an accolade for Dr Rose Hipkins who became a Member of the New Zealand Order of Merit for science education in the New Year Honours 2019. Rose has been at NZCER since 2001 and was promoted to Chief Researcher in 2007. Rose has led national research projects related to both curriculum and assessment innovation in New Zealand, provided workshops across the country, written articles for teacher audiences, and worked with individuals and groups of teachers within schools.

This year, it was sad to learn of the passing of Dr Geraldine McDonald CNZM. Geraldine joined NZCER in 1973, and served as Assistant Director from 1977 to 1992. Geraldine was an influential thinker who pioneered feminist research and political advocacy in the early childhood sector and across the wider public service.

NZCER is in a good position to build on over the coming year. This would not have been possible without the dedication and passion of our people. I'd like to thank the Board, senior leadership team, and all staff for their commitment and incredibly hard work over the past year.

Graeme Cosslett

“ We acknowledge an accolade for Dr Rose Hipkins who became a Member of the New Zealand Order of Merit for science education in the New Year Honours 2019. Rose has been at NZCER since 2001 and was promoted to Chief Researcher in 2007.”

Ngā mea hirahira

—Highlights of work areas

Research and development —ngā mahi rangahau

Our research work is funded either directly by the Government Grant, or through a competitive tendering process.

This year, in consultation with the Ministry of Education, we re-named the Government Grant to *Te Pae Tawhiti* to better reflect our research programme. The name comes from the whakataukī *Ko te pae tawhiti, whāia kia tata, ko te pae tata whakamaua kia tīnā*. This whakataukī speaks about having vision and striving to realise it.

Te Pae Tawhiti research included progress and achievement, Māori education, student wellbeing, and system capability. We completed a national survey of secondary schools; research that explored how schools can achieve progress in literacy achievement (see *Exploring literacy*, p. 9); a study in maths self-efficacy and achievement; and a report about games, gamification, game design for learning, and what innovative game-based learning and teaching practices can look like.

Highlights of successful tenders include analysis of feedback from the NCEA consultation review; and inclusive descriptors of progress for students learning long term within curriculum level 1. We published a literature review on international trends in assessment policy and practice. We also developed new *Insights* reports for teachers: they offer practical insights from the National Monitoring Study of Student Achievement (NMSSA). Each report focuses on a specific learning area.

Te Wāhanga

Our priority to improve outcomes for every Māori learner has been an ongoing area of focus over the past year.

Our kaupapa Māori expertise was recognised in several successful research bids. We explored rangatahi (ages 13–23 years) exposure to, and use of, te reo Māori. We contributed to the evidence base about good practice and success factors for language revitalisation in homes and communities. We worked with tamariki, whānau, kura, and providers to understand the experiences of tamariki and whānau within the Social Workers in Schools programme; we completed research that looks at the wellbeing of te reo Māori in English-medium schools; and developed a set of tools to help whānau, schools, and boards to implement actions and practices to support te reo.

Additionally, the recommendations made in the 2017 report *Te Ahu o te Reo* can be seen in the Associate Minister for Education's \$12 million initiative that aims to normalise the language and encourage speaking of te reo in the classroom.

Te Rōpū Rautaki Māori

We have been growing our own leadership, values, and capability in Māori education. Te Rōpū Rautaki Māori—the NZCER Māori Strategy Group—is made up of all Māori staff and the senior leadership team. Our programme of work covers mahi ngātahi—shared ownership, Te Tiriti o Waitangi, tikanga, te reo Māori, tāngata—supporting our people to gain capability, ngā whāinga tōmua a te rautaki—our strategic priorities, and te ao whānui—understanding the external environments for Māori.

**15% of our
income comes
from Te Pae
Tawhiti**

Professional services

Our professional services include online assessments, tools, surveys, advisory, and support. Our work is developed from research-based evidence and we take pride in the quality and reliability we offer. Last year, more than 1,300 kura and schools accessed our online services, primarily from the primary and secondary schools in Aotearoa. We also maintain and support the Literacy and Numeracy for Adults Assessment Tool which extends our reach beyond compulsory education to vocational training in the tertiary sector.

This year in review, we've delivered in excess of 560,000 online assessments and surveys, this being more than 25% on the previous year. We also reached the delivery of one million online assessments since we began using our flexible and scalable online platform. We celebrated this milestone by awarding several prize packs for schools. We also launched a brand new Te Reo Māori online assessment this year which is featured on page 10.

Our workshops for professional learning continue to offer development opportunities for teachers and education leaders. A growing number of educators are accessing support for our assessments, surveys, inquiry into data, and for workshops to build their leadership assessment capability.

NZCER Press

NZCER Press continued to support teaching and learning by publishing a wide range of research-based books, journals, and resources for the early childhood education (ECE), school, and tertiary sectors. We published 22 research reports by NZCER researchers this year. Some of these are highlighted throughout this report. We also

published reports from nine projects funded by the Teaching and Learning Research Initiative.

The quality of our books was recognised at the 2018 Copyright Licensing Education Awards, where five of our new titles were winners in their categories. Those books were:

Educational leadership in Aotearoa New Zealand: Issues of context and social justice edited by Rachel McNae, Michele Morrison, and Ross Notman won the 'Best Teacher Resource—Primary' category.

Teaching social studies for critical, active leadership in Aotearoa New Zealand edited by Michael Harcourt, Bronwyn Wood, and Andrea Milligan won the 'Best Teacher Resource—Secondary' category.

Carol Mutch's book *Optimising your academic career* won the 'Best Teacher Resource—Tertiary' category.

Our strength in te reo Māori publishing was recognised with *He kete whakawaitara: He whakatara ā-rangahau* edited by Agnes McFarland and Nathan Matthews, and *Te mauri o te whare* edited by Agnes McFarland and Tairahia Black, jointly winning the 'Best Te Reo Resource—Tertiary' category.

Psychological Test Services (PTS)

Psychological Test Services (PTS) advise New Zealand organisations about buying and using psychometric tests from international suppliers.

PTS had another solid year with a modest revenue growth overall. We improved our registration system and refined our catalogue to a range of tests that best fit customer need.

Demand continued for *The Leadership Circle* across the public and private sector. *The Leadership Circle 360* is used on accelerant programmes for potential leaders.

Ngā whāinga tōmua a te rautaki

— Strategic priorities

A PROGRESS UPDATE ON OUR THREE STRATEGIC PRIORITIES

1. He whai kia tōkeke ai, kia matatika ai te tū o ngā tāngata katoa i te ao mātauranga

Contribute to a socially just and equitable education system

The focus on this strategic priority is for learners underserved in the education system.

