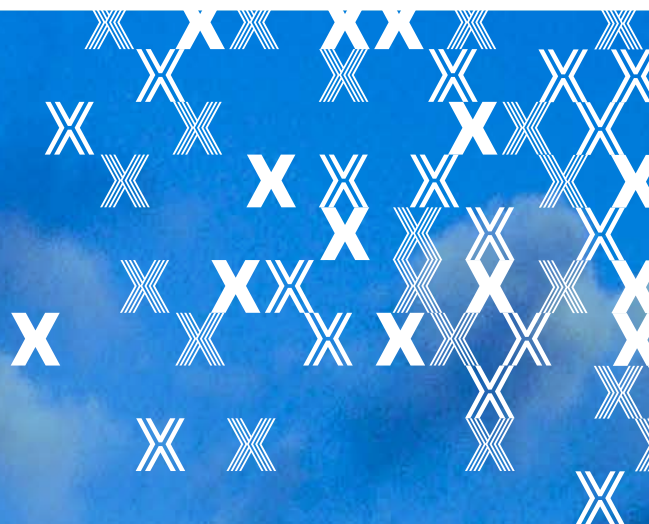


The background of the cover is a composite image. The top portion features a dark blue night sky filled with numerous white stars of varying sizes. Overlaid on the right side of the sky is a pattern of orange 'X' marks, some of which are solid and others are outlined. The bottom portion of the cover shows an aerial view of a coastal landscape. A river or estuary with a light blue, silty water flows from the right towards the left, where it meets the ocean. The coastline is rugged, with a prominent dark, rocky headland in the lower-left foreground. The surrounding land is covered in dense green forest. The sky above the landscape is a mix of blue and white clouds, suggesting a dawn or dusk setting.

NATIONAL EXECUTIVE REPORT // 2018

NZEI TE RIU ROA

NZEI TE RIU ROA NATIONAL EXECUTIVE REPORT // 2018



CONTENTS

NZEI Te Riu Roa National Executive and Te Reo Areare	3
Message from the National President	5
Message from the National Secretary	6
National Executive Report to Annual Meeting 2018	10-26
Te Reo Areare Report to Te Kāhui Whetū 2018	27-36
Submissions	37
NZEI Te Riu Roa National Leadership and Reference Groups	39
Financial Overview	40-45
Summary Financial Statements	46-55

This report is available on the NZEI Annual Conference website at www.AC2018.nzei.org.nz

© NZEI Te Riu Roa, PO Box 466, Wellington, New Zealand
Phone 0800 NZEI HELP, fax (04) 385 1772,
email nzei@nzei.org.nz, www.nzei.org.nz

NZEI TE RIU ROA NATIONAL EXECUTIVE



L to R: Raewyn Himona, Colin Tarr, Winnifred Morris, Louise Green, Liam Rutherford, Mark Potter, Lynda Stuart, Byron Sanders, Virginia Oakly, Barb Curran, Phonderly Siohane, Rikki Sheterline, Susan Poole, Manu Pohatu.

TE REO AREARE



*Back L to R: Raewyn Himona, Te Aroha Hiko, Jordan Kaie, Virginia Heta, Jo Young, Joanne Noanoa, Lovi Collier, Anna Henare, Tangihia Pouwhare, Tiri Bailey, Paeone Goonan, Winnifred Morris.
Front L to R: Ripeka Lessels, Merearihi Whatuira, O'Sonia Hotereni, Alexandra Waihirere, Ngaromo Beazley.
Absent: Manu Pohatu & Margie Robson.*

TOITŪ TE REO
TOITŪ TE WHENUA
TOITŪ TE TUAKIRI



MESSAGE FROM THE PRESIDENT

We are living in exciting times for public education! Over the past year, we've seen a surge of new member leaders stepping up and empowering each other to speak out on behalf of learners and colleagues. The passion and determination has been inspiring.

The paid union meetings this year for school teachers and principals were testament to that passion and determination, but school support staff, ECE teachers and workers and Ministry of Education support workers have been just as vocal. You have led the public charge for pay equity in your parts of the sector and made it clear that we are no longer going to accept pitiful pay for jobs that have been traditionally seen as women's work. Ministry of Education field staff and service managers have also started their negotiations as well as members in the early childhood sector – it is a busy time.

The stubborn resistance to detrimental policies such as National Standards, charter schools and the removal of teachers' democratic representation on the Education Council bore fruit with the change of Government. We stood firm and never backed down on fighting for what's best for our students and our profession. The parties making up the incoming Government saw that and took our messages on board. It was pleasing to see how quickly they moved to reverse these policies.

The fight for quality public education is never over of course, and there is still much to be achieved in every part of the sector. There are very real ongoing threats to the quality of public education for every child, and major issues around recruitment and retention. We will not be stepping back from all that needs to be done!

However, we head toward the end of 2018 in good heart, with a huge boost in membership numbers this year, proud of all we have achieved together, and optimistic for the future.



Lynda Stuart

NZEI Te Riu Roa President, Te Manukura



IT'S TIME

It's Time to fix our education system so we know that every child will be enabled to succeed to their fullest potential.

It's Time to recognise the role that educators play in ensuring every child will be enabled to succeed to their fullest potential.

It's Time to ensure the workload that our teachers and principals carry is recognised and fixed.

It's Time that our support staff and early childhood educators had the worth of their work recognised and not held back on gender grounds.

It's Time that educators are paid sufficiently well to attract and retain them in the profession.

And It's Time that respect and trust was returned to educators.

Nine years of dramatic underspend, disrespect and teacher blaming have led to this and NZEI Te Riu Roa is not waiting around for another nine years to fix it. Our campaigns are now well underway. They are widely supported and understood. This coalition government has promised to be a reforming government in education. It has started well down that path. But they must recognise that fixing a broken education system cannot take place on the foundations of under-resourced schools and early childhood education services and a profession that is ignored in its genuine and justified claims for pay that recognises their contribution (and which is not held back by gender issues) and for time to teach and lead.

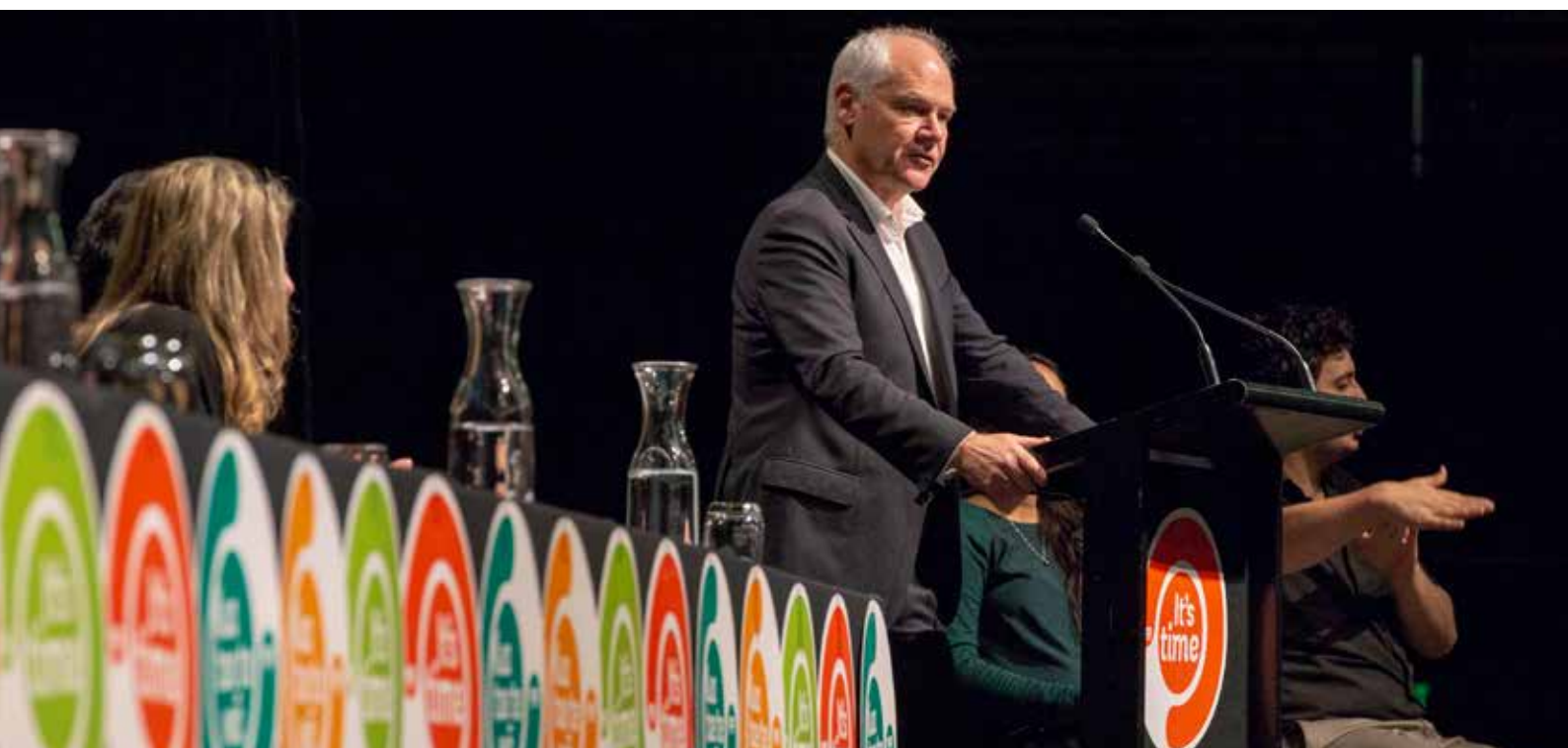
We take on these struggles – not just for our member teachers, principals, support staff and Ministry employees. We take them on for the sake of our communities and we take them on for children.

It certainly is Time. Kua tae te wā.



Paul Goulter

NZEI Te Riu Roa National Secretary









NATIONAL EXECUTIVE REPORT TO ANNUAL MEETING 2018

KUA TAE TE WĀ CAMPAIGN

At the beginning of 2018, enthusiastic member leaders from all over the country launched our *It's Time – Kua tae te wā* campaign. This campaign is about freeing teachers to teach so every child receives the personal attention they need to learn and thrive. It means freeing principals to focus on leading and it means ensuring we have enough teachers by attracting more people to teaching, by respecting them as professionals and paying them properly.

The campaign harnessed the concerns that members have been raising for years, and principals and teachers took the message to their boards of trustees, school communities, MPs and local events.

The public and media response was positive because it is clear that our students come to school to learn the skills to develop the competencies that they'll need to grow up healthy, happy and productive in the 21st century. Our nation can afford to ensure every child receives the education they need to succeed in life, and for every educator to be trusted and resourced to make that a reality. It's simply a matter of priorities.

As we headed into collective agreement negotiations for principals and for primary teachers, members held Paid Union Meetings in March and endorsed a 16% pay rise claim over two years. We stood together for our students and for an education system that values, attracts and retains the amazing teachers who are entrusted with the education of our children.

The campaign was buoyed in April by research commissioned by NZEI and PPTA, showing strong public support for more Government spending on public education, including a significant pay rise for teachers and more support for children with additional learning needs.

