2016 Annual Report

Welcome

Te Aho o Te Kura Pounamu

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Key points 2016

Student achievement
Our National Certificate of Educational Achievement (NCEA) results for 2016 were positive, with continued high achievement rates of individual standards. We also increased our participation rates and achievement rates for NCEA qualifications. Our overall achievement rate increased to 61% at NCEA Level 1, 60% at Level 2 and 64% at Level 3. The achievement rate of our full-time students was 77% at NCEA Level 1, 75% at Level 2 and 83% at Level 3.

However, our achievement against the National Standards showed a disappointing decrease compared to the prior year, particularly among Māori students. The results indicate a clear need for Te Kura to continue to focus on a range of initiatives to increase engagement and achievement of Māori students.

Online learning strategy
We continued to make good progress implementing our online learning strategy. Our teaching and learning resources will be delivered online to most of our students by 2018. The shift to online learning is supported by Te Kura's increased regional presence. With teachers based in offices across New Zealand, we have created more opportunities for students, their supervisors and Te Kura staff to meet face-to-face and to develop local connections.

Te Kura's 'Hub' support centre for online learning
By the end of 2016, planning was in place for an early 2017 launch of Te Kura's Hub support centre for online learning. The Hub was developed so Te Kura students, their supervisors, whānau, school coordinators from the schools our dual students are enrolled at, and external support staff such as additional teachers and teacher aides, could contact the Hub for assistance with any online learning related queries.

Communities of Online Learning
In August 2016, the Government introduced the Education (Update) Amendment Bill, proposing that Te Kura become a Community of Online Learning (COOL) and that other providers be able to seek accreditation to become a COOL. Te Kura's submission to the Education and Science Select Committee on the Bill stated that our move to online learning and our focus on authentic, personalised learning positioned us well to become a COOL. We supported proposals in the Bill to give more flexibility to the education system and enable greater personalisation of learning. Our submission is available on our website at www.tekura.school.nz/publications.

Summer school
In January 2016, we offered our summer school programme for the first time. The programme provides students with the opportunity to complete NCEA qualifications and/or gain University Entrance by completing work over the summer that could be added to their prior year's Record of Achievement. Some Te Kura students also took the opportunity to make an early start on the academic year.

We ran our second summer school programme from December 2016 to February 2017. We had 746 students take part in the 2016/17 programme, up by 545 students or 271% from 2015/16. Of these students, 184 completed University Entrance and 145 completed NCEA Level 3 with the credits they were able to add to their 2016 Record of Achievement through the summer school.

Ako – a reciprocal process of teaching and learning
In 2016, we evaluated the optimal teaching and learning model for the integration of authentic, personalised, culturally-responsive, cross-curricula, online learning. Key strengths identified in this evaluation included overall support for Te Kura's strategic direction and the identification of exemplary teaching and learning practice across Te Kura.

This evaluation also led to reviews of our implementation of learning advisories, online learning and personalised student learning plans. Exemplary practice was identified in all three reviews, presenting an opportunity to broaden this practice to achieve greater consistency of quality and delivery for all Te Kura students and their whānau.

Māori student success
In December 2016, a report we had commissioned on *Enabling and Accelerating Māori Student Success at Te Kura* was presented to Te Kura's Board. Consideration and implementation of the recommendations in the report will guide our work to improve Māori students' achievement and success during 2017.

Working with NZQA
During 2016, Te Kura students participated in almost all of NZQA's online assessment trials and we worked with NZQA to ensure Te Kura mid-year examinations were delivered with authenticated assessment conditions.

International delivery of professional learning and development
During April, our Chief Executive and Development Manager travelled to Trinidad and Tobago to deliver a series of Big Picture Education workshops. Te Kura's contract with the Commonwealth of Learning involved the delivery of professional learning and development to stakeholders involved in setting up an open school in Matelot, a remote village in the north of Trinidad.

Student Resource Centre move
Our Student Resource Centre is where we warehouse and dispatch our student resources. In 2016 this was relocated from Petone to our head office in Thorndon. While we reduced the amount of resource in storage, we continued to deliver paper resources to those students of courses not yet fully delivered online and students with an exemption from online learning. Delivery of resources such as science kits and early childhood resources also continued.

Te Kura's Board Chair received a lifetime achievement award
Te Kura Board Chair Dame Karen Sewell was awarded the Minister of Education's 2016 Lifetime Achievement Award at the Prime Minister's Education Excellence Awards ceremony in Auckland on 13 June.

Ngā take matua 2016

Te paetae ākonga
He pai ā mātau otinga mō te Tiwhikete o te Motu mō ngā Paetae Mātauranga (NCEA) 2016, e mau tonu ngā paetae taumata teitei a ngā ākonga. I piki tō mātau auau o te hunga i uru, i eke hoki i roto i ngā tohu NCEA. I piki hoki te auau o tō mātau paetae ki te 61% i te Taumata 1 NCEA, 60% i te Taumata 2 me te 64% i te Taumata 3. Ko te auau paetae o ā mātau ākonga wā tūturu he 77% i te Taumata 1 NCEA, 75% i te Taumata 2 me te 83% i te Taumata 3.

Engari, he matekiri te heke o tō mātau paetae ki Ngā Paerewa ā-Motu ina whakatauritea ki te tau o mua, ina koa i waenga i ngā ākonga Māori. E tohu ana ngā otinga i te hiahia mō Te Kura kia aro tonu ki ngā kaupapa whānui hei whakapiki i te whai wāhi me te paetae o ngā ākonga Māori.

Ngā akoranga tuihono
I anga whakamua haere tonu ngā mahi whakatinana i tā mātau ratutaki akoranga tuihono. Ka whakarato tuihonotia ā mātau rauemi whakaako, akoranga hoki ki te nuinga o ā mātau ākonga i mua o te tau 2018. E tautokona ana tēnei nekenga ki te akoranga tuihono e te nui haere o te mana ā-rohe o Te Kura. Nā ngā kaiako i ngā tari puta noa i Aotearoa, kua waihangatia e mātau ngā whai wāhitanga atu anō mā ngā ākonga, ō rātau kaiwhakahaere me ngā kaimahi a Te Kura kia hui kanohi ki te kanohi me te tuitui taura here paetata.

Te 'Pokapū' wāhi tautoko o Te Kura mō ngā akoranga Tuihono
I mua i te mutunga o te tau 2016m, kua takoto kē he mahere mō tētahi whakarewatanga i te tīmatanga o te tau 2017 mō te 'Pokapū' wāhi tautoko mō te akoranga tuihono. He mea waihanga te 'Pokapū' kia taea e ngā ākonga o Te Kura, ō rātau kaiwhakahaere, whānau, kaitakawaenga kura mai i ngā kura e rēhitatia ana ā mātau ākonga taharua, me ngā kaimahi tautoko o waho hei kaiako tāpiri, kaiāwhina hoki, te whakapā atu ki te Pokapū mō ngā āwhina me ngā uiui e whai pānga ki ngā akoranga tuihono.

Ngā Hapori Akoranga Tuihono
I te Hereturikōkā 2016, i whakaurua mai e te Kāwanatanga te Pire Menemana Mātauranga (Whakahou), e marohi ana kia noho a Te Kura hei Hapori Akoranga Tuihono (COOL), ā, kia taea e ētahi atu kaiwhakarato te whai rēhitatanga kia noho hei COOL. I kī te tāpaetanga kōrero a Te Kura ki te Komiti Whiriwhiri Mātauranga me te Pūtaiao mō te Pire mā tā mātau neke ki te akoranga tuihono me te aro ki ngā akoranga tūturu, whaiaro hoki e āhei mātau ki te noho hei COOJ. I tautokohia e mātau ngā marohitanga i roto i te Pire kia ngāwari ake te pūnaha mātauranga, ā, kia nui ake te whakawhaiaro ake i ngā akoranga. E wātea ana tā mātau tāpaetanga kōrero i tā mātau paetukutuku i www.tekura.school.nz/publications.

Kura raumati
I te Kohitātea 2016, i whakaratohia e mātau tā mātau kaupapa kura raumati mō te wā tuatahi. E whakarato ana te kaupapa i ngā whai wāhitanga ki ngā ākonga kia tutuki i a rātau ngā tohu NCEA, te whiwhi Urunga ki te Whare Wānanga hoki/rānei mā te whakaoti i ngā mahi i te raumati kia tāpirihia ki ā rātau Pūkete Paetae o te tau o mua ake. I whai wā anō ētahi ākonga o Te Kura kia tōmua te tīmata i te tau mātauranga .

I whakahaerehia tā mātau kaupapa kura raumati tuarua mai i te Hakihea 2016 ki te Huitanguru 2017. E 746 ngā ākonga i whakauru mai ki te kaupapa 2016/17, he pikinga tēnei o te 545 ākonga, te 271% rānei mai i te tau 2015/16. O ēnei ākonga, 184 i whakaoti i te Urunga ki te Whare Wānanga, ā, 145 i whakatutuki i te NCEA Taumata 3 me ngā whiwhinga i āhei ki te tāpiri atu ki ā rātau Pūkete Paetae 2016 mā te kura raumati.

Ako - he tukanga tauutuutu o te whakaako me te ako

I te tau 2016, i arotakehia e mātau te tauira whakaako me te akoranga arotau rawa mō te kōmitimiti mai i ngā akoranga tuihono tūturu, whaiaro, ā-ahurea, whakawhiti marautanga hoki. Ko ngā kaha hira i tautuhia i tēnei arotake ko te tautoko whānui i te aronga rautaki a Te Kura me te tautuhi i ngā whakaakoranga me ngā tikanga akoranga hiranga puta noa i Te Kura.