This year we have made progress by undertaking two significant projects that ensure we continue to produce quality work that contributes to society in meaningful ways.

We developed an impact framework

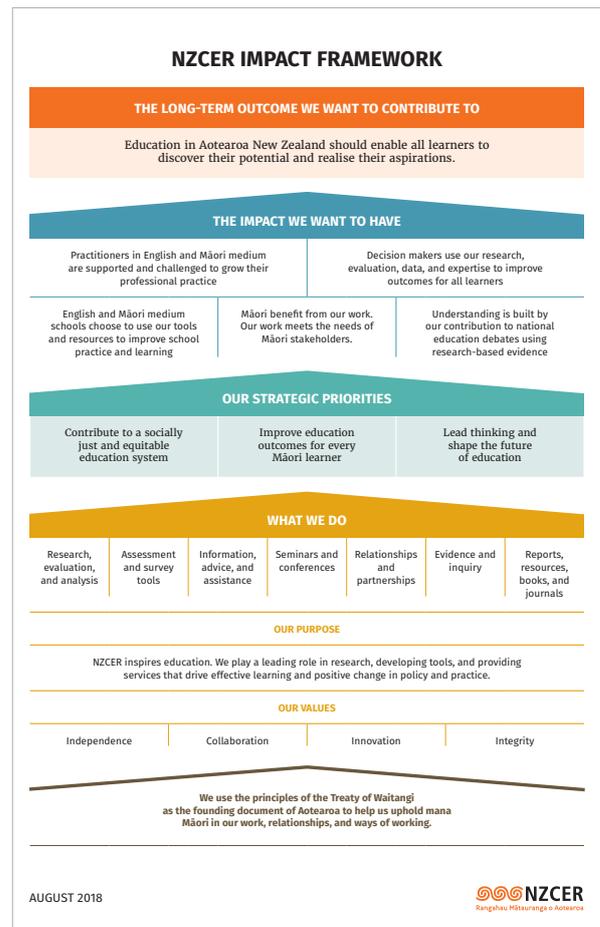
The framework allows us to follow a robust model for challenging our work programmes, evaluating perspectives, and assessing new opportunities.

We expect this tool will continue to provide us with a model to inform our impact and the outcomes of our work.

We’re growing our cultural capability

We developed a Cultural Perspectives framework to help us enhance our resource development in a way that could benefit ākongā Māori, and all students in Aotearoa.

We developed a shared statement to challenge our thinking about how NZCER resources might impact on, be viewed and understood by, and work for Māori students in particular, and diverse groups overall. The statement for NZCER is that we have an ethical responsibility, in any research, resource development, and review to promote bicultural partnership as expressed in the Treaty of Waitangi and to:



- include Māori perspectives (knowledges and values, and ways of being and doing)
- use language, content, images, and text that are mana enhancing, and are inclusive of diverse realities and contexts.

The Cultural Perspectives tool helps our staff to think about:

- Western knowledge and mātauranga Māori
- Māori values
- mana tangata
- diverse Māori realities and contexts
- te reo Māori and New Zealand English images and symbols.

Our research is contributing to a socially just and equitable education system

Exploring literacy: How six schools lifted achievement

Eliza de Waal and Jan Eyre

This research suggests there are three essential elements: a well-defined, positive school culture; a strategic focus on literacy combined with whole-school professional learning and development (PLD); and coherence

9,000
SOCIAL MEDIA
VIEWS

1,000
REPORT
DOWNLOADS

of purpose, where the school community works collaboratively as a team towards a commonly understood goal.

NZCER’s national survey of secondary schools

Linda Bonne and Jo MacDonald

The national survey of secondary schools indicated a

15,000
SOCIAL MEDIA
VIEWS

1,200
REPORT
DOWNLOADS

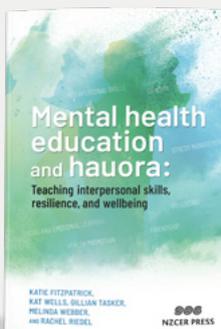
general theme of growing demands being made on schools to respond to increasingly complex needs of students, including mental health issues.

The achievement of Māori students, Pacific students, and students with learning support needs all continue to be seen as major issues for sizeable minorities of schools, with little change in the picture since 2015.

“I certainly hope the findings will be taken on board and that policy makers will be thinking about these results and what they might mean, and what they should be doing in response.”

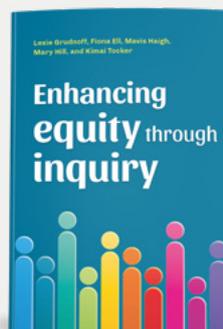
LINDA BONNE—TALKING TO JOHN CAMPBELL, TVNZ BREAKFAST

FEATURED PUBLICATIONS



Mental health education and hauora: Teaching interpersonal skills, resilience, and wellbeing (2018) by Katie Fitzpatrick, Kat Wells, Gillian Tasker, Melinda Webber, and Rachel Riedel. This book helps teachers discover

ways to enhance student learning in four broad areas: personal identity and wellbeing; communication and relationships with others; social issues and social justice (especially against discrimination and exclusion); and health promotion and action.



Enhancing equity through inquiry (2019) by Lexie Grudnoff, Fiona Ell, Mavis Haigh, Mary Hill, and Kimai Tocker. This book provides a framework for teaching for equity, to ensure those students who are

typically underserved by the system have equitable opportunities to excel. Practitioners are given specific examples of how cycles of inquiry can lead to positive changes being made in classrooms to improve outcomes for underserved learners.

2. He whakapiki ake i ngā putanga mātauranga o ia ākonga Māori

Improve educational outcomes for every Māori learner

We are committed to making a significant contribution to Māori education in ways that bring about positive change in policy and practice to benefit every Māori learner.

Our research is relevant to Māori and English medium

Tautokona te reo: The wellbeing of te reo Māori in kura and schools

Maraea Hunia, Nicola Bright, Basil Keane, Helen Potter, Kiwa Hammond, and Ropata Ainsley

This study explored the wellbeing of te reo in kura and schools.

Whānau efforts were found to have been the mainstay of support for te reo Māori and the research participants felt government policy could be more supportive in improving access to reo Māori education. The report includes tools for whānau, teachers, boards of trustees, and policy makers.

400
REPORT
DOWNLOADS

Whāia kia tata: He aromatawai i roto i ngā kura

Maraea Hunia

We reported on findings from a small kaupapa Māori study of aromatawai. We reviewed local literature on aromatawai and international literature on Indigenous assessment approaches; and from a number of interviews. The purpose was to broaden the empirical base to inform thinking and policy regarding aromatawai in Māori-medium schools.