The survey found that 83% believe that teachers need a pay rise and of those, 91% of respondents support at least a "moderate" pay increase - 67% want at least a 10% pay rise for teachers and 29% want more than 20%.

Nine out of ten participants agreed very strongly that more support is needed for students with additional learning needs – a huge boost for our campaign.

SOLUTIONS TO THE TEACHER SHORTAGE

The growing teacher shortage has reached crisis proportions and NZEI Te Riu Roa members have been at the forefront of highlighting the problem and potential solutions.

Workload and low pay have seen initial teacher training student numbers plummet, while many who go into teaching leave within five years, and a large number of teachers are nearing retirement.

Amid warnings that class sizes could blow out within a couple of years, success in the *Kua tae te wā* campaign is vital to the recruitment and retention of teachers.

In August, members claimed a win after the then-Minister of Education, Nikki Kaye, announced the voluntary bonding scheme, available for beginner teachers in decile one schools, was being extended to every school in Auckland.

The Government had kept the scheme virtually under wraps for years, until NZEI raised the issue and many teachers who could have benefited from the scheme came forward.

The new Government has since pulled back from voluntary bonding for all Auckland schools, as the previous Government had not allocated any funding for the extension to the scheme.

Alongside the PPTA, we successfully advocated for a quality workforce group to be established last year and to include the ECE sector. In 2018 the new Government confirmed it will include ECE.

In September, leaders from NZEI Te Riu Roa, New Zealand Principals Federation, Auckland Primary Principals Association and Waitakere Area Principals Association announced a 10-point plan to turn around the Auckland teacher crisis.

The plan has two parts – making teaching a satisfying and financially viable career option, while also improving assistance for children with additional learning and behavioural needs so teachers are empowered to give the best possible education to all their students.

The groups made it clear that there is no single solution to the teacher shortage, and it will require political will and a willingness to take bold steps.

ELECTION 2017

NZEI members ran an extensive pre-election campaign called *Vote for Me*. This included photos and making postcards of children as their future selves. It was a very strong visual campaign adopting a values approach to campaigning. It included online engagement, and postcard drops nationally, inviting party candidates to talk to NZEI members, campaigning on the “get out and vote” message and the related *Bring an Adult to Vote* campaign at schools which had a history of low voter turnout at their polling booths.

As part of the election campaign, we asked MPs and candidates to commit to early childhood education by signing a pledge to ensure every child can get the best early childhood education possible by:

1. Restoring funding to ECE that has been cut over the past six years
2. Reducing teacher to child ratios and group sizes
3. Restoring the goal of 100 percent trained teachers in ECE

Members of the new Government were enthusiastic participants in the pledge, and we’ll continue to remind them of their commitment.

In the lead-up to the election, members also invited sitting MPs and a number of candidates to join a support staff worker for a day and find out what it’s really like to be in this role.

MPs around the country were impressed by the important and demanding work support staff do. Many expressed disappointment at the low pay and insecure hours that support staff experience, and pledged to improve the situation.

With the new Government, some of the issues NZEI members have campaigned on strongly were recognised. This included National Standards and charter schools being scrapped, democracy returning to the Education Council, and a commitment to a 30-year vision for education. There was also movement in the commitment to reduce child poverty, new healthy homes provisions and more support for children with learning needs.

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FOR
ME



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NATIONAL STANDARDS

Our members' long-running campaign and resistance against National Standards ended in a win, thwarting National's planned extension of the policy through National Standards Plus.

The end of National Standards was applauded by educators, and NZEI acknowledged the many Boards of Trustees and parents who partnered with NZEI in fighting against National Standards. Some schools were threatened with Ministry intervention for refusing to report against National Standards. Schools are now required to use good quality assessment and provide plain language progress and achievement reports to parents twice a year, across the curriculum.

CURRICULA HUI

Following the demise of National Standards, we sought to celebrate and promote the curricula that had been smothered and sidelined for so long.

In Wellington in March, NZEI hosted *Taking the Lead - Celebrating Our Curricula*, a full day hui where 150 leaders across NZEI Te Riu Roa heard from experts and shared their expertise in working with all of the New Zealand curricula. There was a range of speakers, panel discussion, and TED-style presentations as well as opportunities to share with others.

After the success of that hui, NZEI Te Riu Roa was approached by the Ministry of Education to work in partnership to support New Zealand practitioners. This was in response to the perception that now National Standards and Ngā Whanaketanga Rumaki Māori were no longer part of the educational landscape that educators wanted more support to explore the potential of the curricula. It was decided that one of the ways that support could be extended would be to run further hui across the country. This was the beginning of *Growing from Strong Foundations: Exploring the potential of the National Curricula for all Children*. Six hui were run in June. There were two in Auckland, and the others in Wellington, Dunedin, Christchurch and Rotorua. We were able to draw on some of the experts from the first hui and were also able to give the opportunity for other practitioners to share their practice while giving educators space to talk with each other to decide on how they will draw on the rich national curricula.

BUDGET 2018

Our pre-Budget briefing (with research provided by Infometrics) outlined the investment needed in education. Although we welcomed some more investment in Learning Support, the overall level of investment in education was largely only commensurate to the growing student population and a disappointment to the sector. In particular the failure to fund two specific Labour manifesto commitments – school donations and 100% qualified teachers in ECE – was a blow.

The results of a survey of the public commissioned by NZEI before the Budget got a lot of media coverage and showed strong public support for more investment in education and a pay jolt for teachers.

EARLY CHILDHOOD

Early childhood services continue to struggle financially, putting pressure on teacher workloads and quality. The Government increased operational funding for services by 1.6% in the 2018 Budget, but after a nine-year freeze, it was a great disappointment for early childhood educators who had been hoping for greater financial relief.

The Budget included some increased funding for early intervention, but funding for services with up to 100% qualified teaching staff was not restored, despite assurances that this was a priority for the new Government.

Member leaders participated online and via reference groups in the development of the Government's ten-year Early Learning Strategic Plan that aims to improve quality in the sector, and address the ECE teacher shortage.

INCLUSIVE EDUCATION

The unmet needs of children requiring inclusive education and learning support have been prominent in the media this year, due to members in schools and services and parents being prepared to share their stories.

NZEI members working for the Ministry of Education as specialists in Learning Support have been active in campaigns for inclusive education and pushing hard for more funding.

Many have reported high workloads, inadequate numbers of staff, and problems with recruitment and retention which has led to children not getting the vital support that they need.

There have been many reports in the media bringing attention to the issues facing children and their whanau who need additional support and the services and schools that they attend.

Early intervention services and ORS funding received a boost in the Budget, as the Government responded to members speaking out about the growing need in this area. However, more needs to be done, and through our second annual SENCO survey we highlighted the unmet needs in our schools and the huge pressure on the SENCOs and others trying to get funding support for children. We're calling on the Government to fund a SENCO role in every school.

The previous Government's plans to roll out special education resourcing through Communities of Learning were inequitable and have not been advanced by the incoming Government.

SUPPORT STAFF

NZEI Te Riu Roa members continue to fight for improved pay and job security for support staff, particularly teacher aides, who are most vulnerable to losing hours when school budgets are tight.

In May 2017, more than 500 principal members signed an open letter to the Government, asking for increased operations grant funding to pay support staff more. The letter was published in a national newspaper and was an unprecedented show of solidarity for the support staff who do such important work for the children of New Zealand.

President Lynda Stuart said that, like other principals, she signed the letter because she was extremely concerned about the impact that very low wages and low job security were having on essential support staff and the follow-on effect this has on students.

In December, NZEI Te Riu Roa released a survey of 622 primary and intermediate schools, which found that 44% of principals were under pressure to cut teacher aide hours to meet budget in 2018.

Forty percent of responding principals also said that if they had extra funding, hiring more teacher aides would be their top priority.

Of those principals having to cut teacher aide hours, 35% planned to cut up to 10% of total hours and 32% cut 11-20% of total hours. Eleven percent cut more than 40% of hours.

The 1.6% operations grant increase in the 2018 Budget was not sufficient to relieve the pressure on school budgets – or support staff.

At the end of 2017 the National President determined that the fees working group would continue over 2018. This work has been ongoing and there have been updates to the Support Staff National Leadership group on progress over the year.

PAY EQUITY

NZEI Te Riu Roa members have continued to fight for Mana Taurite/Pay Equity for educators on a range of fronts.

Support workers employed by the Ministry of Education are the smallest group and the longest-standing of our claims. After national publicity around mediation in April 2017, the team of support workers spent months working with the Ministry to assess their work and investigate appropriate comparators. As of June 2018, negotiations with the Ministry have yet to settle the claim and we went back to the Employment Court in June 2018.

For school support staff, teacher aides have the most advanced pay equity claim. A process and timeline were decided as part of collective agreement negotiations in 2017. The first stage - interviews with teacher aides, teachers and principals in around 100 schools to get a full picture of teacher aides' work - has been completed. The Ministry and NZEI Te Riu Roa are using those results to inform the next steps, including identifying appropriate comparators. School administrators have started preparatory work for their pay equity claim.

Thousands of early childhood teachers have signed up to support a pay equity process for their sector, including more than 1000 potential members. Following collective agreement negotiations for the ECECA, a pay equity process is being developed with the first employer group, Te Rito Maioha. Other employers will be added to progress a claim to unite the whole sector.

All of these members and people that support them joined together in public events on May 5, to officially launch our Fair's Fair campaign for Mana Taurite/Pay Equity. These events also attracted great support from other unions and community groups who believe we should value the work of all who work in education.

The new Government gave an early signal that it wanted a legal framework that would make it easier, not harder, to achieve pay equity, by pulling the National Government's proposed legislation. A new bill based on the recommendations of the Joint Working Group on Pay and Employment Equity, on which NZEI Te Riu Roa was represented, is expected this winter.

PRINCIPAL AND SENIOR MANAGEMENT HAUORA

The 2016 Hauora report showed worrying levels of burnout and stress among principal and AP and DP members. The 2017 report, which included a higher number of APs and DPs, showed the trend had not decreased. The larger report was divided into three mini reports, the first of which, "Burnout", was released in February 2018. It showed higher levels of burnout than the previous year and that school leaders were working longer hours. The survey found the sheer quantity of work was seriously affecting their health and taking time away from leading their school's teaching and learning. The report recommended more support and mentoring for boards and for leaders, reduction in red tape and paperwork and consideration of the impact of governance models on leaders and their wellbeing.

A mini report on discrimination was released in June 2018, with another on Offensive Behaviour to follow.

The Discrimination survey was launched at Kia Aroha College in Clover Park, Auckland, to invited guests, including the President of the School Trustees Association.

The survey found that a significant sample of Māori and Pasifika participants have experienced discrimination at work on the basis of their ethnicity.

Among respondents, 27% reported that their ethnicity had been a source of relationship tension during the past 12 months, and 25.8% reported discrimination at work on the basis of their ethnicity. This compares with 8.5-8.9% of non-Māori leaders experiencing tension or discrimination due to their ethnicity.

NZEI Te Riu Roa finds the current level of discrimination unacceptable, and has made a number of recommendations, in consultation with Te Akatea, the association of Māori principals; and the New Zealand Principals Federation.