I puta anō hoki i tēnei arotake ko te arotake i tā mātau whakatinana i ngā kaitohutohu akoranga, ngā akoranga tuihono, ngā mahere akoranga ākonga whaiaro hoki. I kitea ngā ritenga hiranga i roto i ngā arotake katoa e toru, me te whai wāhitanga ki te whakawhānui i aua ritenga kia kaha ake ai te ōrite o te kounga me te whakarato mā ngā ākonga katoa o Te Kura me ō rātau whānau.

Te angitu ākonga Māori

I te Hakihea 2016, i whārikihia mai te pūrongo nā mātou i whakarite, te *Enabling and Accelerating Māori Student Success at Te Kura*, ki te Poari o Te Kura. Mā te whai whakaaro me te whakatinana i ngā tūtohunga o te pūrongo ka ārahi i ā mātau mahi ki te whakapai ake i te paetae o ngā ākonga Māori me tō rātau angitu i te tau 2017.

Te mahi tahi me NZQA

I te tau 2016, i whakauru mai ngā ākonga o Te Kura ki te nuinga o ngā whakamātau aromatawai tuihono a NZQA, ā, i mahi tahi me te NZQA ki te whakaū i whakaratohia ngā aromatawai waenga-tau a Te Kura i runga i ngā āhuatanga aromatawai tūturu.

Te whakarato ā-ao o ngā akoranga me te whakawhaneketanga ngaio

I te Paengawhāwhā, i haere tā mātau Pou Whakahaere me te Kaiwhakahaere Whakawhanaketanga ki Tirinitati me Topāko ki te kōkiri i ētahi awheawhe Mātauranga Tirohanga Whānui. Kei roto i te kirimana a Te Kura me te Commonwealth of Learning ko te whakarato i ngā akoranga me te whakawhaneketanga ngaio ki te hunga whai wāhi mai mō te whakatū i tētahi kura tuwhera i Matelot, he pā tawhiti kei te raki o Tirinitati.

Kua nekehia te Pokapū Rauemi Ākonga

Ko te Pokapū Rauemi Ākonga te wāhi i puritia ai, e tukuna atu ai hoki ā mātau rauemi ākonga. I te tau 2016 i nekehia tēnei mai i Pito-one ki tō mātau tari matua i Pipitea. Ahakoa i whakahekea te rahinga o te rauemi e rokirokia ana, kei te whakarato rauemi ā-pepa tonu mātau ki aua ākonga nō ngā akoranga kāore anō kia whānui te tuku ā-tuihono, ā, mā te hunga hoki whai tāwere mō te akoranga tuihono. I haere tonu te tukutanga o ngā rauemi pēnei i ngā kete pūtaiao me ngā rauemi kōhungahunga.

I whiwhi tohu whakatutukitanga oranga te Tiamana o te Poari o Te Kura

I whakawhiwhia te Tiamana o Te Kura a Kahurangi Karen Sewell ki te Tohu Whakatutukitanga Oranga 2016 a te Minita Mātauranga i te hui tuku i Ngā Tohu Hiranga Mātauranga a te Pirimia i Tāmaki Makaurau i te 13 o Pipiri.

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1 Chair's Report

Te Kupu a te Heamana

I am proud to present the 2016 Annual Report for Te Aho o Te Kura Pounamu (Te Kura).

Te Kura's vision for education in New Zealand is that every learner has equitable access to high quality education that enables them to be successful in the world. This is a broader vision than for Te Kura alone. Our vision for Te Kura is that 'our students achieve their educational and personal goals, enabling them to participate effectively as members of their communities.' Our focus is on the three strategic priorities of online learning, improving education outcomes for Māori and Pasifika learners and other priority groups, and authentic and engaging learning experiences. In 2016, our ongoing self-review process affirmed that these priorities are understood and accepted by Te Kura staff and provide the focus for our learning and teaching.

During this financial year The Government introduced the Education (Update) Amendment Bill. Of particular interest to Te Kura were the proposed changes that would see Correspondence Education replaced in the legislation with 'online learning'. In our view high quality online learning uses technology as a tool to help in providing learning programmes that address learners' individual needs and promote their engagement and achievement. The degree to which online delivery is 'blended' with the overall educational approach is crucial. Put another way, technology is a medium but it does not guarantee learning.

Te Kura has always operated at the boundaries of the education system, ensuring access and occupying the spaces between the parts of the system reached by other providers. By providing a different kind of education we have served the interests of students and New Zealand as a whole. The passing of this legislation will mean that Te Kura will become a Community of Online Learning. We will continue to focus on every student, on each of their individual learning programmes and the authentic learning that will encourage and support them to reach their own goals.

We are working with other agencies, iwi and community groups to provide wrap-around support for students who are disengaged from learning or who have been excluded from face-to-face schooling.

Current models of education may be neither cost effective nor the most desirable way of responding to learning needs. In 'Learning from the Extremes' Leadbeater and Wong argue that, to get learning at scale to all who need it, transformational innovation will be needed. This will create new ways to learn new skills outside the traditional learning spaces. We will need to create spaces for learning where they are needed.

We are already using many of these features in Te Kura's educational approach. Through operating at the boundaries of the system, we can act as a catalyst for innovation and change.

As we look to the future and the impact that the changes proposed in the Government's Education (Update) Amendment Bill will have on Te Kura we are clear that we will maintain our relentless focus on every student enrolled with us and on raising their achievement.

Dame Karen Sewell, Board Chair
DNZM, QSO

2 Chief Executive's Report

Te Kupu a te Kaihautu

We are in the middle of a significant change process at Te Kura and as we go through these changes we continue to learn and improve.

We are making good progress implementing our online learning strategy. This important strategy will see most of our students learning online by 2018. Learning online enables students to build their skills and knowledge using the wealth of resources available online, under the guidance of their teachers. Technology has become an integral part of learning in schools and the education sector as a whole. For students learning at a distance, online tools enable them to bridge the physical distances between them, to collaborate and share ideas. As well as the learning opportunities technology offers our students while studying at Te Kura, it's also preparing them for the world ahead. This online learning is supported by Te Kura's increased regional presence. Teachers and support staff are based in offices across New Zealand, creating more opportunities for students, supervisors and Te Kura staff to meet face-to-face and to share a local connection.

Review is an important part of any successful change process. We take stock of where we are, clarify our priorities and intentions, and check that we are on course to achieving these. In 2016, we contracted a Senior Researcher to develop a discussion document on the optimal teaching and learning model to integrate authentic, personalised, culturally-responsive, cross-curricula, online learning. Key strengths identified in this research included overall support for Te Kura's strategic direction and the identification of exemplary teaching and learning practice across the school. Te Kura's strategic priorities were well known by Te Kura staff and accepted as the right priorities for the school. There is an opportunity for Te Kura to better connect these strategic priorities to build and consolidate a shared Te Kura story. This shared story is one of authentic and personalised learning, with the success of our students at the forefront of everything we do.

This research led to reviews on the implementation of advisories, online learning and personalised learning plans. Exemplary practice was identified in all three reviews, which presents an opportunity to to achieve greater consistency of quality and delivery for students and their families.

Our Authentic Learning Pilot continues, with up to 80 at-risk students across six sites in New Zealand. This approach is inspired by the international Big Picture learning model, and sees our learning advisors and liaison teachers working closely with students and whānau to identify each student's passions, interests and goals, and then personalising a programme of learning that places the student firmly at the centre and enables them to reach those goals. A key element of Big Picture Learning is building knowledge through practical learning experiences. This Authentic Learning Pilot is in the third of four years funded by the Ministry of Education, and I believe the findings will have great significance for the whole education sector.

In 2015/2016 we offered our first Summer School which enabled students to gain an NCEA qualification or entry into a particular tertiary pathway by earning credits over the summer. The substantial growth of enrolments in our Summer School 2016/17 from the previous year shows the demand for this learning option. I am grateful to the Te Kura staff who contributed to its success.

Mike Hollings, Chief Executive

3 Governance

Te Poari Whakahaere

Te Kura is governed by a Board of Trustees, the composition of which is determined by the Minister of Education in accordance with section 95 of the Education Act 1989. The constitution of Te Kura's Board is gazetted.

The Board is supported by the Risk Assurance Committee and the Employer Committee, which between them deal with much of the detailed work prior to consideration by the Board.

The following table details the term of office for trustees who served on the Board during 2016:

Name	Term expires
Karen Sewell (Chair) – reappointed June 2015	September 2018
Paul Adams – reappointed September 2015	September 2018
Gillian Heald – reappointed June 2015	September 2018
Maxine Moana-Tuwhangai – reappointed December 2016	November 2019
Stuart Middleton – appointed May 2014	May 2017
John Chemis – appointed September 2015	September 2018

The Board is supported by the following two committees:

Risk Assurance Committee
Maxine Moana-Tuwhangai (Chair)
Paul Adams
Gillian Heald
Karen Sewell

Employer Committee
Stuart Middleton (Chair)
John Chemis
Karen Sewell

The Te Kura whānau was deeply saddened by the passing of board member Lalita Rajasingham in July 2016. Lalita was appointed to our Board in May 2014. She brought a wealth of knowledge with her, particularly on the use of information technology in education, and her work has helped set future directions in education for the next decade in many parts of the world. Knowing and working with her was both a privilege and a pleasure and her colleagues on the Board enjoyed her intelligence, perception, humanity and humour. We miss her greatly.

Dame Karen Sewell, Board Chair
DNZM, QSO

4 Our students and community

Ā Mātou Ākonga, Tō Mātou Hapori

Te Kura was established as the Correspondence School in 1922 to provide primary level education for 83 students living in remote areas. Expansion in 1929 allowed the extension of services to secondary students. Since then, the school has grown and developed to meet changing demands as our role in the national education system has evolved over time.