Findings include: Politics and resourcing continue to create barriers to the development and implementation of aromatawai Māori in Aotearoa and Indigenous approaches elsewhere. Large-scale assessments disadvantage Indigenous learners, and translation of dominant-language assessment resources is unacceptable. Aromatawai is evolving but

conceptualisation is still at an early stage. Kaupapa Māori ako and aromatawai approaches involve kaiako who know and care for the learners, their whānau, and who have trusting relationships and long-term commitment.

We developed a brand new Te Reo Māori online language assessment

This year we launched a Te Reo Māori online assessment that enables students to demonstrate their knowledge of te reo Māori vocabulary. It has been released as a resource for all learners in English-medium schools, with particular attention being given to the engagement of Māori learner feedback during development and its initial release. The assessment is aligned with Levels 1–3 of *The New Zealand Curriculum*, focuses on the te reo Māori curriculum guidelines—*Te Aho Arataki Marau mō Te Ako i Te Reo Māori*, and draws on the Learning Languages area of the NZC.

The assessment automatically adapts to each individual’s level of ability during an assessment, which provides a personalised and learning experience.

More than 100 schools have used the assessment so far and learner feedback has been positive.

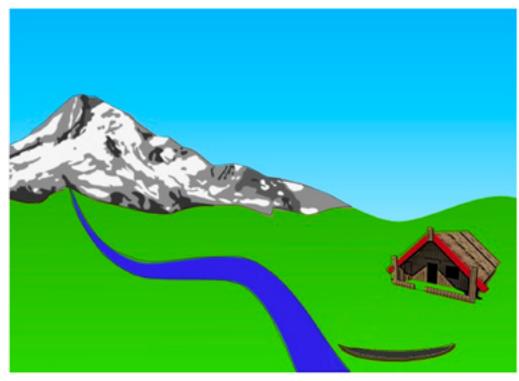
The questions are varied and include the option to listen.



You may be asked to drag a word into a space.
For example:
How many sticks are there?
Drag the number to the picture



Select the **maunga**.



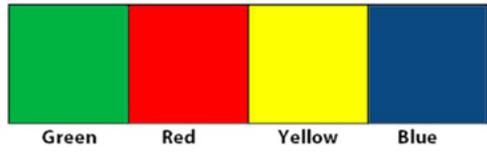
COMMENTS FROM STUDENTS

“Māori is amazing!!!”

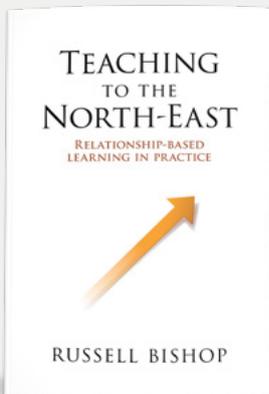
“Māori is quite tricky but I enjoyed it and it is a pretty nice time learning Māori”

“The Māori assessment was great”.

Select the colour **whero**.

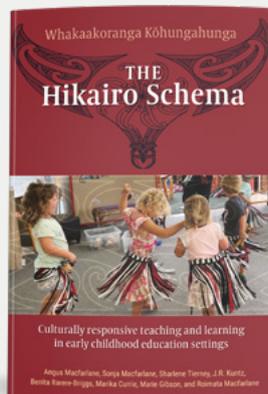


FEATURED PUBLICATIONS



Teaching to the North-East: Relationship-based learning in practice (2019) by Russell Bishop. This book responds to the marginalisation of Indigenous students with a way of teaching

intended to increase equity in the education system. Russell Bishop sets out how schools and teachers can respond to diverse groups of students and develop teaching practices that promote learning for everyone. Students’ prior knowledge, language and ways of making sense of the world are used to inform teaching practices rather than being seen as barriers to learning.



The Hikairo Schema: Culturally responsive teaching and learning in early childhood education settings (2019) by Angus Macfarlane, Sonja Macfarlane, Sharlene Teirney, JR Kuntz, Benita Rarere-Briggs, Marika Currie,

and Roimata Macfarlane. This adaptable guide invites kaiako to rethink approaches to engaging tamariki, re-envision the teacher/learner dynamic, revise old habits, and reconfigure learning environments to acknowledge and embrace cultural differences. This book was popular, with several reprints during its first year of release.

3. He kōkiri whakaaro, he tārai i te mātauranga o āpōpō Lead thinking and shape the future of education

We engage with future-focused ideas that challenge the status quo and encourage learning in new and purposeful ways.

Being actively involved in advisory groups remains central to this strategic priority.

This year, Government progressed an ambitious work programme for the education portfolio and this included a number of advisory groups in key areas of Government priority. We have been able to contribute our independent, research-based knowledge and expertise to the decision making and influence recommendations being made to Government.

As mentioned in the Director’s foreword, our staff have played a key role in the Tomorrow’s Schools taskforce; the NCEA Review; and the Curriculum, Progress and Achievement Ministerial Advisory Groups.

We have also been a part of the following groups: Education Workforce Strategy Governance Group, Joint Taskforce on Reducing Compliance, Bullying and Prevention Advisory Group, Pathways Advisory Group, Technical Overview Group for Assessment (NZQA), ESOL National Advisory Group, and the Data for Wellbeing Sector Advisory Group.

Alongside our system-level advisory group contribution, we have provided a number of background papers, annotated bibliographies, literature reviews, and analyses to support the Government’s education work programme and the decisions being made. An important piece of work we were pleased to undertake was the data collection, analysis, and report of the public consultation for the NCEA review.

FEATURED PUBLICATIONS



Rich tasks planning deck (2018) developed by Dr Rosemary Hipkins. Rich tasks provide opportunities for students to show what they already know and can do (i.e., to show the capabilities they have developed by weaving curriculum content and aspects of the key competencies together). At the same time, rich tasks stretch and extend students.

Our focus on student and staff wellbeing is growing

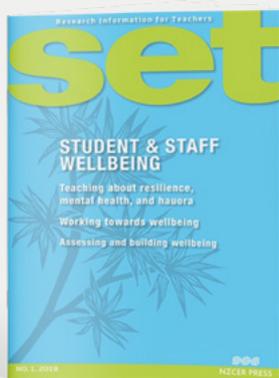
The theme of wellbeing continues to feature strongly in our work.

We've touched on wellbeing findings in the National Survey of Secondary Schools 2018, and in the Wellbeing of Te Reo Māori on pages 9 and 10.

We also acknowledge the cross-government funding from the Ministry of Education and the Accident Compensation Corporation (ACC) to enable every school or kura in Aotearoa free access to the Wellbeing@School toolkit. The additional funding has enabled the removal of a per student survey fee helping to increase the use of the Wellbeing@School website and survey tools by 58% on 2017.