CLIMATE CHANGE

Climate change is an issue that affects the entire union movement and NZEI is working with NZCTU and Education International to progress the work.

NZEI Te Riu Roa Annual Meeting 2015 adopted a climate change policy. From there, we have been very active in attending hui/summits both here and overseas, particularly when it comes to kaitiakitanga.

The Te Reo Areare climate change rūpu has developed a toolkit for Area Councils to understand what kaitiakitanga is; how it impacts on our histories, our whakapapa and our pepeha.

Members of Te Reo Areare attended the Māori Leaders Climate Change Summit in Wellington in March; Climate Change Education Network hui in April, and were invited to attend the Just Transition Roundtable held in Vancouver, Canada.

NZEI's role includes calling on the Government to consider the environmental impact of all decisions. Specific to education, we support education that focuses on the effect of climate change and encourages schools, centres, classes and individuals to take action.

We are also in the process of developing an online group of educators interested in addressing climate change.

At a local level, the Sustainability Trust has undertaken an environmental impact assessment of our National Office, and we've made a number of changes as a result, including rubbish reduction through recycling paper, plastics, glass and food scraps. We have reduced our landfill volume by 89% and increased recycling volume by 1349% - the best result the trust has ever seen. Other structures in NZEI can also be more intentional with their decision making in relation to the environment. We plan to roll out the changes to regional offices.

LOCAL CONFERENCES

Annual Conference 2017

At Annual Conference 2017, as we awaited the outcome of the election, members enthusiastically committed to two priorities for this year – to win pay equity for support staff, ECE teachers and support workers, and to win a pay jolt and more time to teach and lead for primary teachers and principals.

These two goals are vital to a quality, sustainable education system and workforce, and a great education for every child.

PPTA President Jack Boyle spoke at the Rotorua conference and in turn NZEI President Lynda Stuart spoke at the PPTA's conference. The sister unions are forging strong ties by working together for the benefit of every educator and child.

Other guest speakers at the conference included Welby Ings, author of *Disobedient Teaching*; Hotūroa Barclay-Kerr (Tainui), captain of the oceangoing Waka Haurua; scientist Palatasa Havea (Tasa), a leading advocate for involving more Pasifika people in science and technology careers; and Correna Haythorpe, Federal President of the Australian Education Union.

National Pasifika Fono 2018

Held in Auckland in April 2018, this national fono followed the navigation theme with *Wayfinders, Discovering New Horizons*. The national fono was an opportunity to navigate new horizons, use traditional knowledge, read the surroundings and use resources and abilities to mitigate obstacles and to forge ahead with hope because the answers are within. Each sector provided a keynote speaker followed by eight workshops that clearly illustrated the Pasifika skills and abilities that are readily available in the community to guide and support Pasifika peoples into the future.



New Educators Hui

New Educators held their first activist hui in February, with representatives from across the country learning together about campaigning with the Greens' Chloe Swarbrick and Labour's Hayden Munro. Since then, almost all of these NEN activists have helped at the term one PUMs, and helped recruit more than 2000 new NEN members this year. The Beginning Better workshop series kicked off in term two in Auckland, Wellington and Christchurch and operates as an introduction to NZEI Te Riuroa for new educators. So far, close to 300 registrations have been received for these events - many of whom are not yet members.

Rural and Teaching Principals' Conference

The Rural and Teaching Principals' Conference was held in Hamilton in May this year with more than 150 participants. The theme *Hauora - Governance, Leadership, Curriculum, Self* was supported by key note speeches and workshops with mental health campaigner Mike King and researcher Associate Professor Phil Riley from Australian Catholic University. There was also a strong focus on using digital tools in the classroom, with sessions from Mary Jamieson, James Patronelli and Rachel Whalley.

NZ Council of Trade Unions

It was a very active year with the NZCTU. The Biennial Conference took place in October 2017 with a full group of NZEI members attending. The conference welcomed the new Coalition Government and was addressed by Prime Minister Jacinda Ardern, as well as various Cabinet ministers. The conference also considered the introduction of key elements of the new government's employment relations policies and particularly welcomed the policy around Fair Pay Agreements. The NZCTU has been very influential in co-ordinating the cross-union response to the new government.

Through the NZCTU, NZEI began working with the new government on proposals for the state sector to be an exemplar of good employment relations practice. NZEI also began work through the NZCTU on state sector reform which will reach across to education. The NZCTU has also led the work on pay equity and provided good support to NZEI's own pay equity work.

NZEI was represented on the National Affiliates Council, Te Rūnunga, Womens' Council and Komiti Pasifika.

INTERNATIONAL CONFERENCES

Education International

The Global Response to Commercialisation and Privatisation of Education Campaign continued at a rapid pace. Research reports into the reach of the privatisers in a number of Global South countries had an immediate impact in those countries. EI has also brought their anti-commercialisation and anti-privatisation campaign into global conversations with the OECD, World Bank, UNESCO and other global institutions. NZEI continued to play a leading global role in this campaign and assisted in developing the next stage of the campaign. The abolition of National Standards and of charter schools has been warmly welcomed by education unions throughout the world.

Fred van Leeuwen, longstanding General Secretary of EI, stood down in March 2018. He was the founding Secretary of EI. His contribution to global education and the fight for quality public education has been outstanding and NZEI wished him all the best in his retirement. Acting General Secretary is David Edwards, a close friend of NZEI and our activities.

Among other EI conferences and fora, NZEI played a leading role in the EI Education Support Personnel Conference in Brussels in May 2018.

NZEI also participated in the Commonwealth Education Ministers Conference and the supporting EI Conference of Commonwealth Education Unions. This conference was held in Fiji, which enabled NZEI to participate.



Australian Education Union Federal Conference – February 2018 – Melbourne

President Lynda Stuart attended this conference and presented the current context for New Zealand, particularly as it related to the impact of the change of government. This was very well received by the attendees who also share many of the challenges that we have in New Zealand. There was a strong focus on workload issues for teachers and the issues that are being faced in both the tertiary and early childhood sectors. NZEI also participated in the AEU New Educators Conference in Melbourne.

Leadership for Improving Learning Research Conference – Australian Council of Educational Research (ACER) – August 2017 – Melbourne

This research conference was attended by Lynda Stuart and it had a clear focus on effective leadership. A variety of speakers provided practical examples of the impact on student learning. The importance of leading the moral purpose, vision for a better future, community involvement and being prepared to demonstrate courage and advocate for what is right for students were some of the key themes.

8th Education International Asia Pacific Regional Conference – October 2017 – Nepal

Immediate Past President Louise Green and President Lynda Stuart attended this event which was held in Kathmandu Nepal. The conference focused on issues affecting EI affiliate unions in the region and the challenges in achieving the goals of the Education 2030 agenda. In particular the United Nations Sustainable development Goal 4 – Free primary and secondary education for all and affordable tertiary education was a focus, with Angelo Gavrielatos presenting the research on low-fee private schools and private chain schools in Nepal.

Education International Women's Conference – February 2018 – Marrakesh, Morocco

Stephanie Mills and Lynda Stuart attended this conference which was well attended by women from across the globe. The role of women in unions and as political leaders was explored and the challenges and barriers around gender, leadership and union renewal were the topic of conversations. Stephanie and Lynda led a workshop which focused on the work that we have done around combatting the GERM agenda. There was also an excellent session on the ME TOO campaign.

International Summit of the Teaching Profession – March 2018 – Lisbon, Portugal

Virginia Oakly and Lynda Stuart attended this summit on behalf of NZEI Te Riu Roa. The New Zealand delegation included representation from PPTA, NZPF, SPANZ alongside the Minister of Education, the Secretary for Education, and the Education Chief Science Advisor. Lynda co-presented part of a session with the Minister of Education on schools at the centre of their communities. Other sessions were pedagogies for the future and teacher wellbeing, confidence, efficacy and effectiveness. New Zealand's country commitment was to continue working on teacher wellbeing and co-constructing the vision for education and the design and implementation of changes that affect the profession.

Education International School Leadership Conference – April 2018 – South Africa

Lynda Stuart attended and presented at this conference which had a particular focus on inclusive quality school leadership. A call for equity and the empowerment of women as leaders was very strong. The role of the unions in supporting leadership at all levels was highlighted and there were also clear recommendations that will go to the World Congress in 2019.

See Te Reo Areare report for more conferences.

COLLECTIVE AGREEMENT SETTLEMENTS

Education, Communication and Behaviour Support Workers Collective Agreement

These negotiations resulted in a 2% across the board increase effective 6 July 2017. To help address the insecurity of their work, members won the ability to request additional hours of work, and where the employer did not allocate any additional hours, the requirement to put in writing the reasons for this.

Early Childhood Education Collective Agreement of Aotearoa

In these negotiations – in the context of a freeze in funding – members accepted a priority was to protect the terms and conditions of this multi-employer collective agreement. This meant a nil increase being applied to the rates. Members did however win an agreement for pay equity, including applying the Government-approved principles and development of a plan to map out the process. In addition, the rates were aligned with the increases to the minimum adult wage rates, and an action plan was established to progress pay parity with qualified teachers in kindergarten, primary and secondary.

Te Aho o Te Kura Pounamu Specialist and Support Staff Collective Agreement

A 24-month term to May 2019, with a 1.2% increase on 9 May 2018, with a further 1% in the second year was agreed. The negotiating team achieved a reduction in the number of steps from 19 to 9 for Level A and agreement to update position characteristics for each salary level.

Barnardos Collective Agreement

Members ratified a one-year term from 1 July 2017 to 30 June 2018. Centre Manager, Head Teacher, Assistant Head Teacher or Visiting Teachers had a 2% increase to their base rates. ELC Teachers, In-Training or ELC Educators had a 1.5% increase. Other elements of the settlement saw two days of domestic leave added to an employee's total sick leave allowance.

Hours of work for visiting teachers were established at 40 hours per week, 52 weeks per year with on call hours included in this. Barnardos are required to provide relief cover for visiting teachers absent for five days or more. There was agreement to pay for teacher certification and establishment of a working group to review hours of work for Mangere Early Childhood Centre.

Under negotiation

Collective Agreements expired this year for Ministry of Education Support Workers, Field Staff and Service Managers. These agreements are currently being negotiated.









TE REO AREARE REPORT TO TE KAHUI WHETU

Te Kāhui Whetū 2017

Held at Tauwhare Marae, Kirikiriroa, Te Kāhui Whetū 2017 was based on the kaupapa of Te Kiingitanga and pakeke and kaikōrero mai Tainui, Mamae Takerei and Hotūroa Barclay-Kerr helped raise awareness and understanding and delete the myths and misinformation around Tainui waka and Te Kiingitanga. The haerenga took everyone on the Kiingitanga trail which began in Tauwhare and visited wāhi tapu to which we would otherwise have been excluded.