Our cumulative roll in 2016 was 22,741 with around 12,000 students enrolled at any one time. While most are of secondary school age, our students range from pre-schoolers to senior citizens and live in all regions of New Zealand and overseas.

While still a Wellington-based organisation, Te Kura has regional offices staffed by teachers in Auckland, Hamilton, Christchurch and an increasing number of smaller centres.

Te Kura is New Zealand's state distance education provider in the early childhood and compulsory education sectors, providing educational services to early childhood, primary and secondary level students for whom we are the best current option, as well as supplementary services to students already enrolled in other New Zealand primary and secondary schools. Our services are also available to adults accessing second-chance education. In certain circumstances, students may be enrolled on a fee-paying basis.

Enrolment type	2016 Student cumulative enrolments*	Enrolment category
Early childhood	694	Full-time
Year 1-6	534	Full-time
	171	Dual
	8	Fee-paying
Year 7-10	1056	Full-time
	3171	Dual
	23	Fee-paying
Year 11-13	1598	Full-time
	8116	Dual
	138	Fee-paying
Adults	2408	Including 1333 Dept of Corrections adult enrolments
Young Adults	4824	
Total	**22741**	

*These figures represent cumulative enrolments throughout 2016, not a count of students.

Our full-time students (i.e. where we are their only school) may come from families who are geographically remote or itinerant, or living overseas. The larger proportion, however, consists of students whose alienation is the result of complex social circumstances or psychological problems. They may have been alienated or excluded from their face-to-face school or referred to Te Kura by the Ministry of Education because they have psychological or psycho-social needs. They may be young parents, or students who have been referred by Child, Youth and Family. These students make up 32% of our full-time roll at years 1 to 8 and 59% at years 9 to 13.

Te Kura has a sizeable Māori community, with Māori students comprising 32% of full-time enrolments at years 1 to 8, and 39% at years 9 to 13. We recognise the need to engage, develop and support Māori learners to be successful and to do so in ways that support their identity as Māori. Our Māori Student Success Framework 2013 – 2018 guides our work to enable Māori students enrolled with Te Kura to enjoy and achieve education success as Māori.

Among a wide range of other ethnic groups, our roll includes a number of Pasifika students. As the largest school in New Zealand, with a presence throughout the country, we believe we have a significant role to play in reaching Pasifika students, their families and communities to help deliver better results for Pasifika students.

We work with students, their whānau and community to provide effective teaching and personalised learning to enhance student engagement and achievement. To do this we have focused on building and strengthening partnerships with our students' whānau, communities and other agencies throughout New Zealand to help build readily accessible support for our students' learning.

Providing authentic learning experiences that build on students' passions, goals and potential is a key element of our approach to teaching and learning. Our authentic learning approach is inspired by the international Big Picture Learning model, and sees our skilled learning advisors and liaison teachers working closely with students and whānau to identify each student's passions and goals, and then personalising a programme of learning to enable the student to reach those goals. Each student's programme is likely to include real life learning experiences such as STAR courses, a Gateway placement, enrolment in a trades academy or internship in their community. Students also have the opportunity to participate in advisories, led by Te Kura staff, where they can work collaboratively with other students.

Our roll includes a large number of publicly-funded young adult enrolments. The Enrolment Policy we agree annually with the Ministry of Education allows students aged 16 or over who are not attending a school full-time to enrol at Te Kura up to and including the end of the year in which they turn 19. Where possible, young adult students who are enrolled with us in two or more subjects are allocated their own learning advisor who works to build a relationship with the student aimed at increasing their engagement and achievement.

Te Kura also has a substantial number of dual-registered students from primary and secondary schools, who come to us for curriculum access, adaptation or extension. Through these registrations the school has developed solid working partnerships with most of the country's primary and secondary schools and regional health schools. Each of these partnerships is based on a Service Level Agreement (SLA) that formalises each party's responsibilities for the student's education.

While early childhood enrolments encompass a diversity of lifestyle, socio-economic and ethnic backgrounds, they continue to be drawn mainly from rural areas. Most of these students go on to attend their local primary school. Te Kura has maintained partnerships with community agencies contracted by the Ministry of Education to encourage families to enrol children in early childhood education services. Under this Engaging Priority Families (EPF) initiative we have offered a programme to children in urban areas who, for a variety of reasons, have not enrolled with a face-to-face early childhood education provider. Whilst the Ministry's supported playgroup initiative is scheduled to be reviewed, Te Kura has continued to support playgroups in the Bay of Plenty community.

During 2016, our Early Childhood teachers have continued to act as learning advisors to Te Kura's adult students, contacting them to see what assistance can be offered to help keep them engaged with their study.

Years 11 to 13 enrolments include many young adults aged 16 or over who have left the schooling system but have since chosen to return to school to gain specific credits or qualifications. Like our adult students, they typically enrolled at Te Kura in 2016 to gain specific credits, skills or qualifications.

Funding and enrolment

Te Kura is funded by the Ministry of Education in accordance with section 81A of the Education Act 1989. Funding is based on student engagement. The resourcing notice from the Ministry of Education stipulates the funding to be provided to the school.

The enrolment of students is governed by sections 7 and 7A of the Education Act 1989 which describe restrictions on enrolment and access to government-funded education. The enrolment policy is agreed annually between the Ministry of Education and the Board of Trustees and is published by Gazette notice. Students who meet the policy criteria may enrol as government-funded students. In certain circumstances, students may be enrolled on a fee-paying basis.

Organisational structure

Te Kura is organised into three wāhanga (areas) – Learner Services, Operations and Performance, and the Chief Executive's office. The Chief Executive and the Board are supported by the Chief Advisor, Strategy.

Learner Services is responsible for the school's teaching and learning, curriculum leadership and development and has school-wide responsibility for Te Kura's Māori Student Success Framework, the assessment of years 1 to 13 students and for leading, developing and coordinating online learning. Learner Services also provides in-region pastoral support through regional, cross-disciplinary teams – Northern, Central North, Central South and Southern. Teachers work in multidisciplinary teams to promote better understanding and engagement with students, creating an environment conducive to improved student achievement. Learner Services' responsibilities also include early childhood teaching and learning.

Operations and Performance provides the school's corporate support structure. Its functions include enrolment services, facilities management, finance, human resources, information resources, the library, media and distribution services, and procurement.

The Chief Executive's office provides strategic advice and support to the Chief Executive, the Board of Trustees and the Senior Leadership Team (SLT). This wāhanga is led by the Chief Advisor, Strategy, and its functions include communications, organisational performance, planning and reporting.

SLT has responsibility for the overall leadership and strategic direction of Te Kura, and comprises the Chief Executive, Deputy Chief Executive Ako, Deputy Chief Executive Operations and Performance, and the Chief Advisor, Strategy.

The school's Lead team comprises SLT, the Development Manager, the four regional managers, a management representative from the Operations and Performance Wāhanga and the Communications Specialist.

Each senior manager has accountability for specific areas of activity, management of resources and leadership of people and projects.

At the end of 2016, Te Kura employed 472 staff members, the equivalent of approximately 436 full-time positions. In addition, we employed 141 teacher aides. Around 40% of staff were based in regional offices outside Wellington, up from 38% in 2015, with 92% of teaching staff located in their region.

Our management structure is detailed in the diagram below.
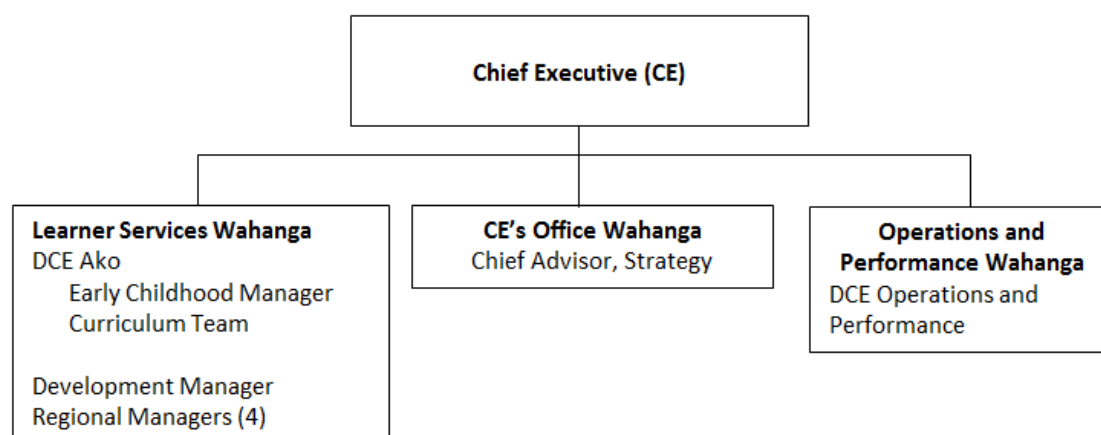
Equal Employment Opportunities (EEO) programme
The school reports annually to the Board of Trustees on its EEO programme, providing a snapshot of Te Kura's staff, with information on their gender, age and ethnicity at the end of each calendar year. This ongoing reporting supports identification of trends and appropriate responses. The report excludes data on teacher aides, relief teachers, temporary employees and contractors. Such staff are generally employed for very short periods of time and including their data would disproportionately affect the information presented.

The total number of permanent and fixed term staff at the end of 2016 was 472. The average age of Te Kura teachers was 55, and 47 for our specialist and support staff. Both those figures were unchanged from 2015. The average age of the Te Kura workforce was 53, unchanged from 2015 but the median age of 55 was one year less than in 2015. Te Kura had 52 employees aged over 65, seven fewer than in 2015. Staff turnover in 2016 was 7.3%, in contrast to an average gross turnover of 15.9% in state sector organisations.