We continue to lead thinking through our journal *Set: Research Information for Teachers*. Our first issue for 2019 is a special issue on student and staff wellbeing. It is timely for our country as we find renewed commitment to principles of inclusion, cultural diversity, community engagement, and wellbeing.

Just over 70% of all schools and kura are registered to use the Wellbeing@School website and toolkit



Set special issue 2019 (1): Student and staff wellbeing: The issue offers insight into how schools can promote wellbeing, address bullying, recognise giftedness across diverse domains, and build cultural understandings.

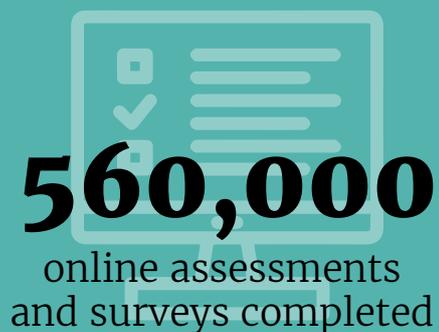
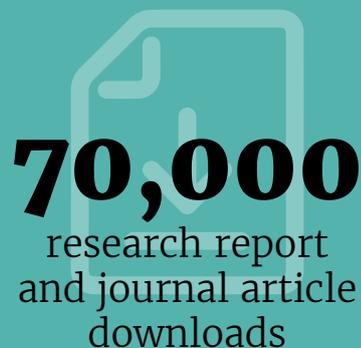
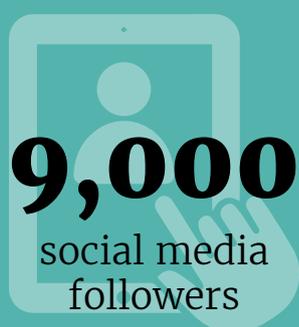


Set special issue 2018 (3): Learning through play and games: A research-informed perspective on pedagogies associated with play and/or games by sharing findings and reflections from research projects and practitioner inquiries across a range of settings and focuses.

Te whātoro me te whakaaweawe o ā mātou mahi

—The reach and impact of our work

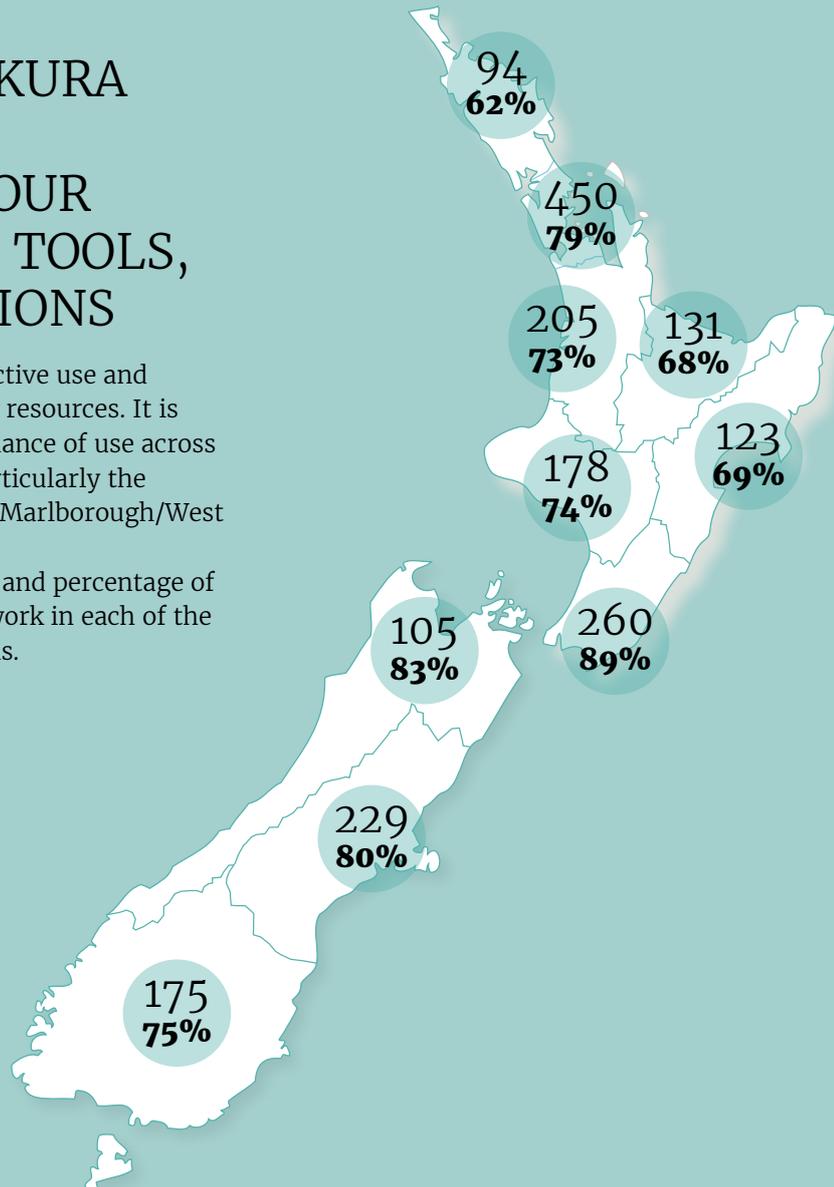
OUR IMPACT IN NUMBERS



SCHOOLS AND KURA ALL OVER THE COUNTRY USE OUR ASSESSMENTS, TOOLS, AND PUBLICATIONS

We have a goal to improve effective use and broaden the accessibility to our resources. It is pleasing to see an improved balance of use across the regions of Aotearoa and particularly the growth in Tai Tokerau, Nelson/Marlborough/West Coast, and Canterbury.

This map shows the number and percentage of kura and schools that use our work in each of the 10 Ministry of Education regions.



OUR WEBSITES

Assessment Resource Banks (ARBs)

Curriculum for the Future

Games for Learning

NZCER Corporate website

NZCER Marking Service

Shifting Thinking

Teaching & Learning Research Initiative (TLRI)

Teaching, School, and Principal Leadership Practices Survey Tool

Wellbeing@School

Te Poari o NZCER me te Kāhui Kōwhiri

—The NZCER Board and Electoral College

NZCER is an independent statutory body, whose operation is enabled by the New Zealand Council for Educational Research Act 1972 (the Act).

The Act sets out how members are appointed and elected to the Council, known as the Board. The Board's sole employee is the Director, who is responsible for managing NZCER's activities.

The Board includes five elected members, up to three Board appointed members, and one member appointed by the Minister of Education. The term of the Ministerial appointee Pania Gray expired, and Dr Jodie Hunter was appointed.