Particular take-outs from this Te Kāhui Whetū 2017 were;

- Manaakitanga of Tauwhare Marae for their manuhiri
- Marae skills and abilities of the rangatahi of Tauwhare Marae
- Introductions for all teachers to wāhi tapu connected to Te Kiingitanga
- Continued contacts for schools and ECE in Waikato to their rohe
- Connections for NZEI Te Riu Roa with Tainui kaumatua
- Kaikōrero for branches and area councils to access for increased knowledge and understanding of Tainui, Waikato and Waka

Mātauranga Māori Symposium

The Mātauranga Māori Symposium was held in Wellington under the kaupapa; Kā Tū Rangatira Te Tamaiti Hei Raukura Mō Tōna Iwi Tōna Aō

This symposium brought to a local stage the unique, innovative, creative and exciting things happening in indigenous education in Aotearoa.

Māori academics and researchers presented their findings and shared their insights and knowledge with Māori educators and educators of tamariki Māori.

Marae Concept

Purpose: To prepare for whakahau by strengthening the triangles and reactivating Aronui Tōmua Marae Concept.

Identify the leaders in your Aronui Tōmua who fill these positions:

Front of Whare are organisers/transformational leaders who

- build networks
- are media spokespeople
- kaikōrero

Back of Whare are mobilisers/transactional leaders who

- organise the venue
- manaaki manuhiri
- bring people together
- communicate through the kumara vine

Engage and re-engage as many members as possible to build capacity and increase the reach of your Aronui Tōmua.



Curricula Hui - Taking the Lead – Celebrating our Curricula

Opening address by Jan Tinetti (member of parliament and ex National Executive NZEI Te Riu Roa) followed by Te Manukura – Lynda Stuart.

Dr Mere Berryman began with Mana Ōrite as a Critical Curriculum context for accelerating and promoting Māori oranga. Māori males are an endangered species but why?

Treaty of Waitangi - what does partnership mean to Māori and The Crown?

Māori hold the resource and can tell you what to do. Mana is a piece of rhetoric that we bounce around but what does it actually mean?

We present AKO – critical context for a model for change where the curriculum can both accelerate and promote Mauri Ora and Māori Oranga.

Whatever our position as an educator it is our job to move from Mauri noho to Mauri ora using things that make the difference for Māori students.

Being strong in your Māori cultural identity and to build on that experience.

Māori culture and values should be celebrated at school to experience the power of whānautanga (to give birth) and working together in ways that are Mana Orite leading to Mauri Ora.

CTU Biennial

Kaupapa: Creating our future.

The following topics were foci of the hui;

1. Union Growth
2. Equal Pay
3. Future Work
4. Winning System change for workers

The ever-changing world of the union movement saw members comparing Australian and New Zealand unions because on both sides the threat of Government intervention has discredited and disempowered workers.

Climate Change

NZEI Te Riu Roa Annual Meeting 2015 adopted a climate change policy. From there, we have been very active in attending hui/summits both here and overseas, particularly when it comes to kaitiakitanga.

Our climate change rōpu has developed a toolkit for Area Councils to understand what kaitiakitanga is; how it impacts on our histories, our whakapapa and our pepeha.

We attended the Māori Leaders Climate Change Summit in Wellington in March; Climate Change Education Network hui in April, and were invited to attend the Just Transition Roundtable held in Vancouver, Canada.

If an industry disappears because of climate change (e.g. coal mining) what other jobs can be taken up by the displaced workers? This is Just Transition.

What mahi is going to disappear from your community like carpet factories, banks (financial), forestry?

Do these closures have any effect on your Kura? Yes; rolls drop, whānau move away and staffing entitlement decreases.

World Indigenous Peoples Conference On Education

Monday July 24th – Friday July 28th 2017 Toronto, Canada.

Three thousand participants, 35 indigenous nations, 200 groups from Aotearoa.



Since WIPCE 2002 in Calgary, Canada, we noticed many changes in the peoples; their determination, their push for “tino rangatiratanga” for the future of their tamariki, knowing who they are and where they come from. Their stories of ethno-genocide, historical trauma were heart breaking – The Residential Schools, the Stolen Generations, laws outlawing language and culture, going underground to speak their reo, to teach their children...it happened in Aotearoa but it is still happening in the 21st Century in many countries.

A highlight was the workshop of nga tauira mai Te Whata Tau O Putauaki who presented “Mauri Oho, Mauri Tau”. We thank NZEI Te Riu Roa for the support of registration.

Kohungahunga

ECECA: I tau te kirimana nei i te timatanga o te tau, engari mō te ono mārama noa iho tae noa ki te wā ka puta mai te putea-a-kawanatanga, mehemea ka whakahokia te pūtea-a-kōhungahunga ki a tātou e ngaro ana i ngā tau 10 kua pāhure ake nei. I runga i tērā hoki, kei te tiro atu ngā roopu a NZEI Te Riu Roa rātou ko Te Rito Maioha mō te kaupapa Mana Taurite

Kindergarten Career Framework: We have representation on this rōpu to advocate on behalf of Kindergarten members.

Kohanga Reo: If we look at the funding bands for all types of ECE services there are some inconsistencies.

Teacher shortage: Ae tika tēnā, kei te kimi kaiako reo Māori mō ngā puna reo kei te mutu ngā kaiako whai tohu, whai rehitatanga. Maha ngā mahi; kua pau te hau; kei te roa ngā haora mahi ki roto i ngā whare kōhungahunga, kei waho hoki.

Mana Taurite

I te rohe o Tamaki Makaurau, i hui i Te Kura Kaupapa Māori a Rohe a Mangere i waenganui ngā hararei ki te whiriwhiri rautaki whakakao ngā Kaiāwhina Tautoko mo te rā, 05.05.18.

I whakarite:

- Pōtae Tautoko
- Frames
- Bands
- Bus and Mangere Market stop to practice with frames and messaging
- Aotea meeting place.
- Aotea Centre happenings

Other:

- Emerging leaders as well as guest speakers at the main events
- Mahitahi me ngā branches

What does Mana Taurite mean for wahine Māori? The majority of workers affected are Māori which clearly illustrates that Mana Taurite affects wahine Māori.

Tumuaki

Te Akatea Māori Principals conference in Napier provided guest speakers like Heather Skipworth (creator of Iron Māori), Pem Bird (Nga Kura a Iwi) who reminded us that Māori need to determine the pathway for Māori, and Whetu Cormick shared his journey as an educator to leading the NZ Principals Federation.

There are still principals in rural areas dissatisfied with the rollout of Kahui Ako. Tuhoe principals have rejected the Ministry of Education's Kahui Ako pathway in preference for their own which had been rejected by the Ministry of Education. Tuhoe have maintained their rangatiratanga by not entering into any agreement with the Ministry of Education but continue to make decisions for their communities.

Hauora Tumuaki

The second round of the 'Tumuaki Hauora' survey was completed. A small working party that includes Te Akatea, NZPF and NZEI Te Riu Roa are working on a strategy to both disseminate and address the findings of the report.

The Health and Wellbeing Survey commissioned by NZEI Te Riu Roa has several foci including Burnout, Offensive Behaviour, and Discrimination against Māori and Pasifika school leaders. The Burnout and Discrimination reports have been launched and have highlighted the work that needs to be done.

While awareness has been raised, of importance is the follow up strategies from suggested recommendations.

Whakahau Kaiako

Te Reo Areare have been instrumental in ensuring that members are well versed in the campaigns

- PUMS Paid Union Meetings
- Mahitahi with a strong Miro Māori voice – Shared planning, organisation, and leadership
- Leadership briefings were held around the Motu.

Career Pathway

- Framing the message.
- Sharing and gathering stories that can be used during negotiations.

Working parties were included in the Career Pathway korero to ensure the inclusion of a Māori Cultural Lens and to link with Te Huarahi - PPTA Māori Executive.

In the development of the Career Pathways, Te Reo Areare had representatives on the Governance group along with other NZEI Te Riu Roa members and the Ministry of Education. Coming out of the last negotiations the Career Pathway terms of reference has been the mandate for the completion of this work.

Kapa Haka allowance

Kura Manatahi 2017 saw the first allocation of release days to support schools participating in the Kapa Haka Nationals. During this exercise it became necessary to seek a variation to the Area Schools Agreement to include primary level groups within Wharekura. This was achieved with limited disruptions.

Timelines and deadlines still provide barriers to a speedy allocation of the release time but as this was the first time, we are hopeful for the future.

Kua Tae te Wā

- Kaihautūtanga hui members "framed their messages" for Kua Tae te Wā. The messages were – Time to teach, time to lead, time to support, and the frames provided a conversation starter with community members

- Messages were shared in person and through sound bites and photos on social media.
- Mahitahi ensured a strong Miro Māori voice and leadership throughout Aotearoa during the PUMs
- ‘Maranga ake ai’ by Judge Joe Williams was the theme waiata used for this campaign
- Jordan briefed the NEN hui – Kua Tae te Wā
- A large number of Area Schools and Wharekura members attended to support the kaupapa.

Wharekura

Wharekura and Area School members have been encouraged to attend the Kua Tae Te Wā gatherings to ensure that messaging across the sectors are consistent.

What needs to evolve across the sectors is;

- ACET consistency
- Release time and types of leave
- Unit formula
- Career pathway
- Support for children with additional learning needs.

New Educators Network

Miro Māori students and beginning teachers had opportunities to participate in NEN activity around the motu including Regional NEN Hui; Te Kāhui Whetū and National NEN Hui.

Achieving attendance numbers at events proved challenging over the past year, however individuals have come through to be visible and engaged locally in leadership development and campaign activity. There has also been useful networking through social media and online networking. Te Reo Areare Tauira Jordan Kaie has worked hard to explore avenues for connecting NEN members to NZEI Te Riu Roa and to roll out strategies in the year ahead.

Te Ūmanga Mātauranga

A crucial time for Kaimahi within Ministry of Education Learning Support;

- Restructuring of ECE and school teams to work from 0-21 years
- Collective Agreement PUMs and bargaining for Field Staff and Early Support Workers
- Kaimahi Māori needing consistency and clarity has led to ongoing engagement and information sharing from WSR and active members
- MOE Learning Support Staff need to be encouraged by Branch, Aronui Tōmua and Area Councils to become active and to be informed about campaigns and activities in their rohe.
- What can your rūpu do to support MOE Learning Support members?

SENRG is the National Reference Group of Learning Support NZEI Te Riu Roa members who meet during National Leadership Group Meetings with Ministry of Education personnel to raise and discuss issues.

Orange up (Elections 2017)

‘Orange Up’ came out of a discussion to find a way to represent the notion ‘YES Maori can’. Orange tee shirts were chosen because they are the New Zealand election colours and highly visible.

The ‘Orange Up’ campaign was a visual response that ensured Miro Māori of NZEI Te Riu Roa rallied wearing their ‘Orange’ tee shirts to stimulate conversation and to provide a sense of confidence about voting.

Iwi Relationships

Relationships between Iwi and NZEI Te Riu Roa are at various stages of development and involvement with some keeping in touch intermittently while others are on a scheduled timetable.

Education Summit for the 30-Year Vision

- What do you want to see in the 30-year Vision?
- Who are the key rōpu to mahi tahi with?
- How will the rōpu be put together?
- What values need to be considered in this 30 year vision?

Our vision for education included compulsory Te Reo Maori and Sign Language and values that empower people like Manaakitanga and Kaitiakitanga.