The gender mix of all Te Kura's employees, at 73% female and 27% male, was little changed from that of 2015 and was in line with that of teaching staff in other New Zealand schools.

The ethnic diversity of Te Kura employees was a near match with the general New Zealand workforce, although Te Kura continues to be under represented in all the minority groups. Te Kura does not currently require employees to provide ethnicity information and therefore staff ethnicity data included in the report was based on information relating to the 71% of all staff who reported their ethnicity.

Location and regional services

The school's Wellington operations are housed at its Portland Crescent site in Thorndon. In 2016 we relocated the student resource centre, which warehouses and dispatches our student resources, from Petone to our Thorndon headquarters. We will continue to dispatch certain resources such as science kits. Students who are exempt from online learning will continue to receive appropriate material that is appropriate for them.

Te Kura is also represented in regional offices in Auckland, Christchurch and Hamilton, which provide a base for the region's local liaison teachers and a number of subject teachers, while in-region offices in locations such as Whangarei, Tauranga, Hastings, Palmerston North and Nelson support local activity and connections in their communities. The regional managers for Northern and Central North are also based in the regional offices.

Regional managers are key contacts for stakeholders in the regions. To support our full-time students they work with communities, non-government and government agencies, and lead the development of new relationships in the region. Regional Reference Groups provide a forum for all our stakeholders to hear about what is happening at their school and to provide their own feedback. Relationship coordinators in each region work with dual-education providers to support the learning of dual-registered students.

5 2016 Activities

Ngā Mahi a 2016

Online learning

In 2014, Te Kura embarked on a significant change programme to move from being a predominantly paper-based provider of distance education to a fully online school by the end of 2018.

This online learning is supported by Te Kura's increased regional presence. With teachers and support staff based in offices across New Zealand, we have created more opportunities for students, supervisors and Te Kura staff to meet face-to-face and to share a local connection.

During 2016, we offered 20 interactive online courses at curriculum levels 3 – 5. By the end of 2016, the majority of our National Certificate of Educational Achievement (NCEA) Level 1 courses were available as fully interactive modules. Prior to being developed for online a number of revisions were made to these NCEA resources, to ensure the new online modules would be up to date in every respect. We also made progress in the development of NCEA Level 2 and our integrated programme for years 7–10, Te Ara Hou, for online delivery. Te Kura teachers used our Online Teaching and Learning Environment (OTLE), as well as the Google suite and other online tools. This work is supported by ongoing teacher professional development in online delivery.

Student voice is integral to the way learning resources are developed and delivered. We collected student feedback on newly released online modules and took that into consideration when we developed the next round of modules.

Te Kura's online music video project, *Collaborate to Create*, provided an opportunity for students to use OTLE to create and produce a music video. The project demonstrated the power of online learning as it allowed students from across New Zealand and overseas to collaborate through a discussion forum.

Following its effectiveness in 2015, we extended the laptop and connectivity assistance programme in 2016 to ensure more of our students were able to make the most of the new online resources. Eligible families can apply for access to a device and a subsidy towards the cost of internet connectivity. The devices supplied are re-conditioned laptop computers with some pre-installed software, and the student is allocated an email address that they can use to access free Microsoft software. Eligible students can receive an internet subsidy of $30 per month, and students who are geographically isolated can get an additional internet connectivity top-up of another $30 per month.

A new online learning guide was developed. It contains everything students and their whānau need to know about learning online with Te Kura, including information about our assistance programme and the equipment students need to learn online.

A review of online learning was undertaken in 2016 that identified communication and capability building as key areas for further action. As a result of this, the Online Team began to develop an Online Teaching and Learning Environment (OTLE) roadmap to emphasise the key milestones, the progress that has been made, the benefits at each milestone for students and teachers, and the ongoing reviews and improvement processes. This will support stakeholders to become more informed about the OTLE implementation and highlight what is working well.

While we did have a range of capability building measures in place to support students, families and whānau, school dual co-ordinators and Te Kura teachers, Te Kura focussed on providing more

differentiated support for each user group , particularly priority students who may not have the capability and support to engage with the OTLE.

Te Kura's 'Hub' support centre for online learning
The Hub support centre for online learning was also developed in 2016, for an early 2017 launch. The Hub was developed to provide consistent and timely advice to any enquiries, and to also proactively contact students to offer support and advice. By taking a proactive approach with prioritised groups of students enrolled in an online course, the Hub will aim to ensure students are set up in OTLE with the tools and information they need to engage in their learning programme. This assistance is additional to the work that our learning advisors and subject teachers do to monitor their students' engagement with OTLE.

Ako – a reciprocal process of teaching and learning
In August 2016, Te Kura carried out an evaluation to identify the optimal teaching and learning model that would integrate authentic, personalised, culturally-responsive, cross curricula, online learning. Consultation with teachers, team leaders, the Curriculum Team and managers was a critical part of this work.

Key strengths identified included overall support for Te Kura's strategic direction and the identification of exemplary teaching and learning practice across Te Kura. The Te Kura strategic priorities were well known by Te Kura staff and accepted as the right priorities for the school. The research identified an opportunity for Te Kura to better connect these strategic priorities to build and consolidate a shared Te Kura story. This shared story is one of authentic and personalised learning, with the success of our students at the forefront of everything we do.

Three key reviews conducted
Three key reviews were undertaken as a result of the evaluation of the optimal teaching and learning model. One review was of online learning, and the key recommendations and our response to these is outlined under 'Online learning' in this key activities section.

There was also a review of learning advisories. The review found our advisories are valued by everyone involved: students, their families and their Te Kura teachers. Te Kura has collected evidence that shows regular attendance at advisories is related to improved student achievement. The review also reported that overall there was an under-representation of Māori and Pasifika students attending advisories, and identified some of the challenges and barriers to attracting these priority students. This review recommended the establishment of schoolwide policies and guidelines on advisories to clarify and communicate their purpose and how we should go about achieving it.

The third review was of existing Student Education Plans and our process for creating and using them to advance the student's opportunities for improved achievement. The development of personalised learning plans is inextricably connected to the delivery of personalised learning. The personalised plan provides the foundation for personalising learning, anchoring the learning programme within the context of the student's life, interests and ambitions. As a result of a recommendation from this review, Te Kura will be introducing a package of support to strengthen teacher practice around the development and monitoring of each student's Individual Learning Plan.

CLARA survey tool
Te Kura also explored the New Zealand Curriculum principle of 'learning to learn' as a focus in its own right. Teachers have piloted the use of the CLARA diagnostic survey tool as a means of student self-evaluation of dispositions for learning and to measure the growth of student learning power over the time of their enrolment. CLARA's measured growth of student learning power provides Te

Kura with a rich new dataset for identifying, prioritising and delivering the specific support that students need. Aggregated teacher and student datasets defined in 2016 will be built on in 2017.

Working with NZQA
During 2016, Te Kura students also participated in almost all of the New Zealand Qualifications Authority (NZQA) online assessment trials and we worked with NZQA to ensure Te Kura mid-year examinations were delivered with authenticated assessment conditions. In a follow-up to this work in 2017 we will embed our practice in this area.

Authentic Learning Pilot
Authentic Learning at Te Kura is inspired by the Big Picture Learning model. This approach to teaching and learning focuses on each student in their own context and places them, their interests and passions firmly at the centre of their personalised programme of learning. A key element of Big Picture Learning is building knowledge through practical learning experiences supported by their Individual Learning Plan and personalised programme. Big Picture Learning includes internships, job shadowing and support from locally-based mentors.

Te Kura's Authentic Learning Pilot is a four year programme that began in 2014. Funded by the Ministry of Education, pilot advisories are offered in six sites across New Zealand, with a total of up to 80 at-risk students taking part. This pilot enables Te Kura to trial an alternative programme of learning towards sustained progress for students, targeting improved engagement in learning and increased NCEA achievement for these students.

A key focus for the pilot is to follow the Big Picture Learning model and to support each student into a programme of learning based on their passions and interests, leading to internships and secondary-tertiary programmes. The Education Review Office (ERO) continues to evaluate the pilot through to a summative report in 2017.

The evaluation of the Authentic Learning Pilot may have implications for the wider review of support for at-risk students, including Te Kura's role in the wider education system, policies on exclusion and expulsion, and the expectations placed on the face-to-face schooling network.

Te Kura Enrolment System changes for dual students
An automated enrolment process has been in place for secondary dual students since 2015. This has reduced the time it takes to enrol eligible students, enabling them to get started on their Te Kura courses much faster. We have provided updated training material directly to dual school coordinators in the OTLE and through our website.

The review of online learning in 2016 reported that schools really appreciated the help and support they received from our Relationship Co-ordinators. This group of Te Kura staff worked extremely well with schools to assist them to support dual students engage in online learning. Schools also acknowledged the vast improvements to Te Kura enrolment systems and the professional customer service they receive from our Enrolment Services staff.

Te Kura presents learning workshops in international settings
During April, our Chief Executive and Development Manager travelled to Trinidad and Tobago to deliver a series of workshops for the Commonwealth of Learning. Te Kura was contracted to deliver professional learning and development around Big Picture Education to stakeholders involved in setting up an open school in Matelot, a remote village in the north of Trinidad.

Six Te Kura staff members attended our Online Teaching and Learning Environment vendor

conference in Washington DC in July. D2L Fusion brings together educators and online learning experts to discuss the latest technology offerings from our vendor and how the learning management system is being used to support student engagement and achievement. The Te Kura presentation was on the topic of 'Redefining the student experience: personalisation and content optimisation'.