Board members serve for terms of 4 years, with two or three of the five elected Board members completing their term every 2 years.

Board members are nominated and elected by an Electoral College convened from the education sector. The Electoral College ensures a broad representation from across the education sector, including public and private institutions, spanning early childhood education to tertiary, and including unions and professional associations.

Board members as at 30 June 2019

Chairperson: FIONA PIMM—Consultant. Co-opted member, appointed 1 May 2014, present term expires 30 November 2021

Deputy Chairperson, Audit and Risk Committee

Chairperson: DR VICKI CARPENTER—Education Researcher and Consultant. Appointed 1 October 2011, present term expires 30 September 2019

Minister's Appointee to the Board:

DR JODIE HUNTER—Senior Lecturer, Institute of Education, Massey University. Appointed 6 November 2018, term expires 7 November 2022

DR LEXIE GRUDNOFF—Associate Professor, Faculty of Education and Social Work, The University of Auckland. Appointed 1 October 2011, present term expires 30 September 2019

FRANCES NELSON—Education consultant (previously Principal at Fairburn School). Appointed 1 October 2013, present term expires 30 September 2021

DR MERE SKERRETT—Senior Lecturer, Victoria University of Wellington. Appointed 1 October 2015, present term expires 30 September 2019

DR ARAPERA ROYAL TANGAERE—Kaihere Kaupapa Kounga (National Advisor—Quality of the kaupapa) Te Kōhanga Reo National Trust. Appointed 1 October 2017, present term expires 30 September 2021

GRANT TAYLOR—Managing Partner, Ernst & Young. Co-opted member, appointed 1 July 2015, present term ends 30 November 2019

Staff representative

DR DINAH VINCENT (until April 2019)

LEAH SAUNDERS (from May 2019)

Tauāki pūtea

—Financial statements

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Statement of Comprehensive Revenue and Expense

for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
Revenue			
Revenue	2	8,135,823	7,743,789
Interest Income		62,516	41,420
Other Income	3	1,383,582	1,957,338
Total Revenue		9,581,921	9,742,548
Expenditure			
Cost of Sales		683,031	629,699
Operating Expenses	4	2,551,758	2,730,915
Personnel Expenses	5	4,667,428	6,109,644
Accommodation Expenses		535,342	502,610
Depreciation and Amortisation Expense	9, 10	287,784	297,861
Total Expenditure		8,725,343	10,270,730
Net Surplus/(Deficit)		856,578	(528,182)
Other Comprehensive Income		-	-
Total Comprehensive Income		856,578	(528,182)

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Equity

for the year ended 30 June 2019

	2019 \$	2018 \$
Equity at Start of the Year	3,478,979	4,007,164
Total Comprehensive Revenue and Expenditure	856,578	(528,182)
Balance at 30 June	4,335,557	3,478,979

The accompanying notes form an integral part of the financial statements.

Statement of Financial Position

as at 30 June 2019

	Notes	2019 \$	2018 \$
Current Assets			
Cash and Cash Equivalents	6	2,448,463	794,819
Investments	6	2,000,000	800,000
Trade and Other Receivables	7	1,025,003	2,214,731
Inventory	8	337,371	352,731
<i>Total Current Assets</i>		5,810,838	4,162,282
Non-current Assets			
Property, Plant and Equipment	9	123,027	176,408
Intangible Assets	10	831,358	1,039,557
<i>Total Non-current Assets</i>		954,385	1,215,965
Total Assets		6,765,223	5,378,247
Current Liabilities			
Trade Payables		213,662	394,939
Employee Entitlements	11	313,525	312,051
Other Payables	12	1,809,833	1,068,698
<i>Total Current Liabilities</i>		2,337,019	1,775,688
Non-current Liabilities			
Employee Entitlements	11	92,647	93,580
Other Payables—Non-current	12	0	30,000
<i>Total Non-current Liabilities</i>		92,647	123,580
Total Liabilities		2,429,666	1,899,268
Net Assets		4,335,557	3,478,979
Equity			
Accumulated Funds		4,335,557	3,478,979
Total Equity		4,335,557	3,478,979


Fiona Pimm

Chair

27 September 2019


Vicki Carpenter

Deputy Chair

27 September 2019

The accompanying notes form an integral part of the financial statements.

Statement of Cash Flows

for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
Cash Flows from Operating Activities			
Receipts from Government		1,448,936	1,452,000
Receipts from Customers		9,856,993	8,729,016
Interest Received		48,582	50,991
Educational Funds Receipts	13	1,562,225	1,250,409
Payments to Employees		(4,666,888)	(6,231,148)
Payments to Suppliers		(3,959,508)	(3,754,115)
Educational Funds Payments	13	(1,411,819)	(1,505,665)
Net Cash Flows from Operating Activities		2,878,521	(8,512)
Cash Flows from Investing Activities			
Maturing of Short-term Deposits		(2,400,000)	200,000
Sale of Property, Plant and Equipment		70	2,250
Purchase of Property, Plant and Equipment		(12,404)	(12,012)
Net Investment in Intangible Assets		(12,543)	(271,866)
Net Cash Flows from Investing Activities		(2,424,877)	(81,628)
Increase/(Decrease) in Cash and Cash Equivalents		453,644	(90,140)
Cash and cash equivalents at the beginning of the year		794,819	884,959
Cash and cash equivalents at the end of the year		1,248,463	794,819

The Council did not undertake any financing activities during the year.

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

For the year ended 30 June 2019

1. Statement of Accounting Policies

Reporting Entity

The New Zealand Council for Educational Research (the Council) is a public benefit entity established under the New Zealand Council for Educational Research Act 1972.

The purpose of the Council is to inspire education. We play a leading role in research, developing tools, providing services that drive effective learning, and positive change in policy and practice.

The Council is a reporting entity for the purposes of the terms of section 32 of the New Zealand Council for Educational Research Act 1972. Its registered office and principal place of business is at 178 Willis Street, Wellington.

The financial statements of the Council are for the year ended 30 June 2019, and were approved on 27 September 2019.

Basis of Preparation

The financial statements have been prepared on a going concern basis and in accordance with generally accepted accounting practices (GAAP). Accounting policies have been applied consistently throughout the period.

The Council is a public entity as defined in the Public Audit Act 2001, and is designated as a public sector public benefit entity (PBE) for financial reporting purposes.

The Council does not have public accountability and is not large, as defined in the Accounting Standards Framework issued by the External Reporting Board. Therefore, the Council has elected to report in accordance with PBE Standards Reduced Disclosure Regime (PBE Standards RDR).

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

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

Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

a) Revenue Recognition

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

Sale of educational resources

Revenue derived from the sales of educational resources to third parties is recognised at the time of delivery of the goods to the customer.