The summit was organised so everyone had an opportunity to speak in a variety of ways while acknowledging the different ways that learners learn and educators educate.

There is a hope that things will be different for Māori children, parents and iwi when politicians consider the implications of their policies on Māori education.

The common thread was change is needed now and te reo Māori should be included in the curriculum of every school. Kia Kaha, Kia Toa, Kia Manawanui!









SUBMISSIONS BY NZEI TE RIU ROA

July 2017 submission to the Education Council on Future Focused Initial Teacher Education

The submission addressed the five proposals put forward by the Council commenting on the issues raised by each one.

August 2017 submission to the Ministry of Education – Digital Technologies/Hangarau Matihiko

The report was based on membership feedback on the Digital Technologies curriculum and raised questions that needed to be addressed before this curriculum was implemented.

December 2017 submission to the Education Council on the Education Council Amendment Rules 2018

NZEI voiced concerns about the new definition “serious misconduct” and the deletion of the current requirement for all members of the registration board to hold a current practicing certificate.

March 2018 submission to the Education and Science Select Committee on the Education (Cohort Entry) Amendment Bill

NZEI did not support the Bill and expressed disappointment that continuous enrolment was not promoted as a key feature of good practice for successful transition from early childhood to schooling.

April 2018 submission to the Education and Science Select Committee on the Education (National Education and Learning Priorities) Amendment Bill

NZEI welcomed the changes to Section 1A (3) because they better reflected the priorities of the New Zealand curricula and were more aspirational and values-driven than the original text. The submission called for further discussion about the value of setting five-year “medium term” priorities through the NELP, expressing concern that this potentially placed temporary and politically determined, rather than educationally sound, priorities above the objectives of the New Zealand curricula in the Act’s hierarchy.

April 2018 submission to the Education and Science Select Committee on the Education (Teaching Council of Aotearoa) Amendment Bill

The submission strongly supported the Bill which reinstated the right of registered teachers to vote for their own representatives on their professional body. The Bill would give teachers more ownership of their own professional and regulatory body, and was welcomed as one of a suite of approaches being adopted to lift the status of the teaching profession.

April 2018 submission to the Education Council on the Education Council Draft Leadership Strategy

The submission supported the principle of cultivating leadership development and ensuring that it was sustainable. NZEI however pointed out that the concept of leadership in the education sector should not be limited to those holding identified leadership positions.

April 2018 submission to the Social Services and Community Select Committee on the Child Poverty Reduction Bill

The submission supported the Bill and its purpose to encourage a focus on child poverty reduction, greater accountability for Government to progress targets, making reporting more transparent and encouraging more action to address the well-being of all children.

April 2018 submission to the Education and Workforce Select committee on the Employment Relations Amendment Bill

NZEI broadly supported the Bill but submitted several amendments that should be actioned.

April 2018 submission to the New Zealand Qualifications Authority on recognising Micro-credentials in New Zealand

The submission queried the current and future demand for micro-credentials stating it was unclear who micro-credentials were for and how they would benefit those wanting to enter into a new profession and/or future occupation. While NZEI Te Riu Roa welcomed recognition of skills and knowledge in the teaching profession there are already existing processes in place such as teacher appraisal and certification and the use of micro-credentials in this field was not needed.

April 2018 submission to the Tax Working Group

The submission supported the public policy objectives behind the establishment of the working group and the group's focus on the structure, balance and fairness of the tax system. While having no position on details of tax policy, in line with the Institute's mission of upholding quality public education and justice for people working in education, the submission welcomed the Government's commitment to Treasury's Living Standards approach and supported changes to the tax system that would increase equity and living standards.

April 2018 submission to the Ministry of Education on Issues Being Considered for Legislation in 2018

The submission expressed disappointment at the premise behind the proposed legislation and rejected the view that the introduction of seven elected teacher members alongside six Ministerial appointments would result in an imbalance on the Teaching Council of Aotearoa and would impact negatively on the public interest.

April 2018 submission the Teachers Council on Teacher Registration and Certification policy Review

The submission commented on the themes provided on the council's website and provided specific feedback from members on some components of the proposed revised policies.

May 2018 submission on Government Inquiry into Mental Health and Addiction: Oranga Tāngata, Oranga Whānau

The submission stated that it was clear there is not enough support for those that require it and when support is received it is not always timely. The mini report Burnout: Findings from the New Zealand leaders' Occupational Health and Wellbeing 2017 Survey was attached to the submission.

NATIONAL EXECUTIVE ACTION ON RESOLUTIONS

There were no policy resolutions from the 2017 annual meeting.

CURRENT 2018 NATIONAL EXECUTIVE ADVISORY GROUPS AND SPECIAL EDUCATION NATIONAL REFERENCE GROUP

National Leadership Groups as of May 25 2018

Early Childhood National Caucus

Julie Anderson
Sandie Burn
Frances Carrell
Jen Davy
Marama Goddard
Helen Hansen
Florrin Keni
Mish Lasseter
Gemma Lynch
Heather Morton
Virginia Oakly
Nicola Perry
Suzi Rasmussen
Megan Thompson
Lee Turi-Welsh
Jill Wilks
Sally Wooller
Jo Young

Support Staff National Caucus Kaiawhia Tautoko

Audrey Agnew
Jen Bennett
Adrienne Birch
Wayne Goodley
Maryann Hainsworth
Monique Jansonius-Albers
Linda Jordan
Ally Kemplen
Sue Nimmo
Sue Poole
Kahurangi Robson
Margaret Robson
Suzanne Rogers
Sophia Takimoana
Barbara Turley
Jo Vaughan
Carol Webb

Glenda West
Jo Westley

Primary Teachers' Leadership Team

Jenny Albrecht
Tom Alesana
Margie Askin-Jarden
Tiri Bailey
Janene Butt
Lovi Collier
Kararaina Dobie
Debbie Drake
Tina Hodgson
Trish Hunt
Zara Jackson
Sharon Jane
Juliette Ridge
Liam Rutherford
Michelle Ryan
Wendy Smyth
Barb Wallis
Trish Weaver
Kaye Webber
Tracey Woolley

Principals' Council

Sose Annandale
Judy Eagles
Teresa Edwards
Sonya Hockley
Peter Hopwood
Paul Hunt
Tony Hunter
Paul Johnson
Sharon Keen
Ripeka Lessels
Stephanie Madden
Jo Mahoney
Charles Oliver
Tom Paekau
Greg Riceman
Aaron Richards

Leo Spaans
Colin Tarr
Cherie Taylor-Patel
Takarihi Temarama
Stephanie Thompson
Bruce Topham
Diana Tregoweth
Karl Vasau
Barrie Wickens
Sally Wilson
Scott Wilson
Kelvin Woodley
Joan Woods

Area Council Chairs

Kirsten Dolfing
Hita Foster
Kaaren Hirst
Jude Karaitiana
Christina Loye
Karen Morrison
Glenys Murphy
Deborah Neilson
Vera Pawson
Lee Phillips
Tute Porter-Samuels
Julie-Anne Roberts
Kay Schimanski
Ramona Taogaga

Special Education National Reference Group

Jacoline Brink
Hannah Coleman
Mike Foxx
Katherine Gurley Reilly
Te Aroha Hiko
Kaye Hyams
Fiona McKenzie
Rosemary Miller
Byron Sanders
Elizabeth Tomlinson



FINANCIAL OVERVIEW 2017

Maintaining levels of income and managing costs well within budget led to a surplus being achieved for 2017. This was despite applying significant expenditure to the General Election campaign and reporting a loss in the value of Education House.

Under the stewardship of the National Executive, costs continued to be monitored and contained within the overall budget. As a result of surpluses achieved in recent years, by the end of 2017 NZEI Te Riu Roa was well placed to fund the substantial campaigns that it committed to for 2018. These campaigns include Kua Tae Te Wa (It's Time), Winning Auckland, and Pay Equity that are designed to address serious issues facing our members in their workplace.

In terms of subscription revenue, 2017 was no different from other years in which maintaining membership levels remains an ongoing challenge, but a drop of just \$2,466 in subscription income of \$17.4 million reflects the constant efforts made by members and staff toward ensuring membership of NZEI Te Riu Roa remains relevant for both current and potential members.

Overall income was boosted by positive returns on our investment portfolio far exceeding expectations.

The one adverse factor that stood out in the financial results for 2017 was Education House. Costs associated with insuring and maintaining the building escalated during 2017 and led to overall costs in Education House Limited increasing by more than 51% and the company reporting an overall loss for the year. At the same time, a modest drop in the value of the building was also recorded. These circumstances certainly supported the decision to sell the building as having been a positive one for the longer term future of NZEI Te Riu Roa.

With respect to the overall financial health of NZEI Te Riu Roa (as represented by the balance sheet), it is pleasing to note that the surplus translates into growth in the total amount able to be invested and which generates further income from interest received. Cash flow continues to be regularly and closely monitored as an integral part of overall financial management.

New Zealand Educational Institute Te Riu Roa Summary of consolidated financial performance

	2017	2016
	\$	\$
Revenue	18,703,446	18,712,607
Expenses	(17,590,831)	(17,742,962)
Operating surplus	1,112,615	969,645
Finance income	233,817	200,274
Fair value gain on financial assets through surplus or deficit	578,209	309,684
Investment property fair value gain	13,391	334,265
Surplus before income tax	1,938,032	1,813,868
Income tax expense	(135,418)	(193,308)
Surplus for the year attributable to the members	1,802,614	1,620,560
Other comprehensive revenue and expense:		
Gain on revaluation of land and buildings	68,370	647,034
Tax on revaluation/disposal of land and buildings	(2,344)	(96,309)
Total comprehensive revenue and expense for the year attributable to the members	1,868,640	2,171,285

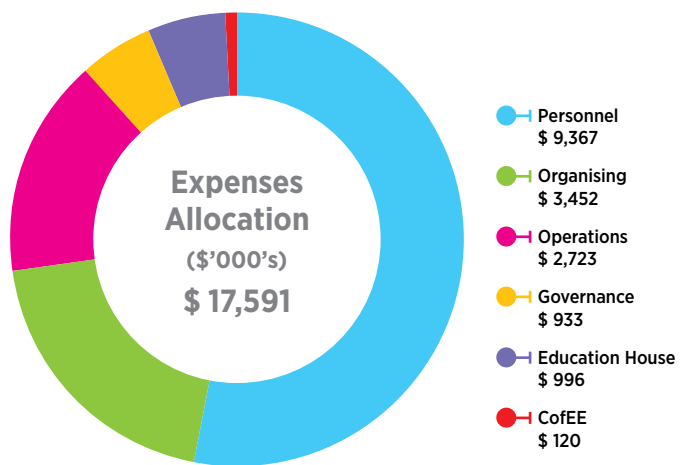
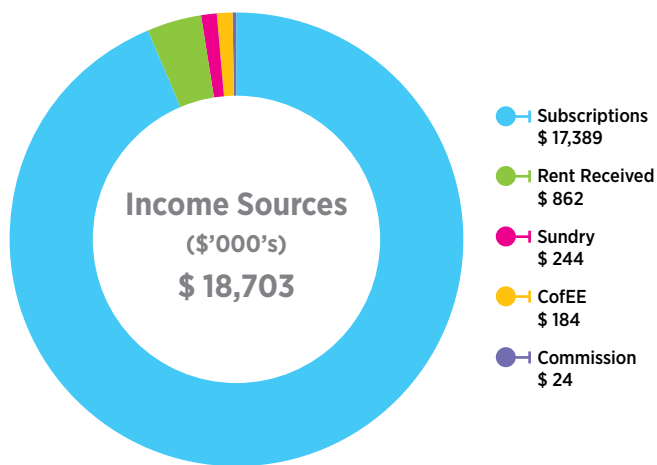
Financial performance

Total revenue decreased by \$9,161 a mere fraction of the 2016 level. This reflected the two largest contributors, member subscriptions and rental income from Education House, remaining very close to 2016 levels.