Te Kura's Huarahi Trades Academy
Te Kura's Huarahi Trades Academy has been in operation since September 2012. It provides an opportunity for senior secondary students to complete NCEA Level 2 through Te Kura and gain relevant industry standards towards NCEA Levels 1, 2 or above in a vocational pathway, through our Trades Academy partners.

Ten students who had completed the Enviroskills course in Northland the previous year were selected to participate again in 2016 and they worked on a second stage programme to contribute to the course culture and gain additional skills. We also ran an Enviroskills first year course in Rotorua.

In 2016, we had partnerships with 18 tertiary partners. We filled our allocated 125 student places, and also supported unfunded students. Our students benefitted from a wide range of trades and related programmes being offered around the country, with their Te Kura programmes complementing and supporting their learning.

Summer school
Te Kura is constantly seeking to provide students with more flexible learning arrangements. The provision of summer school gives students the opportunity to continue their learning throughout the school year. In the summer of 2015/16, Te Kura offered its first summer school enrolment to New Zealand students studying towards specific NCEA internally assessed standards. The courses offered included subjects at NCEA levels 1, 2 and 3.

Summer school enrolments were taken from 15 December to 23 January, with Enrolment Services staff taking enrolment applications over the phone to ensure they were progressed as quickly as possible. We extended summer school enrolments due to the high level of demand, particularly once NCEA results were released.

Learning resources were available via our Online Teaching and Learning Environment as downloadable PDFs and staff emailed assessment tasks to students. Teachers were available online during January to answer questions and assess student work.

Te Kura had 206 student enrolments in summer school 2015/16, with 305 subject enrolments. Most of these were new enrolments, as young adult or adult students. English, science and maths were the most popular subjects, mostly at NCEA Level 3.

The original intent in offering summer school was to provide students with the opportunity to achieve additional credits before the formal start of the upcoming academic year, enabling them to gain an NCEA qualification or University Entrance and/ or entry into a particular tertiary pathway prior to the beginning of term one. A second benefit of offering summer school became apparent, as Te Kura students took the opportunity to make an early start on their learning for the upcoming academic year.

Demand for summer school as a learning option is evident, with an increase to 716 enrolments in summer school 2016/2017.

Enabling and Accelerating Māori student success
Our Māori Student Success Framework (2013–2018) is designed to enable Māori students enrolled with Te Kura to enjoy and achieve education success as Māori.

In December 2016, a report commissioned from Kororā Consulting *Enabling and Accelerating Māori Student Success at Te Kura* was presented to Te Kura's Board.

Consideration and implementation of the report's recommendations will guide our work to improve Māori students' achievement and success during 2017.

Student Resource Centre
In 2016, we relocated the Student Resource Centre, which warehouses and dispatches our student resources, from Petone to our head office in Thorndon. This move reflects the reduction of paper resources as we continue towards our goal to have most students working online by 2018.

While we reduced the amount of resource in storage, we continued to deliver paper resources for the students of courses not yet fully delivered online, and students with an exemption from online learning. Delivery of resources such as science kits and early childhood resources also continued.

Communities of Online Learning
In August 2016, the Government introduced the Education (Update) Amendment Bill. Of particular relevance to Te Kura were the proposed changes that, if enacted, would see 'correspondence' education replaced in the legislation with 'online learning'.

Te Kura would become a Community of Online Learning (COOL) and other providers would also be able to seek accreditation to become a COOL.

Given Te Kura's move to delivering online learning, and our focus on authentic, personalised learning we are well placed to become a COOL. We support proposals in the Bill that will give more flexibility to our education system and enable much greater personalisation of learning, and look forward to becoming a school of choice.

Te Kura made a submission to the Education and Science Select Committee on the Education (Update) Amendment Bill in September 2016. This is available on our website: www.tekura.school.nz/publications

Lifetime achievement award for Te Kura's Board Chair
Te Kura Board Chair Karen Sewell was awarded the Minister of Education's 2016 Lifetime Achievement Award at the Prime Minister's Education Excellence Awards ceremony in Auckland on 13 June.

The Minister of Education Hon Hekia Parata's citation for this award included the following comments, 'For over 45 years Dame Karen Sewell has dedicated her career to education. She has an outstanding record of strong leadership and achievements at all levels of the education system, undertaking every assignment with passion, dedication and commitment … Dame Karen's focus has remained constant; to lift achievement for every student, particularly Māori and Pasifika students, and students with special needs.'

6 Strategic context

Te Horopaki Rautaki

Our strategic direction
2016 has been the fourth year of our Strategic Plan, guiding Te Kura through to 2018. The Strategic Plan highlights the specific areas where our efforts will be focused over a five year period.

This Annual Report reflects our 2016 Charter and Annual Plan.

Te Kura's contribution to the education sector in 2016 has echoed the Ministry of Education's future priorities for the sector, with a focus on helping the system to increase educational achievement for every child and every student, giving them the skills they need for life and work. In its Four Year Plan 2015-2019, the Ministry outlined its intent to support the education system to deliver on the Government's priorities of improved outcomes for all children and students and stronger economic growth for New Zealand, so that:

- Education of increasing quality and value is provided for all.
- Every child and student achieves success in education.
- The education system is a major contributor to economic prosperity and growth.
- Investment in education provides higher returns.

The Ministry's key indicators for measuring progress in raising achievement start with increased participation in high-quality early childhood education and continue through to attainment of core skills and qualifications. The Ministry also identified the following key priority groups for improved education outcomes: Māori students, Pasifika students, students with special education needs and students from low socio-economic backgrounds.

Te Kura's role in the education sector in 2016 has seen us working with other government education agencies, education providers, support services and communities in support of the government's priorities of improved outcomes for all children and students and stronger economic growth for New Zealand. Te Kura's strategic goals and priorities align with the Ministry's priorities and wider education system outcomes. In particular, four of the Ministry's key indicators which we aimed to contribute towards in 2016 were:

- Increasing participation in Early Childhood Education.
- Increasing the proportion of enrolled students at or above National Standards levels.
- Increasing the proportion of 18-year-olds with NCEA Level 2 or equivalent qualification.
- Decreasing the proportion of youth not in employment, education or training.

The key themes in our Strategic Plan 2013–2018 are personalising learning, a focus on future-oriented learning and teaching, and the embracing of Education 3.0 – a concept which describes the transformation necessary to enable the current system of education, developed in the age of industrialisation, to meet the evolving and dynamic challenges of the 21st century.

Te Kura's strategic direction remains centred on three overarching and integrated strategic goals, which are the focus of everything we do, within the context of teaching and learning as core delivery for the school:

Student presence => Student engagement => Student achievement

Over the period 2013 to 2018 we are focusing on three strategic priorities:

- Online learning.
- Improving education outcomes for Māori and Pasifika students and other priority groups.
- Authentic and engaging learning experiences.

These priorities are the key changes we want to make towards achieving our vision and moving into an Education 3.0 model of teaching and learning for our students. Some of the key characteristics of this model are a transfer of ownership from teachers to students, authentic learning and collaborative learning techniques. Education 3.0 is a future-oriented learning system in which family and whānau view schools as a place for them to learn as well.

The key priorities are supported by three enabling strategies which are the means we employ across the school to support and enable achievement of goals and priorities and our core delivery of teaching and learning. These encompass every aspect of the school's operations and typically contribute to more than one of our strategic priorities.

Underpinning our five-year strategy are three capability improvement initiatives designed to ensure that resources, tools and systems are fit for purpose and focused on achieving our goals.

7 Māori student success

Ngā angitū o ngā tauira Māori

Māori Student Success Framework (2013–2018)
Our Māori Student Success Framework is designed to enable Māori students enrolled with Te Kura to enjoy and achieve education success as Māori. The Framework follows four principles, based on Ka Hikitia 2013–2017:

- Māori potential.
- Ako – a reciprocal teaching and learning process.
- Identity, language and culture count.
- Productive partnerships.

Enabling and accelerating Māori student success
In our charter and annual plan for 2016, we identified as a focus the achieving of these four strategic goals:

- Every Māori student has high expectations and feels supported by Te Kura to take action and achieve their potential.
- Ako is the accepted pedagogy for all Māori students at Te Kura.
- Every Māori student's identity, language and culture is nurtured, supported, reflected and valued.
- Every Māori student's learning is supported through productive partnerships.

In the course of this third year of the Framework's implementation, we paused to reflect on our approach to enabling Māori students to 'enjoy and achieve education success as Māori'. Our response was to examine this aspect of our work as part of Te Kura's ongoing self-review process and so in July 2016 we commissioned an evaluation aimed at:

- understanding what support our staff consider they need in order to accelerate Māori student achievement,
- outlining what Māori students themselves and their whānau consider they need to further succeed as Te Kura students, and
- providing advice on how best to apply the resources available for this purpose.

The resulting report – *Enabling and Accelerating Māori Student Success at Te Kura* – confirmed for us the benefit of our focus on capability building and our investment in people. This effort has seen us focus on strengthening regional leadership of initiatives to support Māori students in the context of their whanau and communities. The report's key findings, presented to Te Kura's Board at their December 2016 meeting, were:

- Te Kura management's sustained focus on Māori students, as a group of priority learners, has had a clearly identifiable impact on staff.
- There was a notable demand from staff for continuing and in some cases more intensive support for teachers of Māori students.
- Although there were many prerequisites to success for Te Kura's Māori students, quality teacher-learner-whānau relationships were regarded as paramount.
- The importance of Learning Advisors in establishing strong foundation relationships between Te Kura and Māori students was emphasised repeatedly by staff.
- Many staff felt that their ability to execute Te Kura's strategic priority for Māori students was constrained by some of Te Kura's systems, policies and processes.