Provision of services (project revenue)

Services provided to third parties on normal commercial terms are exchange transactions. Revenue from these services is recognised in proportion to the stage of completion at balance date.

Interest revenue

Interest revenue is recognised in the Statement of Comprehensive Revenue and Expense using the effective interest method.

b) Government Grants

The Government Grant, renamed as Te Pae Tawhiti, is received by the Council from the Ministry of Education, to fund a specified programme of work.

Revenue received under the Government Grant agreement is classified as arising from non-exchange transactions, in that the Council receives funding from the Ministry of Education and uses this to provide value across the education sector, and not directly back to the Ministry. The Government Grant funding is subject to restrictions, in that the Council can only use the funds in fulfilling the specific work programme that has been negotiated and agreed with the Ministry.

c) Trade and Other Receivables

Short-term receivables are recorded at their face value, less any provision for impairment. A receivable is considered impaired when there is evidence that the Council will not be able to collect the full amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of amounts expected to be collected. Bad debts are written off when identified.

d) Cash and Cash Equivalents

Investments in bank deposits are initially measured at the amount invested. After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment.

e) Inventories

Inventories held for distribution or use in the provision of services that are not supplied on a commercial basis are measured at the lower of (a) cost (using the weighted average method) adjusted, when applicable, for any loss of service potential, and (b) net realisable value. Inventories acquired through non-exchange transactions at no cost or for nominal consideration are measured at fair value at the date of acquisition.

Inventory held for sale or use in the provision of goods and services on a commercial basis is valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the weighted average cost method.

The write-down from cost to current replacement cost or net realisable value is recognised in the Statement of Comprehensive Revenue and Expense in the period when the write-down occurs.

f) Property, Plant and Equipment

Property, plant and equipment consist of furniture and fittings (including leasehold improvements) and equipment. Assets are stated at cost less accumulated depreciation and any impairment in value. Cost includes expenditure that is directly attributable to the acquisition of the item.

The cost of an item of property, plant, or equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

When an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

On the subsequent disposal or permanent withdrawal of an item of property, plant, or equipment, the gain or loss on disposal is calculated as the difference between the disposal proceeds (if any) and the carrying amount of the asset, and is included in the surplus or deficit for the year.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation on property, plant, and equipment is calculated on a straight-line basis.

The following estimated useful lives are used in the calculation of depreciation:

Furniture and Fittings	10 years	(10%, Straight line)
Computing and Electronic Equipment	3 years	(33.3%, Straight line)

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

g) Intangible Assets

The main classes of intangible assets are product developments and computer software. Product development costs that meet the recognition criteria in PBE IPSAS 31 are capitalised as incurred. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Staff training costs are recognised as an expense when incurred. Costs associated with maintaining product developments and computer software are recognised as an expense when incurred.

The carrying value of an intangible asset is amortised on a straight-line basis over its estimated useful life. Amortisation begins when the asset is in a state of readiness and is available for use. The amortisation charge for each financial year is recognised in the surplus or deficit for the year.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer Software	3 years	(33.3%, Straight line)
Product Development	3–6 years	(16.7%–33.3%, Straight line)

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Comprehensive Revenue and Expense when the asset is derecognised.

h) Impairment of Property, Plant and Equipment and Intangible Assets

The Council does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Non-cash-generating assets

Property, plant, and equipment and intangible assets that are held at cost and have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as being impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

Any subsequent reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

i) Trade and Other Payables

Short-term creditors and other payables are recorded at their face value. Trade and other payables are recognised when the Council becomes obliged to make future payments resulting from the purchase of goods and services.

j) Income in Advance

Income received in advance of actual delivery of the associated goods or services is reported as part of Other Payables on the Statement of Financial Position. The main categories of income in advance are subscriptions and project funds received in advance.

k) Provision for Employee Entitlements

Provision is made in respect of the Council's liability for annual leave, long service leave, and retirement leave.

Short term

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and retiring and long service leave entitlements expected to be settled within 12 months of balance date.

Long term

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retiring leave, have been calculated using a model that takes account of:

- the likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlements, and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Annual leave, vested and non-vested long service leave, and retirement leave expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

l) Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and benefits of ownership of the asset to the lessee.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

m) Foreign Currency Transactions

Transactions in foreign currencies are translated into NZD (which is the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions are recognised in the surplus or deficit for the year.

n) 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 input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, IRD is included as part of receivables or payables in the Statement of Financial Position. Commitments and contingencies are stated GST exclusive.

o) Income Taxes

Section 29 of the New Zealand Council for Educational Research Act 1972 exempts the Council from income tax. Accordingly, no provision has been made for income tax.

p) Comparative Amounts

Comparative information has been reclassified, where necessary, to achieve consistency in disclosure with the current year.

q) Other Critical Accounting Estimates and Assumptions

In preparing these financial statements, the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Project income

As stated in Section a) Revenue Recognition, subsection Provision of services, the Council reviews the progress of research contracts, estimates the work required to complete contracts, and determines the amount of revenue to recognise.

An incorrect estimate of the work required to complete contracts will impact on the revenue recognised in the Statement of Comprehensive Revenue and Expense. The Council minimises the risk of this estimation uncertainty by monitoring projects on a monthly basis and reviewing projects by key management personnel every quarter.

Estimating useful lives and residual values of property, plant, equipment, and intangible assets

Assessing the appropriateness of useful life and residual value estimates of property, plant, equipment, and intangible assets requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the Council, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation and amortisation expense recognised in the surplus or deficit, and the carrying amount of the asset in the Statement of Financial Position. The Council minimises the risk of this estimation uncertainty by physical inspection of the assets (where appropriate), asset replacement programmes, and regular review of estimated lives and residual values for major assets.

Retirement and long service leave

Note 11 provides an analysis of the exposure in relation to estimates and uncertainties surrounding retirement and long service leave liabilities.

r) Other Critical Judgements in Applying the Council's Accounting Policies

Management has exercised the following critical judgements in applying the Council's accounting policies for the year ended 30 June 2019.

Leases classification

Determining whether a lease agreement is a finance or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the Council.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the Statement of Financial Position as property, plant, and equipment, whereas for an operating lease, no such asset is recognised.

The Council has exercised its judgement on the appropriate classification of equipment leases and has determined current lease arrangements are operating leases.

2. Revenue consists of the following items

	2019 \$	2018 \$
Sales	1,681,145	1,472,962
Government Grant	1,448,936	1,452,000
Project Revenue	5,005,743	4,818,827
Total	8,135,823	7,743,789

Revenue received under the Government Grant agreement is classified as arising from non-exchange transactions, in that the Council receives funding from the Ministry of Education and uses this to provide value across the education sector, and not directly back to the Ministry. The Government Grant funding is subject to restrictions, in that the Council can only use the funds in fulfilling the specific work programme that has been negotiated and agreed with the Ministry.