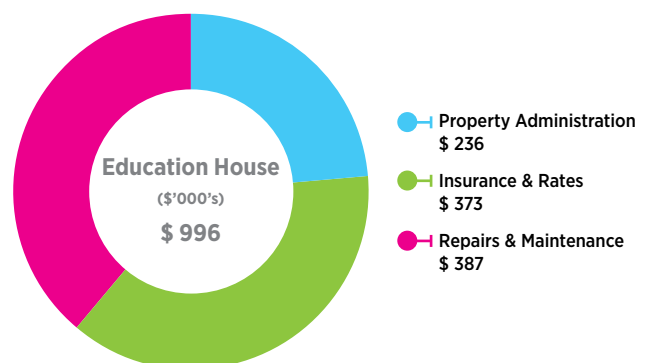
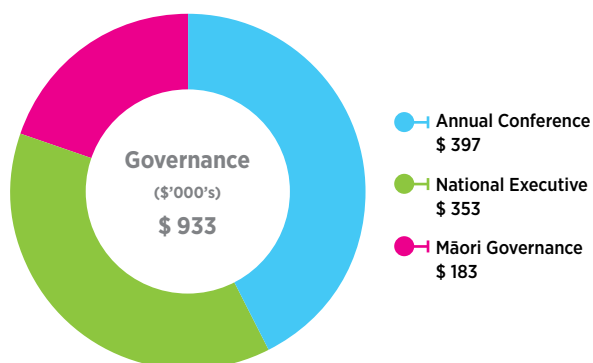
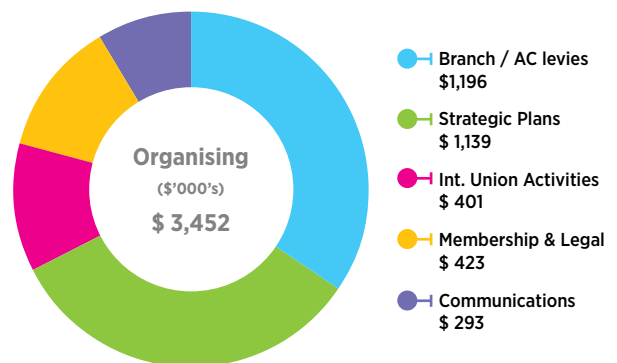
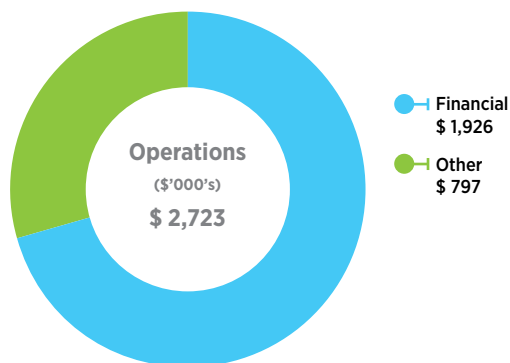
Total expenses decreased by \$152,131 from 2016. This mainly arose from decreased activity being reflected in both operations costs (\$132,170), and organising costs (\$391,970). These decreases were offset by notable increases in insurance (\$154,374), mostly in relation to Education House and planned maintenance work on Education House (\$193,915).

These decreases in operations and organising costs resulted from reduced activity in the areas of the strategic plans as well as Branch and Area councils drawing down significantly less levy funding during the year as is often experienced in the years between collective bargaining campaigns.

Breakdown of income and expense



Breakdown of expense categories



Education House Limited (EHL) & investment property

EHL recorded an overall operating loss (excluding a loss on revaluation of the building) of \$75,442 (2016: surplus of \$294,000). This can be attributed to the increase in insurance premiums, on top of planned repairs and maintenance work associated with the exterior repair and painting contract.

Overall tenancy income was \$1,327,907 (2016: \$1,324,072). We were once again reassured that rental rates were close to the market maximum for a building of this nature, age and location.

In addition to the operating loss, the company also suffered a modest loss from a minor decline in the fair market value of Education House – West Block. Although initially assessed by independent valuers, as remaining at the same 2016 value of \$9.5 million, this was later decreased to \$9.3m based upon the outcome of the audit to reflect the impact of the significantly increased insurance premiums now being faced in the post Kaikoura earthquake era.

For consolidated financial reporting purposes, Education House – West Block is split into two components; the first being those areas which are owner occupied (effectively 5 out of the 13 floors) that are recognised as Property Plant and Equipment, and the second being the remaining areas (i.e. the remaining 8 of 13 floors) which are sub-let to external 3rd party tenants and are recognised as investment property.

Financial investments

National Executive is charged with stewardship of the Institute's financial resources. This includes investment in financial assets (including the AMP Investment Portfolio, short term money market deposits and shareholding in the Trade Union Centre (Canterbury) Ltd), in physical assets (including computer hardware, office furniture and equipment), and intangible assets (computer software and systems).

National Executive regularly reviews the Union's investments and property portfolio to ensure benchmark market returns are achieved and alignment with risk/return characteristics and objectives. This includes consideration of socially responsible and ethical investments.

Since commencing in 2003/04, the investment portfolio has recorded impressive gains of \$4.19 million, with a closing balance of \$7.35 million as at 31 December 2017.

The investment portfolio continues to meet the objectives of providing sustainable income flow and generating moderate capital growth, while at the same time protecting the real value of the capital. National Executive is confident that the existing investment policy is appropriate and was confirmed by a review of the Statement of Investment Policies and Objectives (SIPO) performed in 2015.

Income tax expense

For tax purposes, NZEI is designated as a mutual association and an incorporated society with its membership-related activities classified as not-for-profit. In this context, a mutual association is a self-governing, non-government and voluntary organisation, most of whose income (i.e. subscriptions) is non-taxable, with expenses related to generating that same income consequently being non-deductible. Income tax is, however, paid on other income sources, such as gains in financial assets (investment portfolio) and profits from investment property in EHL.

Consolidated income tax expense was \$135,418 (2016: \$193,308). This amount comprises current year tax of \$148,749 (2016: \$259,471), less a deferred tax benefit of \$13,331 (2016: \$51,210)

NZEI Te Riu Roa reserves fund

At the end of 2016, Reserves Funds, including the Legal Assist Fund, amounted to \$3,824,450. During the 2017 year, additional funds of \$284,877 were transferred from Retained Earnings and \$443,074 spent on various projects. Major projects during the year were the Funding Review (\$158,131) and Primary Career Framework Development (\$86,206) with the remaining amount of \$198,737 spent across a range of smaller initiatives and projects including Pay Equity Research, the Political Strategy, the Pasifika Work Plan, Kohanga Reo, Joint Initiative/Communities of Learning, Matauranga Māori Symposium, New Pathways to Membership and Branch & Area Council Financial Reporting.

Budget 2018

Annual Meeting 2017 endorsed an indicative 3-year consolidated budget for 2018 to 2021 in which 2018 income exceeded expenditure by \$354,312. This assumed subscription income is based on 31,450 Full Time Equivalent (FTE) members. The final budget approved for 2018 presented a consolidated surplus before tax and other adjustments of \$449,714 (2017: surplus of \$341,161) with an FTE count of 31,469 (2017: 31,000).

The above totals are based on core operating activities and income streams. In addition to these amounts, National Executive will approve amounts from previously accumulated Reserve Funds to be applied to activities and projects that, although not core operational activities, further support the goals and objectives of NZEI Te Riu Roa.

Subscriptions & resources

Annual Meeting 2012 passed a resolution to amend the Rules of the Institute, approving membership subscriptions being adjusted on an annual basis to reflect movements in the annual Consumer Price Index (CPI) based on the twelve month period up to 31st December of the previous financial year. Such adjustment does not, however, preclude the National Executive from proposing a subscription increase in excess of the CPI movement to the Annual Meeting in any given year.

In the year to 31 December 2016 the CPI increased by 1.3 percent. This increase was applied to an increase in subscription rates from January 2018. The next increase, in January 2019, is set to reflect the CPI increase for the year ended 31 December 2017 of 1.6%.

At the end of 2017, there were 44,592 members (2016: 45,674), equating to 31,158 FTE (2016: 31,274 FTE).

Acknowledgements

The National Executive wish to thank all those agencies involved in the collection of membership subscriptions. The voluntary work of treasurers and secretaries of Branches, Aronui Tōmua, Komiti Pasifika and Area Councils in providing financial management for their respective groups is also recognised and appreciated.

Rikki Sheterline

Chairperson

National Executive Finance Committee

June 2018

New Zealand Educational Institute Te Riu Roa 3 Year strategic budget 2019 - 2021 consolidation (indicative only)

	Year 1 2019 \$	Year 2 2020 \$	Year 3 2021 \$
NZEI Management			
Income			
Subscription income (Note 1 & 2)	17,623,072	17,975,534	18,335,044
Interest income	215,000	222,848	230,981
AMP portfolio investment income	300,000	312,120	328,362
Membership benefits commission	24,480	24,970	25,469
Accounting contract income	62,000	63,240	64,505
Advertising: Education Aotearoa	38,123	38,885	39,663
Sundry Income	120,000	122,400	124,848
Total income - NZEI Management	18,382,675	18,759,997	19,148,872
Expenditure			
Personnel	3,890,570	3,949,181	4,089,365
Financial expenses	585,899	593,223	605,087
National Office operations	1,346,494	1,363,325	1,390,592
Regional operations	667,449	675,792	689,308
Māori Team operations	89,780	90,903	92,721
Total operations	6,580,192	6,672,424	6,867,073
Regional organising	167,500	169,594	172,986
Māori workplan	20,400	20,655	21,068
Membership support	109,344	110,711	112,925
Membership organising	114,546	115,978	118,297
International activities	204,986	207,549	211,700
Legal services	1,409,208	1,437,392	1,466,140
Branch/AC levies (Note 3)	1,723,246	1,757,711	1,792,865
Inter-Union activities	257,770	260,992	266,212
Communications	279,835	283,333	289,000
Strategic plans (Note 4)	6,443,158	6,572,021	6,703,462
Pasifika	30,000	100,000	30,000
Total organising	10,759,993	11,035,936	11,184,655
National executive	399,509	404,502	412,592
Annual meeting	421,260	426,526	435,056
Māori governance	178,500	180,731	184,346
Total governance	999,269	1,011,759	1,031,994
Total expenditure - NZEI Management	18,339,454	18,720,119	19,083,722
Surplus before tax - NZEI Management	43,221	39,878	65,150
Education House			
Interest income	318,463	358,374	371,455
External rental income - (Note 6)	72,648	-	-
Total income - Education House Limited	391,111	358,374	371,455
Total expenditure - Education House Limited	111,000	12,000	12,000
Surplus before tax - Education House Limited	280,111	346,374	359,455
Surplus before tax - Consolidated	323,332	386,252	424,605

Notes:

- Budgeted FTE 2019: 31,500, 2020: 31,500 and 2021: 31,500 (2018: 31,450).
- Subscription income includes 1.6% CPI adjustment for 2019 and 2% for 2020 and 2021 respectively.
- Branch/AC levies includes 2% CPI adjustment for 2019, 2020 and 2021 respectively.
- The 3 Year Strategic Budget above is based on normal operating income and expenses, and excludes one off projects that are approved to be funded from the Reserves Fund.
- Other budget lines are based on planned and forecasted expenses, plus CPI adjustment of 2% in 2019, 2020 and 2021 respectively.
- External tenancy income of Educational House Limited ceases after the building sale settlement date of 31 January 2019 from when interest is assumed to be received on the value of net sales proceeds.