- Although pockets of good and best practice in relation to Māori student success were found to often exist within offices and regions, there was a need for a mechanism(s) to easily expose this information more widely across Te Kura.

Consideration and implementation of the report's recommendations will guide our work to improve Māori students' achievement and success during 2017.

Kia Eke Panuku
During 2016, we continued to focus on building capability that will enable and support our ongoing effort to identify and then apply our knowledge of what works in terms of improving Maori student achievement.

We now have school wide systems that give us a view of student engagement and achievement at the student level and across the whole school. This improved reporting capacity provides a strong evidential basis for our decisions on how best to support Māori students' learning.

While recognising that we are still in the early stages of establishing what is required to enable Maori students to enjoy and achieve education success as Māori, emerging results from these efforts show us that: we are making progress in developing and strengthening relationships with iwi; involving whanau and others who provide support for students in the communities where they live and work is important as we seek to improve Māori student engagement and achievement; Māori students' participation in and achievement of NCEA certificates, numeracy and literacy, and credit achievement at all NCEA levels is improving.

Te Kura has been engaged with the Kia Eke Panuku (KEP) team from Waikato University since 2015. In September 2016 we conducted a self-review of our KEP practice and the learning we have taken from it. We were encouraged by what the review revealed about our efforts 'to enable Māori students enrolled with Te Kura to enjoy and achieve education success as Māori'.

Professional learning advisors from Waikato University worked with Te Kura leaders during 2016. Representatives from all of Te Kura's regions (Northern, Central North, Central South and Southern) and some cross-regional teams (Development and Curriculum) came together regularly to plan regionally based interventions. Specific plans were created by each of the four regions and goals were aligned to accord with those in regional and team strategic and annual plans.

Our work towards improving outcomes for Māori achieving success as Māori, as outlined in our Māori Student Success Framework has been aligned with our 2016 KEP programme, based on these KEP dimensions:

KEP dimension: **Leadership**
We have developed new approaches in the use of data to raise awareness of the achievement of Māori students. Our systems can track quantitative data which identifies Māori students and their achievement down to the individual Learning Advisor and student levels. We have analysed and used data to plan evidence-based actions at all levels. This improved availability of data on Māori student achievement has enabled us to focus on actions that can increase equity for Māori students. One regional initiative has been to include Māori teachers on the literacy and numeracy bus which travels to the home of students whose progress may be slipping behind. We have also worked with the Ministry to support the 1999 Māori cohort gain literacy, numeracy and credits on their way to achieving Level 2 NCEA. Additional funded placements in our Huarahi Trades Academy have been acquired specifically for Māori students in rohe (areas) selected by the Ministry of Education (the Ministry).

We recognise the need to continue this work through a schoolwide focus on identifying and sharing good practice Māori student achievement stories across Te Kura.

KEP dimension: **Evidence-based inquiry**
In 2016 we focused on making changes at the teacher, Learning Advisor and resource-design levels to ensure that our actions addressed inequities identified by data. We looked for evidence of what worked for Māori, and also used individual student data in an interactive way to monitor the success of the strategies applied by our teachers. All regions used the Learning Maps strategy, an evidence-based initiative that approaches learning from the student's perspective, leading them to consider who or what helps them learn, and aligns with the principles of 'ako'. In their Performance Development and Achievement (PDA) plans this year, Te Kura teachers have included an inquiry goal with a focus on Māori student achievement. Staff shared the evidence derived from these PDA goals to inform teaching practice across the school.

KEP dimension: **Culturally responsive and relational pedagogy**
During 2016, all regions and the Curriculum and Development Teams have invested time in professional learning to keep Māori achievement to the fore. We have designed modules of work so that the student has choice about the context for learning and is able to bring his/her own context to that learning. We have emphasised building of capacity and confidence among teachers regarding their knowledge of te reo and tikanga to enhance their interactions and relationships with their students and whānau.

KEP dimension: **Connecting with iwi, whanau and hāpu**
In 2016 all our regions identified the need for key staff to be aware of their Māori students. Regions made specific recommendations for their Student Support Advisors and Learning Advisors to contact whānau and encourage them to be part of an initial interview and development of the student's individual learning plan. Some regions have begun to establish relationships with iwi and local marae and there has also been additional regional focus on whānau engagement.

KEP dimension: **Literacy, Te Reo and Numeracy**
Te Kura has continued to track Māori student achievement in NCEA literacy and numeracy throughout 2016, along with that of all NCEA students. Students have been identified and contacted in order to support achievement of the critical literacy and numeracy milestone goals. The regular provision of data has ensured all teachers are made aware of the progress of their students in literacy and numeracy. Some Huarahi programmes have required students attend advisories, with the aim of assisting students to attain NCEA literacy and numeracy qualifications.

KEP dimension: **Closing the Gaps**
Te Kura has been able to identify areas of excellent Māori achievement and to investigate factors contributing to this. There are courses, other than te reo Māori courses, where Māori are achieving above their non-Māori counterparts. In 2016 the challenge has been to identify the factors contributing to this success so we can transfer and embed the approaches we know to be effective.

 We have noted that students who successfully engage in secondary-tertiary programmes (such as STAR courses) are likely to transition into more intensive secondary-tertiary programmes (such as our trades academy Huarahi) whose programmes help support students in apprenticeships, work, or further training. This transition assists in student retention and increases likelihood of success. We aim to build on this success by having our Learning Advisors encourage more Māori students into STAR and Trades Academy courses, while acknowledging that lack of transport to such courses has been identified as a barrier for many Māori students.

Te Kura's Māori roll

Although the profile of our Māori students is diverse, the majority are based in the Central North and Northern regions. Over 62% of our full-time Māori enrolments (i.e. Te Kura is their only school) are also based in these two regions. In 2016 Te Kura's roll included:

- 7768 enrolments by Māori students (34% of all 2016 Te Kura enrolments)
- 1443 enrolments by Māori students participating in Māori language education.

Enrolment category	Maori enrolments in 2016	As proportion of all enrolments in this category	As proportion of total Māori enrolments 2016
Early childhood education	176	25%	2%
Full-time Year 1-6	163	31%	2%
Full-time Year 7-10	444	42%	6%
Full-time Year 11-13	567	35%	7%
Dual Year 1-6	32	19%	0.4%
Dual Year 7-10	1449	46%	19%
Dual Year 11-13	2631	32%	34%
Adults (incl Dept of Corrections adult enrolments)	942 (694)	39% (52% of Dept of Corrections Adult enrolments)	12% (9%)
Young adults	1361	28%	18%
Total	**7768**	**34%**	**100%**

8 Statement of service performance

Te Tauaki Whakatutukitanga Ratonga

The Ministry of Education's Resourcing Notice defines the resourcing entitlement for Te Kura for each school year, sets the purposes for which it can be used and establishes the processes for the school to access this funding.

The resourcing provided is for early childhood, years 1 to 13, young adult and adult students eligible under the school's gazetted enrolment policy to receive full government-funded tuition. The required outputs consist of direct service provision for those students.

According to the Resourcing Notice, the services comprise:

- Early childhood education
- Education services for adult and young adult students
- Full-time education services to years 1 to 13 students
- Curriculum services for years 1 to 13 dual-registered students
- Supplementary 0.1/0.2 services for full-time, years 1 to 13, ORS-verified students
- On-payment of the student support payment to eligible supervisors of the school's full-time students.

Te Kura's report against these targets is presented below.

Outputs	Performance targets	Service delivered
1. Early childhood education	Deliver early childhood education to pre-school students	Te Whāriki programmes delivered to: **694 early childhood enrolments, of whom** 176 (25%) were Māori.
2. Adult and young adult students	Deliver education services	Programmes offered according to the New Zealand Curriculum Framework and the school curriculum delivered to: **7232 adult enrolments, of whom** 4824 (67%) were young adult enrolments, of whom 1361 (28%) were Māori.
3. Years 1 to 13 full-time education services	Deliver full-time education services to years 1 to 8 students	Programmes required by the National Education Guidelines, the New Zealand Curriculum Framework and the school curriculum delivered to: **861 full-time enrolments at primary level, of whom** 583 (68%) were access enrolments 278 (32%) were referral enrolments 276 (32%) were Māori.
	Deliver full-time education services to years 9 to 13 students	Programmes required by the National Education Guidelines, the New Zealand Curriculum Framework and the school curriculum delivered to: **2327 full-time enrolments at secondary level, of whom** 955 (41%) were access enrolments 1372 (59%) were referral enrolments 898 (39%) were Māori.

Outputs	Performance targets	Service delivered
4. Years 1 to 13 dual enrolment education services	Deliver dual registration curriculum services to years 1 to 8 students	Programmes required by the National Education Guidelines, the New Zealand Curriculum Framework and the school curriculum delivered to: **494 enrolments from years 1 to 8 students enrolled at other primary schools, of whom** 133 (27%) were Māori 128 (26%) were gifted and talented 50 (10%) were enrolled to maintain/gain qualifications in te reo Māori. 42 (9%) were enrolled at a Health School 18 (4%) were enrolled for technology courses.
	Deliver dual registration curriculum services to years 9 to 13 students	Programmes required by the National Education Guidelines, the New Zealand Curriculum Framework and the school curriculum delivered to: **10964 enrolments from years 9 to 13 students enrolled at other secondary schools, of whom** 3979 (36%) were Māori 1536 (14%) were enrolled at a Health School 46 (0.4%) were gifted and talented.
5. Years 1 to 13, 0.1/0.2 ORS supplement	Deliver supplementary 0.1/0.2 services for full-time years 1 to 13 ORS-verified students	Supplementary services delivered to: **123 ORS-verified students, comprising** • 84 ORS high needs or ORS extension (0.1) • 39 ORS very high needs (0.2). Breakdown of year levels of students: Years 1 to 8 = 40 Years 9 to 13 = 70 Years 14+ = 13 (Years 14 and 15 accommodate students who remain on the special education roll until the age of 21.) Access to additional teacher assistance was provided for 87 of these students and teacher aide support was provided for 77 students.