3. Other Income

	2019 \$	2018 \$
Royalties	85,506	137,514
Sale of PAT Items	0	438,235
Marking Service	1,178,172	1,133,668
Other Income	119,904	247,921
Total	1,383,582	1,957,338

4. The Statement of Comprehensive Revenue and Expense includes the following items:

	2019 \$	2018 \$
Remuneration of Auditors		
– Audit of the Financial Statements	43,786	42,232
Board Members' Fees	48,619	29,347
Bad Debts Written Off	14,103	56
Operating Lease Expenses	28,543	30,056
Asset Disposals and Intangible Write-off	0	186,832
Donations Paid	8,750	7,006
Foreign Exchange Translation Gain/Loss	0	0
Rental of Office Premises	383,024	351,773
Inventory Write-off	16,981	53,642

Operating Expenses

	2019 \$	2018 \$
Seminars and Conferences	13,852	41,844
ICT—Info & Comm Technology	399,190	499,007
Travel	111,362	169,971
Administration Expenses	325,930	305,050
Financial Expenses	72,581	59,323
Write-off of Intangible Assets	0	186,832
Board Fees and Expenses	87,279	50,303
Contracted Services	1,464,320	1,322,366
Advertising Expenses	40,166	60,275
Library Expenses	37,078	35,944
Total Operating Expenses	2,551,758	2,730,915

5. Personnel Expenses

	2019 \$	2018 \$
Salaries and Wages	4,343,034	5,335,867
Employer Contributions	204,492	259,327
Increase/(Decrease) in Employee Entitlements	540	(121,501)
Redundancy	0	484,545
Staff Development and Training Expenses	55,868	76,259
Other Personnel Expenses	63,494	75,147
Total Personnel Expenses	4,667,428	6,109,644

Employer contributions to defined contribution plans include contributions to KiwiSaver, the Government Superannuation Fund, and individual retirement plans.

Salary and wages exclude a portion of staff time capitalised to intangible assets (2019: \$0; 2018: \$181,866).

6. Cash, Cash Equivalents, and Investments

	2019 \$	2018 \$
Cash at Bank	1,248,463	794,819
Term Deposits with Maturities Less Than 3 Months	1,200,000	0
Total Cash and Cash Equivalents	2,448,463	794,819
Investments	2,000,000	800,000
Total Cash, Cash Equivalents, and Investments	4,448,463	1,594,819

The carrying value of all investments with maturity dates of 12 months or less approximates their fair value.

The Council holds unspent trust funds received (described as 'Educational funds'), included in cash at bank, of \$272,140 being TLRI (2018: \$121,734) that is subject to restrictions. TLRI restrictions generally specify that the funds may only be disbursed to researchers and projects that have been approved by the TLRI Board.

7. Trade and Other Receivables

The major categories of receivables are:

	2019 \$	2018 \$
Trade/Project Receivables	849,342	2,173,994
Accrued Project Revenue	52,375	0
Accrued Interest	17,129	3,195
Other Receivables	106,157	37,542
	1,025,003	2,214,731

As at 30 June 2019 and 2018, all overdue receivables have been assessed for impairment and appropriate provisions applied where necessary.

All receivables are from exchange transactions. No receivables are from non-exchange transactions.

8. Inventories

	2019 \$	2018 \$
Stock NZCER Press	248,119	256,592
Stock PTS	89,252	96,139
Total Inventories	337,371	352,731

As at 30 June 2019 inventories have been reviewed with old stock either written off or carrying costs written down to market value. The write-off for 2019 was \$16,981 (2018: \$53,642).

9. Property, Plant, and Equipment

	Furniture and Fittings \$	Equipment \$	Total \$
<u>Cost</u>			
Balance at 1 July 2017	925,615	1,112,666	2,038,281
Additions	10,274	1,738	12,012
Disposals	0	-15,760	-15,760
Balance at 30 June 2018	935,889	1,098,645	2,034,533
Balance at 1 July 2018	935,889	1,098,645	2,034,533
Additions	6,234	7,428	13,662
Disposals	0	-1,258	-1,258
Balance at 30 June 2019	942,122	1,104,815	2,046,937
<u>Accumulated Depreciation</u>			
Balance at 1 July 2017	749,808	1,040,987	1,790,795
Depreciation Expense	41,238	41,852	83,090
Eliminate on Disposal	0	-15,760	-15,760
Balance at 30 June 2018	791,046	1,067,079	1,858,125
Balance at 1 July 2018	791,046	1,067,079	1,858,125
Depreciation Expense	41,679	25,364	67,043
Eliminate on Disposal	0	-1,258	-1,258
Balance at 30 June 2019	832,725	1,091,185	1,923,910
<u>Net Book Value at Year-end</u>			
At 30 June 2018	144,842	31,566	\$176,408
At 30 June 2019	109,387	13,630	\$123,027

10. Intangible Assets

	Capitalised Development \$	Intangible Assets in Progress \$	Software \$	Total \$
<u>Cost</u>				
Balance at 1 July 2017	1,059,244	589,604	358,290	2,007,138
Additions	0	271,866	0	271,866
Capitalised	402,773	-402,773	0	0
Disposals	0	-186,832	0	-186,832
Balance at 30 June 2018	1,462,017	271,865	358,290	2,092,172
Balance at 1 July 2018	1,462,017	271,865	358,290	2,092,172
Additions	0	0	12,543	12,543
Capitalised	0	0	0	0
Disposals	0	0	0	0
Balance at 30 June 2019	1,462,017	271,865	370,833	2,104,715
<u>Accumulated Amortisation</u>				
Balance at 1 July 2017	479,555	0	358,290	837,845
Amortisation Expense	214,771	0	0	214,771
Disposals	0	0	0	0
Balance at 30 June 2018	694,326	0	358,290	1,052,616
Balance at 1 July 2018	694,326	0	358,290	1,052,616
Amortisation Expense	216,774	0	3,967	220,741
Disposals	0	0	0	0
Balance at 30 June 2019	911,100	0	362,257	1,273,357
<u>Net Book Value at Year-end</u>				
At 30 June 2018	767,691	271,865	0	1,039,556
At 30 June 2019	550,917	271,865	8,576	831,358

11. Employee Entitlements

	2019 \$	2018 \$
Annual Leave—Current	313,525	312,051
Retirement and Long Service Leave—Non-current	92,647	93,580
	406,172	405,631