SUMMARY FINANCIAL STATEMENTS

The summary financial statements are for New Zealand Educational Institute Te Riu Roa (Inc.) ('the Institute') and the Group, comprising the Institute and its subsidiaries: Education House Limited and Centre for Educational Excellence Inc.

The summary financial statements are presented in New Zealand dollars, which is the functional and presentation currency of the Institute and Group.

The summary financial statements are extracted from the full financial statements for the year ended 31 December 2017, which were authorised for issue on 26 June 2018, and upon which an unmodified audit opinion was issued by PricewaterhouseCoopers.

The full financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice in New Zealand. They comply with the Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

The Institute (Parent) and the consolidated Group are designated as public benefit entities (PBE) for financial reporting purposes.

The summary financial statements comply with PBE FRS 43: Summary Financial Statements.

No events have occurred between the date the full financial statements were authorised and the date the summary financial statements were authorised that require disclosures in these summary financial statements.

These summary financial statements cannot be expected to provide as complete an understanding of the financial performance or financial position of the Institute or its consolidated Group as that provided by the full financial statements.

The full financial statements are available by request via email addressed to stuart.trounson@nzei.org.nz.

New Zealand Educational Institute Te Riu Roa
Consolidated statement of financial performance for the year ended 31 December

		Consolidated		Parent	
	Notes	2017	2016	2017	2016
		\$	\$	\$	\$
Revenue					
Revenue from exchange transactions	1	18,435,017	18,388,673	17,389,074	17,391,540
Other income		268,429	323,934	334,402	395,638
Expenses					
Employee compensation and benefits	2	9,366,734	9,404,746	9,303,214	9,364,057
Depreciation and amortisation	2	585,466	655,706	243,733	355,852
Operating lease expense	2	629,685	686,050	1,096,089	1,152,454
Other expenditure	2	7,008,946	6,996,460	5,893,539	6,237,749
Operating surplus		1,112,615	969,645	1,186,901	677,066
Finance income		233,817	200,274	229,666	194,701
Fair value gain on financial assets through surplus or deficit		578,209	309,684	578,209	309,684
Investment property fair value gain/(loss)		13,391	334,265	-	-
Surplus before income tax		1,938,032	1,813,868	1,994,776	1,181,451
Income tax expense	4	135,418	193,308	158,187	159,465
Surplus for the year attributable to the members		1,802,614	1,620,560	1,836,589	1,021,986

The above statement of financial performance should be read in conjunction with the accompanying notes.

For and on behalf of the National Executive



Lynda Stuart
National President
26 June 2018



Paul Goulter
National Secretary
26 June 2018

New Zealand Educational Institute Te Riu Roa
Consolidated statement of comprehensive revenue and expense for the year ended 31 December 2017

		Consolidated		Parent	
		2017	2016	2017	2016
		\$	\$	\$	\$
Surplus for the year attributable to the members		1,802,614	1,620,560	1,836,589	1,021,986
Other comprehensive revenue and expense:					
Gain on revaluation of land and buildings		68,370	647,034	60,000	87,000
Tax on revaluation/disposal of land and buildings		(2,344)	(96,309)	-	-
Other comprehensive revenue and expense for the year (net of tax)		66,026	550,725	60,000	87,000
Total comprehensive revenue and expense for the year attributable to the members		1,868,640	2,171,285	1,896,589	1,108,986

The above statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes.

New Zealand Educational Institute Te Riu Roa
Consolidated statement of changes in net asset/s equity for the year ended 31 December 2017

Consolidated	Retained Earnings	Revaluation Reserves	Reserves Fund, & Legal Assist Fund	Total Equity
	\$	\$	\$	\$
Balance as at 1 January 2016	15,639,010	3,033,119	2,801,635	21,473,764
Surplus for the year	1,620,560	-	-	1,620,560
Gain on revaluation of land and buildings (net of tax)	-	550,725	-	550,725
Total comprehensive revenue and expenses	1,620,560	550,725	-	2,171,285
Transfer to/(from) Retained Earnings to Reserves Fund	(1,388,100)	-	1,388,100	-
Utilisation of Reserves Fund	365,285	-	(365,285)	-
Balance as at 31 December 2016	16,236,755	3,583,844	3,824,450	23,645,049
Surplus for the year	1,802,614	-	-	1,802,614
Gain on revaluation of land and buildings (net of tax)	-	66,026	-	66,026
Total comprehensive revenue and expenses	1,802,614	66,026	-	1,868,640
Transfer to/(from) Retained Earnings to Reserves Fund	(294,243)	-	294,243	-
Transfer to/(from) Retained Earnings to Legal Assist Fund	9,366	-	(9,366)	-
Utilisation of Reserves Fund	443,074	-	(443,074)	-
Balance as at 31 December 2017	18,197,566	3,649,870	3,666,253	25,513,689

The above statement of changes in net assets/equity should be read in conjunction with the accompanying notes.

Parent	Retained Earnings	Revaluation Reserves	Reserves Funds, & Legal Assist Fund	Total Equity
	\$	\$	\$	\$
Balance as at 1 January 2016	10,257,059	106,273	2,801,635	13,164,967
Surplus for the year	1,021,986	-	-	1,021,986
Tax on disposal of building	-	87,000	-	87,000
Total comprehensive revenue and expense	1,021,986	87,000	-	1,108,986
Transfer to/(from) Retained Earnings to Reserves Fund	(1,388,100)	-	1,388,100	-
Utilisation of Reserves Fund	365,285	-	(365,285)	-
Balance as at 31 December 2016	10,256,230	193,273	3,824,450	14,273,953
Surplus for the year	1,836,589	-	-	1,836,589
Gain on revaluation of land and buildings (net of tax)	-	60,000	-	60,000
Total comprehensive revenue and expenses	1,836,589	60,000	-	1,896,589
Transfer to/(from) Retained Earnings to Reserves Fund	(294,243)	-	294,243	-
Transfer to/(from) Retained Earnings to Legal Assist Fund	9,366	-	(9,366)	-
Transfer to Retained Earnings from CofEE	88,036	-	-	88,036
Utilisation of Reserves Fund	443,074	-	(443,074)	-
Balance as at 31 December 2017	12,339,052	253,273	3,666,253	16,258,578

The above statement of changes in assets/equity should be read in conjunction with the accompanying notes.

The Asset Revaluation Reserve is maintained for the purpose of recording the surplus valuation of an asset that arises when an asset is valued over and above its historical cost.

The NZEI Te Riu Roa Reserves Fund is maintained for the purpose of supporting and furthering the goals and objects of the Institute by such action or means as the National Executive may from time to time deem fit. The Legal Assistance Fund was set up in 2013 for the purposes of providing legal assistance. During the year a total of \$974,000 was committed from retained earnings to fund various activities approved by the National Executive (2016: \$315,000).

New Zealand Educational Institute Te Riu Roa
Consolidated statement of financial position as at 31 December 2017

		Consolidated		Parent	
	Notes	2017	2016	2017	2016
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash at bank and on hand		2,645,015	3,469,540	1,767,581	2,624,033
Short term deposits		6,956,273	5,035,175	6,956,273	5,035,175
Trade and other receivables		679,813	394,486	661,486	367,726
Financial assets		7,349,056	6,827,184	7,349,056	6,827,184
Total current assets		17,630,157	15,726,385	16,734,396	14,854,118
Non-current assets					
Financial assets		70,000	70,000	70,000	70,000
Investment in subsidiary		-	-	299,998	299,998
Provident fund loans		16,384	49,826	16,384	49,826
Intangible assets		137,651	187,353	137,651	187,353
Property, plant and equipment	3	4,460,721	4,674,677	1,083,371	986,462
Investment property		5,930,650	5,843,430	-	-
Total non-current assets		10,615,406	10,825,286	1,607,404	1,593,639
TOTAL ASSETS		28,245,563	26,551,671	18,341,800	16,447,757
LIABILITIES					
Current liabilities					
Trade and other payables		2,119,205	2,206,176	1,982,013	2,094,447
Income tax payable		35,546	112,336	101,209	79,357
Total current liabilities		2,154,751	2,318,512	2,083,222	2,173,804
Non-current liabilities					
Deferred tax liability	4	577,123	588,110	-	-
Total non-current liabilities		577,123	588,110	-	-
TOTAL LIABILITIES		2,731,874	2,906,622	2,083,222	2,173,804
Net assets attributable to the members		25,513,689	23,645,049	16,258,578	14,273,953
EQUITY					
Reserves		7,316,123	7,408,294	3,919,526	4,017,723
Retained earnings		18,197,566	16,236,755	12,339,052	10,256,230
Total equity attributable to the members		25,513,689	23,645,049	16,258,578	14,273,953

The above statement of financial position should be read in conjunction with the accompanying notes.

New Zealand Educational Institute Te Riu Roa Consolidated cash flow statement for the year ended 31 December 2017

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
Cash flows from operating activities				
Cash from subscriptions	17,407,588	17,596,366	17,407,588	17,596,366
Cash from property rentals	861,503	857,668	-	-
Sundry income	452,869	463,399	262,698	323,934
Interest received	222,595	175,425	218,444	169,131
Tax paid	(169,202)	(103,965)	(79,998)	(80,663)
Payments to suppliers and employees	(17,351,513)	(16,802,062)	(16,118,446)	(15,976,105)
Payments to subsidiary – rental expense	-	-	(394,700)	(394,700)
Net cash inflow/(outflow) from operating activities	1,423,840	2,186,831	1,295,586	1,637,963
Cash flows from investing activities				
Purchases of property, plant and equipment	(214,664)	(172,244)	(192,166)	(109,594)
Purchases of intangible assets	(38,774)	(81,698)	(38,774)	(81,698)
Purchase of investment property	(73,829)	(127,273)	-	-
Purchase of short term deposits	(6,956,273)	(5,035,175)	(6,956,273)	(5,035,175)
Sale of short term deposits	5,035,175	4,275,334	5,035,175	4,275,334
Net cash (outflow)/inflow from investing activities	(2,248,365)	(1,141,056)	(2,152,038)	(951,133)
Net increase/(decrease) in cash and cash equivalents	(824,525)	1,045,775	(856,452)	686,830
Cash and cash equivalents at the beginning of the year	3,469,540	2,423,765	2,624,033	1,937,203
Cash and cash equivalents at the end of the year	2,645,015	3,469,540	1,767,581	2,624,033

The above statement of cash flows should be read in conjunction with the accompanying notes.