Outputs	Performance targets	Service delivered
6. On-payment of the supervisors' allowance to eligible supervisors of the school's full-time students	Make on-payments and reconciliations that are correct, to time and within agreed criteria. Provide to the Ministry a verified student roll and supervisor eligibility return. The June payment can be against a projected roll and eligibility return. The December return must fully reconcile projected and actual results for that school year.	The school paid the supervisors' allowance to supervisors on behalf of the Ministry.

The school paid the supervisors' allowance to supervisors on behalf of the Ministry.

	2016		2015	
	No. of payments made	Costs ($000)	No. of payments made	Costs ($000)
June	991	362	967	338
December	976	356	951	340
Sub total	**1967**	**718**	**1918**	**678**
Prior year payments	105	39	41	11
Total	**2072**	**757**	**1959**	**689**

Forecast and reports provided to the Ministry as required.

9 Achievements

Ngā Mahi Kua Oti

When assessing student achievement at Te Kura it is important to take into account the nature of the student population and the circumstances in which students come to Te Kura.

Te Kura is unique in New Zealand, not only in terms of its form of delivery but also the mix of students who enrol. Many students come to Te Kura after long periods of disengagement and it can take time to get them back on track with their learning. Other students, particularly young adult and adult students, are learning part-time so they may not be enrolled in enough courses to earn an NCEA qualification. Te Kura also teaches a large number of dual registered students whose results are reported by their home school.

Comparing Te Kura's aggregated achievement against national averages is not a meaningful measure of the full value-added by Te Kura. Analysis by the Ministry of Education shows that when student factors are taken into account Te Kura's performance comes close to that obtained in other schools. The differences associated with different forms of schooling are very much less than those between different types of students.

National Certificate of Educational Achievement (NCEA)

Our NCEA results for 2016 were positive with continued high achievement rates of individual standards. Despite a decrease in the roll at all levels of NCEA we have increased our participation rates[1] and achievement rates[2] for NCEA qualifications. This reflects the efforts of staff to engage students, especially through attendance at advisories, tutorials and event days. It also illustrates the effectiveness of Te Kura programmes such as the Huarahi Trades Academy and our Big Picture/Authentic Learning Pilot.

NCEA Standard Achievement

The high rate of NCEA standard achievement continued in 2016, with an overall standard achievement rate of 90.2%, unchanged from 2015. However, there was a decrease in the number of results, in particular at NCEA Level 1. This was in proportion to the decrease in subject enrolments (around 10%) compared to 2015. At NCEA Level 2 and 3 the changes were small, and there were small improvements of the standard achievement rates at these levels.

Year	Roll	Results[3]	Average Results	Achieved Results	Achievement %
2016	6993	32553	4.7	29366	90.2%
2015	7483	37573	5.0	33896	90.2%
Change	**-490**	**-5020**	**-0.4**	**-4530**	**0%**

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[1] A participating student would have sufficient credits to be able to achieve the qualification by the end of the year in question if they were to achieve all of the credits for which they are entered and those were added to any credits previously attained.
[2] NZQA uses schools' July roll return data as the basis for NCEA achievement reporting. Due to the nature of Te Kura's roll the 1 July roll includes only around 50% of students enrolled at Te Kura throughout a year.
[3] Standards assessed by Te Kura only

NCEA Level 1 Achievement, Year 11–13 students

Sixty fewer students participated in Level 1 in 2016, a decrease of around 9% from 2015. However, because the roll decreased by a larger percentage, the participation rate rose by 3.2%. The achievement rate rose by 3.6%, to just over 61%, despite the number of participating students achieving the qualification decreasing by 12. The number of qualifications achieved by Te Kura's full-time and young adult students remained stable. 125 full-time students achieved Level 1, up by 1 student from 2015, an achievement rate of 77%. 167 young adult students achieved Level 1, down by 2 students from 2015, an achievement rate of 71%.

Year	Roll	Participation	Participation %	Achievement	Achievement %
2016	1720	622	36.2%	380	61.1%
2015	2068	682	33.0%	392	57.5%
Change	**-348**	**-60**	**+3.2%**	**-12**	**+3.6%**

The following chart shows NCEA Level 1 qualification achievement for participating students in our main enrolment categories compared to the national average. It illustrates the importance of dis-aggregating Te Kura's achievement data to account for the nature of the student population.
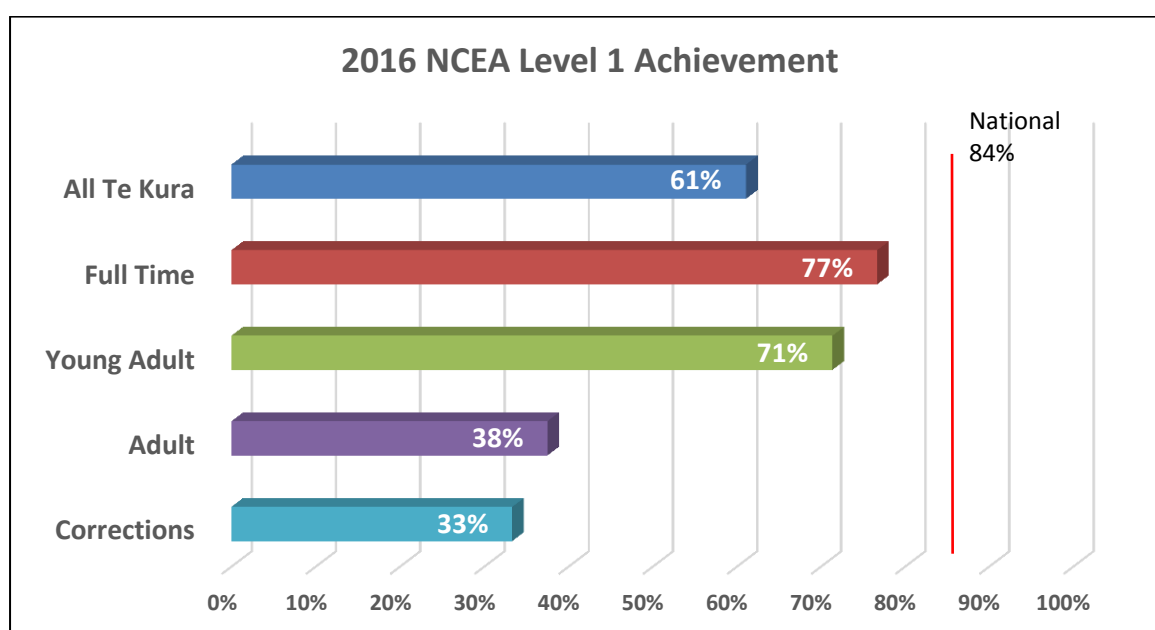
NCEA Level 2 Achievement, Year 11–13 students

Twenty-two fewer students participated in Level 2 in 2016, a decrease of around 4% from 2015. However, because the roll decreased by a larger percentage, the participation rate rose by 2.3%. The achievement rate increased slightly to just over 60% despite the number of participating students achieving the qualification decreasing by 6. The number of qualifications achieved by Te Kura's full-time students remained stable. 82 full-time students achieved Level 2, up by 2 students from 2015, an achievement rate of just over 75%. 164 young adult students achieved Level 1, down by 10 students from 2015, an achievement rate of 69%.

Year	Roll	Participation	Participation %	Achievement	Achievement %
2016	2173	542	24.9%	326	60.1%
2015	2487	564	22.7%	332	58.9%
Change	**-314**	**-22**	**+2.3%**	**-6**	**+1.3%**

The following chart shows NCEA Level 2 qualification achievement for participating students in our main enrolment categories compared to the national average. It illustrates the importance of dis-aggregating Te Kura's achievement data to account for the nature of the student population.

2016 NCEA Level 2 Achievement

National 88%

All Te Kura: 60%
Full Time: 75%
Young Adult: 69%
Adult: 39%
Corrections: 35%

NCEA Level 3 Achievement, Year 11–13 students

Although thirty-nine fewer students participated in Level 3 in 2016, the participation rate was unchanged at around 12%[4] due to a significant reduction in the roll. The achievement rate rose to just over 64% despite the actual number of students achieving the qualification decreasing by 20. The achievement rates for Te Kura's full-time and young adult students participating at Level 3 increased to 83% and 76% respectively.