12. Other Payables

The major categories of Other Payables are:

	2019 \$	2018 \$
<u>Current</u>		
Accruals	190,462	72,306
Advance Subscriptions	78,195	79,016
Project Income in Advance	1,022,461	508,054
Educational Funds	272,140	106,734
Other Liabilities (includes purchase order control 2019: \$5,678; 2018: \$30,709)	246,575	302,588
	1,809,833	1,068,698
<u>Non-current</u>		
Educational Funds	0	30,000
	1,809,833	1,098,698

	2019 \$	2018 \$
<u>Payables Under Exchange Transactions</u>		
Accruals	190,462	72,306
Advance Subscriptions	78,195	79,016
Project Income in Advance	1,022,461	508,054
Other Liabilities	9,596	35,436
	1,300,714	694,812
<u>Payables Under Non-exchange Transactions</u>		
Educational Funds	272,140	136,734
Taxes Payable (GST)	236,979	267,152
	509,119	403,886
Total Other Payables	1,809,833	1,098,698

Accruals and other liabilities (which mainly comprises expenditure clearing accounts) are non-interest-bearing and are normally settled within 30 days of balance date, and therefore the carrying value of these payables approximates their fair value.

Advance subscriptions and project income in advance are normally settled within 12 months of balance date. As the liability is limited to the amount of revenue held in advance, the carrying value of the liability approximates their fair value.

13. Educational Funds

The Council administers three funds for specific educational purposes.

Teaching and Learning Research Initiative (TLRI)

The Council has an agreement with the Ministry of Education to provide programme co-ordination services for this Initiative. Under this agreement, the Council receives TLRI funding from the Ministry and disburses this funding on behalf of the Ministry to projects selected by the TLRI Advisory Board.

The Margaret Blackwell Fellowship

The Margaret May Blackwell Travel Fellowship was initiated in 1988 and is administered by NZCER on behalf of Trustees. The Fellowship is given annually to enable a suitable person in early childhood education to study overseas to gain further experience and subsequently to disseminate that information for the benefit of early education in New Zealand.

Beeby Fund 1998

The Beeby Fund is a joint initiative by the Council and UNESCO and provides funding to researchers to prepare books focused on enhancing teaching practice and students' learning. This fund is administered by the Council.

Funds	Balance 30 June 2018 \$	Receipts \$	Payments \$	Balance 30 June 2019 \$
Teaching and Learning Research Initiative	106,734	1,549,645	1,384,239	272,140
Beeby Fund 1998	30,000		30,000	0
Margaret Backwell Trust	0	12,580	12,580	0
TOTAL	136,734	1,562,225	1,426,819	272,140

Receipts and disbursements of these funds are excluded from the Statement of Comprehensive Revenue and Expense, as they do not meet the requirements to be recognised as revenue or expenditure of the Council. However, funds held by the Council as at 30 June have been included as liabilities in the Statement of Financial Position.

TLRI funds held as at 30 June each year are expected to be fully disbursed within 12 months of balance date and therefore are reported as current liabilities. Because we cannot determine or control when Beeby Funds are spent, we have also reported these as current liabilities.

Receipts and payments associated with the educational funds are classified as arising from non-exchange transactions, in that the Council receives value from the funders without directly giving approximately equal value in exchange. The total funds held as at 30 June (2019: \$272,140; 2018: \$136,734) are subject to restrictions, in that they can only be disbursed to the projects selected by the TLRI Advisory Board, and the amounts and timing of disbursements are stipulated by the contracted payment schedules for each project.

14. Commitments for Expenditure

The future aggregate minimum lease payments to be paid by the Council as lessee under non-cancellable operating leases are as follows:

	2019 \$	2018 \$
Not Later Than 1 Year	396,409	397,473
Later Than 1 Year and Not Later Than 5 Years	297,147	649,040
Later Than 5 Years	-	-
	693,556	1,046,513

A significant portion of the total non-cancellable operating lease expense relates to the lease of office and warehouse space in Education House, Wellington.

15. Contingencies

Contingent liabilities

The Council has no contingent liabilities, guarantees, or indemnities outstanding as at 30 June 2019 (30 June 2018: Nil).

Contingent assets

The Council has no contingent assets (30 June 2018: Nil).

16. Related Parties

Related party disclosures are not required, as all transactions with related parties have been conducted within a normal supplier or customer/recipient relationship, on similar terms and conditions to those that the Council would reasonably adopt in dealing with the party at arm's length in the same circumstances.

Key Management Personnel Compensation

	2019 \$	2018 \$
<i>Board Members</i>		
Remuneration	48,619	29,347
Full-time Equivalent Members	0.48	0.30
<i>Leadership Team</i>		
Remuneration	679,463	949,158
Full-time Equivalent Members	3.65	4.77
Total Key Management Personnel Remuneration	728,082	978,505
Total Full-time Equivalent Personnel	4.13	5.07

The full-time equivalent for Board members has been determined based on time paid for preparation and attendance at Board meetings during the year.

17. Categories of Financial Assets and Liabilities

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows.

	2019 \$	2018 \$
<i>Loans and Receivables</i>		
Cash and Cash Equivalents	2,448,463	794,819
Debtors and Other Receivables	1,025,003	2,214,731
Investments—Term Deposits	2,000,000	800,000
Total Loans and Receivables	5,473,466	3,809,550
<i>Financial Liabilities at Fair Value</i>		
Payables (excluding income in advance, taxes payable, and educational funds received subject to conditions)	413,720	502,680

18. Subsequent 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.

Independent Auditor's Report

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

The Auditor-General is the auditor of the New Zealand Council for Educational Research (the Council). The Auditor-General has appointed me, John Whittal, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements, of the Council on his behalf.

Opinion

We have audited:

- the financial statements of the Council on pages 18 to 33, that comprise the statement of financial position as at 30 June 2019, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion:

- the financial statements of the Council on pages 18 to 33:
 - present fairly, in all material respects:
- its financial position as at 30 June 2019; and
- its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 27 September 2019. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the Council for preparing financial statements that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board 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 Board is responsible on behalf of the Council for assessing the Council's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Council, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the New Zealand Council for Educational Research Act 1972.

Responsibilities of the auditor for the audit of the financial statements and the performance information

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.

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 Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 and the performance information 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 Council to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, 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 Board 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 Board is responsible for the other information. The other information comprises the information included on pages 1 to 17, but does not include the financial statements and our auditor's report thereon.

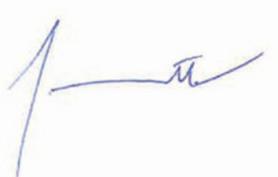
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

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



John Whittal

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

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Te mahi whakauka—Sustainability

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