New Zealand Educational Institute Te Riu Roa Notes to consolidated financial statements for the year ended 31 December 2017

Note 1 Revenue from exchange transactions

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
Revenue from exchange transactions				
Subscriptions	17,389,074	17,391,540	17,389,074	17,391,540
Rental income from investment property	861,503	857,668	-	-
Registration income from events	184,440	139,465	-	-
Total revenue from exchange transactions	18,435,017	18,388,673	17,389,074	17,391,540

New Zealand Educational Institute Te Riu Roa

Notes to consolidated financial statements for the year ended 31 December 2017

Note 2 Total expenditure

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
Operational expenditure				
Employee compensation and benefits:				
- Salaries and wages	8,708,858	8,788,836	8,645,338	8,748,147
- Pension costs (defined contribution plan)	608,402	571,603	608,402	571,603
- Other employment benefits	49,474	44,307	49,474	44,307
Total employee compensation and benefits	9,366,734	9,404,746	9,303,214	9,364,057
Financial and administration expenses	710,696	635,158	710,706	635,158
Depreciation and amortisation	585,466	655,706	243,733	355,852
Operating lease expenses	629,685	686,050	1,096,089	1,152,454
National office operations	545,658	581,861	545,658	581,861
Field office operations	189,953	203,501	189,953	203,501
Māori team operations	62,525	55,865	62,525	55,865
Total operational expenditure	12,090,717	12,222,887	12,151,878	12,348,748
Organising expenditure				
Field office organising	131,331	117,590	131,331	117,590
Māori workplan	17,185	13,100	17,185	13,100
Membership support	103,462	112,620	103,462	112,620
Membership organising	77,393	52,619	77,393	52,619
International activities	165,341	178,275	165,341	178,275
Legal services	79,809	117,273	79,809	117,273
Branch/AC levies	1,195,568	1,460,925	1,195,568	1,460,925
Inter-Union activities	235,648	210,439	235,648	210,439
Communications	293,300	304,305	293,300	304,305
Strategies (excluding personnel costs)	1,139,129	1,276,539	1,139,129	1,276,539
Pasifika	13,549	-	13,549	-
Total organising expenditure	3,451,715	3,843,685	3,451,715	3,843,685
Governance expenditure				
National executive	352,891	378,258	352,891	378,258
Annual meeting	397,402	380,779	397,402	380,779
Māori governance	182,689	158,642	182,689	158,642
Total governance expenditure	932,982	917,679	932,982	917,679
Centre of Educational Excellence expenditure				
Centre of Educational Excellence	119,767	100,011	-	-
Total Centre of Educational Excellence expenditure	119,767	100,011	-	-
Education House expenditure				
Education House Ltd	995,650	658,700	-	-
Total Education House expenditure	995,650	658,700	-	-
Total expenditure	17,590,831	17,742,962	16,536,575	17,110,112

New Zealand Educational Institute Te Riu Roa

Notes to consolidated financial statements for the year ended 31 December 2017

Note 3 Property, plant and equipment

CONSOLIDATED	Property (valuation)	Computer Hardware (cost)	Furniture & Fittings (cost)	Other Equipment (cost)	Leasehold Improve. (cost)	Work in Progress (cost)	Total
At 1 January 2016	\$	\$	\$	\$	\$	\$	\$
Cost or valuation	3,898,385	372,832	191,088	128,335	434,758	4,934	5,030,332
Accumulated depreciation	-	(225,553)	(149,315)	(114,643)	(237,694)	-	(727,205)
Net book amount at 1 Jan 2016	3,898,385	147,279	41,773	13,692	197,064	4,934	4,303,127
At 31 December 2016							
Cost or valuation	4,273,849	460,060	191,088	141,712	448,680	34,366	5,549,755
Accumulated depreciation	-	(305,837)	(170,051)	(128,297)	(270,893)	-	(875,078)
Net book amount at 31 Dec 2016	4,273,849	154,223	21,037	13,415	177,787	34,366	4,674,677
Movement for year ended 31 December 2017							
Opening net book amount	4,273,849	154,223	21,037	13,415	177,787	34,366	4,674,677
Revaluation	68,370	-	-	-	-	-	68,370
Additions/WIP Transfers	48,864	99,581	28,821	3,846	2,869	178,828	362,809
Transfers out of WIP	-	-	-	-	-	(148,145)	(148,145)
Depreciation charge	(341,733)	(102,367)	(11,736)	(6,754)	(34,400)	-	(496,990)
Closing net book amount at 31 Dec 2017	4,049,350	151,437	38,122	10,507	146,256	65,049	4,460,721
Closing net book amount made up of:							
Cost or valuation	4,049,350	559,641	219,909	145,558	451,549	65,049	5,491,056
Accumulated depreciation	-	(408,204)	(181,787)	(135,051)	(305,293)	-	(1,030,335)
Net book amount at 31 Dec 2017	4,049,350	151,437	38,122	10,507	146,256	65,049	4,460,721

PARENT	Property (valuation)	Computer Hardware (cost)	Furniture & Fittings (cost)	Other Equipment (cost)	Leasehold Improve. (cost)	Work in Progress (cost)	Total
At 1 January 2016	\$	\$	\$	\$	\$	\$	\$
Cost or valuation	533,000	372,832	191,088	128,335	434,758	-	1,660,013
Accumulated depreciation	-	(225,553)	(149,315)	(114,643)	(237,694)	-	(727,205)
Net book amount at 1 Jan 2016	533,000	147,279	41,773	13,692	197,064	-	932,808
At 31 December 2016							
Cost or valuation	620,000	460,060	191,088	141,712	448,680	-	1,861,540
Accumulated depreciation	-	(305,837)	(170,051)	(128,297)	(270,893)	-	(875,078)
Net book amount at 31 Dec 2016	620,000	154,223	21,037	13,415	177,787	-	986,462
Movement for year ended 31 December 2017							
Opening net book amount	620,000	154,223	21,037	13,415	177,787	-	986,462
Revaluation surplus	60,000	-	-	-	-	-	60,000
Additions/WIP Transfers	-	99,581	28,821	3,846	2,869	57,049	192,166
Depreciation charge	-	(102,367)	(11,736)	(6,754)	(34,400)	-	(155,257)
Closing net book amount at 31 Dec 2017	680,000	151,437	38,122	10,507	146,256	57,049	1,083,371
Closing net book amount made up of:							
Cost or valuation	680,000	559,641	219,909	145,558	451,549	57,049	2,113,706
Accumulated depreciation	-	(408,204)	(181,787)	(135,051)	(305,293)	-	(1,030,335)
Net book amount at 31 Dec 2017	680,000	151,437	38,122	10,507	146,256	57,049	1,083,371

The Group's land and buildings were revalued on 31 December 2017 by independent valuers, Darroch Limited. The revaluation net of applicable deferred income taxes was recognised in other comprehensive income.

New Zealand Educational Institute Te Riu Roa

Notes to consolidated financial statements for the year ended 31 December 2017

Note 4 Income taxation

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
Income tax expense:				
Current tax	148,749	259,471	158,187	160,715
Deferred tax	(13,331)	(51,210)	-	-
Prior period adjustment	-	(14,953)	-	(1,250)
Net tax expense for the year	135,418	193,308	158,187	159,465

The tax on the Group's surplus before tax differs from the theoretical amounts that would arise using the weighted average tax rate applicable to surplus of the consolidated entities as follows:

Surplus before tax	1,938,032	1,813,868	1,994,776	1,181,451
Tax expense @ 28% (2016:28%)	542,646	507,882	558,537	330,806
Tax depreciation on buildings adjustment	(78,014)	(103,947)	-	-
Non taxable income and expenses	(325,465)	(102,080)	(400,350)	(170,091)
Non taxable revaluations	(3,749)	(93,594)	-	-
(Over)/under provision in prior years	-	(14,953)	-	(1,250)
Net tax expense for the year	135,418	193,308	158,187	159,465

Deferred tax

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
The gross movement on the deferred income tax account arising from property is as follows:				
Deferred tax liability/(benefit) at 1 January	588,110	543,011	-	-
Charged/(credited) to surplus or deficit	(13,331)	(51,210)	-	-
Charged/(credited) to other comprehensive revenue and expense	2,344	96,309	-	-
Deferred tax liability/(benefit) at 31 December	577,123	588,110	-	-

Note 5 Events occurring after the reporting date

Following a decision of the Institutes's 1 October 2017 Annual Meeting to sell its Education House (West Block) building, it was placed on the open market on 9 March 2018, and sold on 11 May 2018 for \$9.3 million (exclusive of GST and inclusive of sale commission). Accordingly, the building floors recognised as property, plant and equipment, and investment property in the financial statements, were reclassified to property held for sale subsequent to the balance date. Settlement will occur on 31 January 2019.



Report of the independent auditor on the summary financial statements

To the National Executive of New Zealand Educational Institute Te Riu Roa

The summary financial statements comprise:

- the consolidated statement of financial position as at 31 December 2017;
- the consolidated statement of financial performance for the year then ended;
- the consolidated statement of comprehensive revenue and expense for the year then ended;
- the consolidated statement of changes in net assets/equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- notes to the consolidated financial statements.

Our opinion

The summary financial statements are derived from the audited consolidated financial statements of the New Zealand Educational Institute Te Riu Roa (the Institute), including its subsidiaries (the Group) for the year ended 31 December 2017.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with PBE FRS-43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

Summary financial statements

The summary financial statements do not contain all the disclosures required by Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 28 June 2018.

Information other than the summary financial statements and auditor's report

The National Executive are responsible for the annual report. Our opinion on the summary financial statements does not cover the other information included in the annual report and we do not express any form of assurance conclusion on the other information. At the time of our audit, there was no other information available to us.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

PricewaterhouseCoopers, 113-119 The Terrace, PO Box 243, Wellington 6140, New Zealand
T: +64 4 462 7000, F: +64 4 462 7001, pwc.co.nz



Responsibilities of the National Executive for the summary financial statements

The National Executive are responsible, on behalf of the Institute, for the preparation of the summary financial statements in accordance with PBE FRS-43: *Summary Financial Statements*.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Our firm carries out other services for the Group in the areas of tax compliance and consulting services and property advisory services. The provision of these other services has not impaired our independence as auditor of the Group.

Who we report to

This report is made solely to the National Executive, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Institute and the National Executive, as a body, for our audit work, for this report or for the opinions we have formed.

Restriction on Use of our Report

This report has been prepared for inclusion in the annual report. We disclaim any responsibility for reliance on this report or the amounts included in the summary financial statements, for any purpose other than that for which they were prepared.

Chartered Accountants
29 June 2018

Wellington