Year	Roll	Participation	Participation %	Achievement	Achievement %
2016	2637	306	11.6%	196	64.1%
2015	2993	345	11.5%	216	62.6%
Change	**-356**	**-39**	**+0.1%**	**-20**	**+1.4%**

The following chart shows NCEA Level 3 qualification achievement for participating students in our main enrolment categories compared to the national average. It illustrates the importance of dis-aggregating Te Kura's achievement data to account for the nature of the student population.
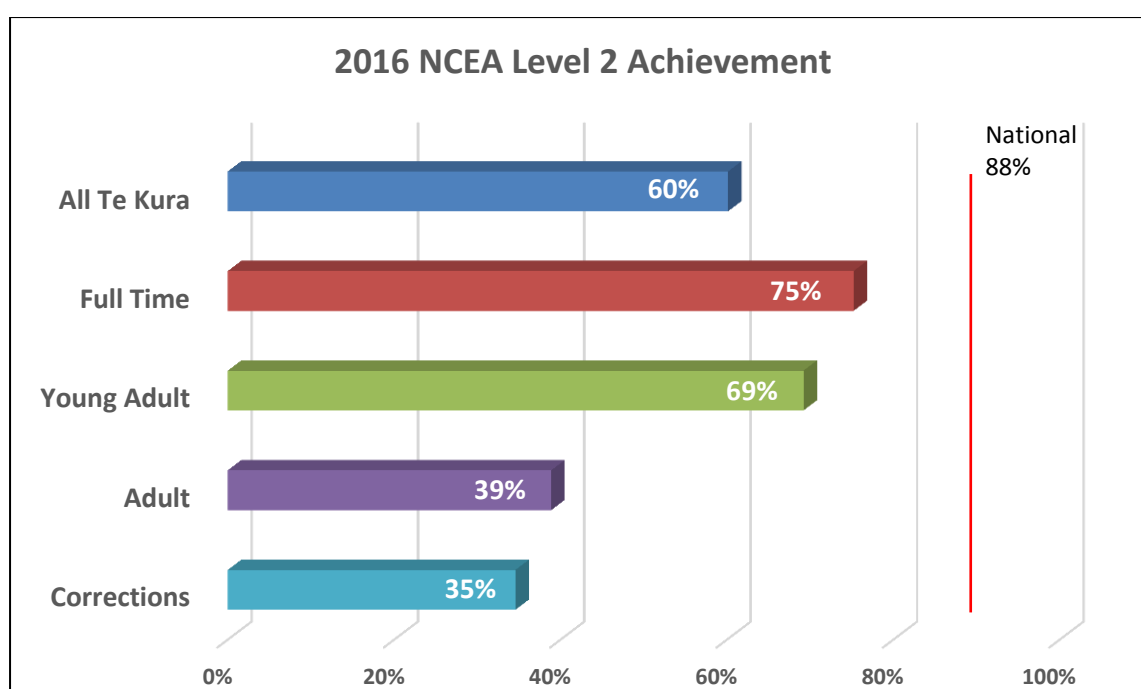

2016 NCEA Level 3 Achievement

- All Te Kura: 64%
- Full Time: 83%
- Young Adult: 76%
- Adult: 52%
- Corrections: 26%

National 83%

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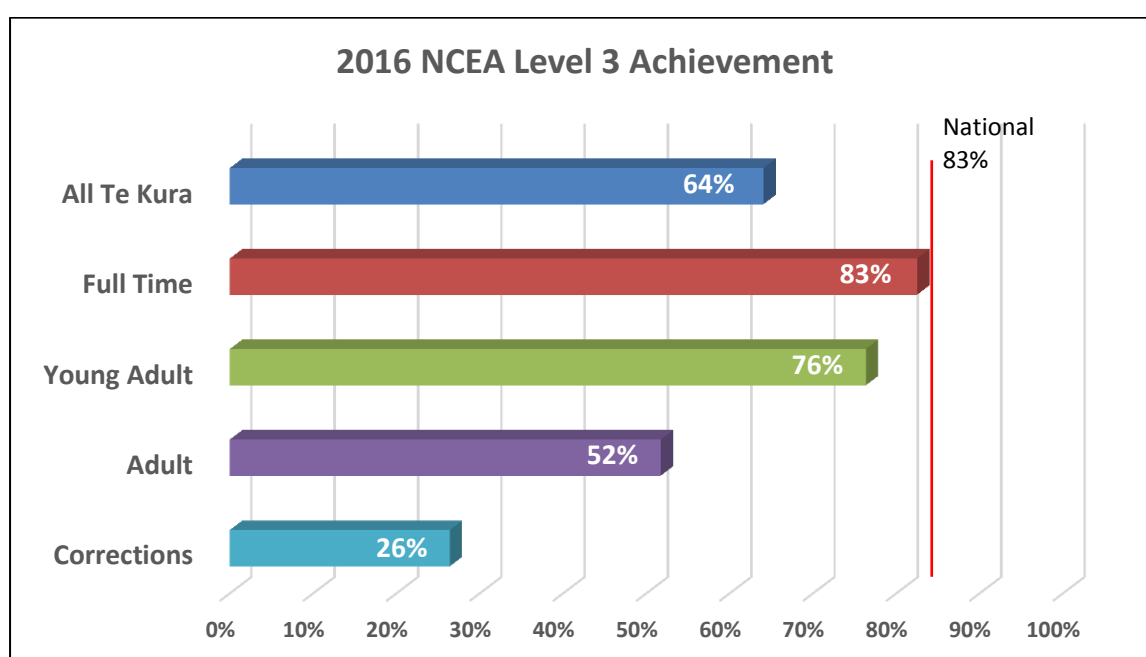
[4] The relatively low Level 3 and University Entrance participation rates are due to the inclusion of year 11 and year 12 students of whom we do not expect participation at Level 3 and University Entrance.

University Entrance Achievement, Year 11–13 students

There was a small decrease in both participation and achievement for University Entrance (UE) in 2016. Sixty-nine fewer students participated in UE in 2016, with the participation rate unchanged at around 16%[4]. Forty fewer students achieved UE in 2016, and the achievement rate dropped by about 3% to 36.5%. The achievement rates for Te Kura's participating full-time and young adult students were 59% and 54% respectively.

Year	Roll	Participation	Participation %	Achievement	Achievement %
2016	2787	455	16.3%	166	36.5%
2015	3171	524	16.5%	206	39.3%
Change	-384	-69	-0.2%	-40	-2.8%

Full year NCEA and University Entrance achievement, including Summer School results

NZQA uses schools' July roll return data as the basis for reporting NCEA achievement. However, due to the nature of Te Kura's roll this typically means that only around 50% of students enrolled at Te Kura throughout a year are included in externally published reporting of our achievement. This may provide an indication of our achievement *rates* but it under-reports the actual number of NCEA qualification certificates our students have earned.

In 2016 this issue was exacerbated by the running of our Summer School initiative. Te Kura ran our second Summer School programme from December 2016 to February 2017. The programme provides students with the opportunity to complete NCEA qualifications and/or gain University Entrance by completing work over the summer that can be counted against their 2016 record of achievement. 746 students took part in the 2016/17 programme, up by 545 students or 271% from 2015/16. 184 students completed University Entrance and 145 completed NCEA Level 3 through the Summer School. However, because most of these students were not enrolled at Te Kura on 1 July their achievement does not get included in NZQA reporting of Te Kura's 2016 NCEA achievement.

The table below shows a breakdown of all of Te Kura's full-time, adult, young adult and fee-paying students' NCEA and UE achievement in 2016, and compares it with NZQA's July roll return based data. It also shows the number and proportion of certificates achieved by students who attended our 2016/2017 Summer School.

At NCEA Level 1 and Level 2 the July roll return based figures reflect over half of total results, but at NCEA Level 3 and for UE the proportion drops to under one third. A significant number of NCEA Level 3 and UE certificates was achieved by students who successfully attended Te Kura's Summer School.

Certificate	2016 NCEA achievement			Summer School NCEAs	
	Total roll based[5]	01 July roll based[6]	% 01 July of total roll	No.	% of total
NCEA L1	610	380	62%	12	2%
NCEA L2	633	326	52%	17	3%
NCEA L3	660	196	30%	145	22%
UE	513	166	32%	184	36%

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[5] Figures sourced from NZQA's *Candidate Results* data
[6] As per NZQA's *NCEA and other NZQF Qualifications – Participation Based* statistics for 2016

Compared to 2015, there were only small changes to the number of certificates achieved at NCEA Level 1 and Level 2. However, at NCEA Level 3 and for UE there was a significant increase in the numbers of certificates achieved, showing the positive effect of Te Kura's Summer School at this level.

Certificate	Total roll based NCEA achievement		Change 2015-2016	
	2016	2015	No.	%
NCEA L1	610	631	-21	-3%
NCEA L2	633	643	-10	-2%
NCEA L3	660	488	+172	+35%
UE	513	401	+112	+28%

National Standards

For the second year in a row, our achievement against the National Standards showed a disappointing decrease compared to the prior year.

National Standard	2015 % At/Above	2016 % At/Above	Change
Reading	63% (327/521)	57% (278/489)	-6%
Writing	53% (277/520)	52% (253/489)	-1%
Mathematics	57% (289/509)	51% (245/480)	-6%

The drop in achievement against the National Standards affected Māori students in particular. Our data tells us Māori students came on and went off the roll at a higher rate than any other ethnicity in 2016. 34% of Māori students judged against the National Standard at year-end were new to Te Kura's roll since mid-year, and 56% were new in 2016. Over 60% of Māori full-time students in Years 1–8 are enrolled through at risk gateways, which indicates that many will have come to Te Kura after struggling to achieve in a face-to-face school or after a period of disengagement from education. These results indicate a clear need for Te Kura to continue to focus on a range of initiatives to increase engagement and achievement of Māori students.

Analysis of Variance Reporting

Strategic Aim:	Te Kura aims to increase participation in early childhood education by providing a high quality service
Annual Aim:	1.1: Ensure satisfaction with quality of ECE service
Target:	Target 1.1: 80% of families and whānau who respond to a survey are 'satisfied' or 'very satisfied' with the programme of learning offered
Baseline Data:	Target 1.1: benchmark set to 80%
Progress towards target by end-2016:	Target 1.1: Based on 55 answers, the overall satisfaction level with the early childhood programme offered is 100% - target exceeded.

Actions *What did we do?*	Outcomes *What happened?*	Reasons for the variance *Why did it happen?*	Evaluation *Where to next?*
Conducted exit surveys, analysed responses.	Exit survey data show high levels of satisfaction with the quality of the ECE service (100% satisfied or very satisfied).	While respondents express generally very high satisfaction rates with the ECE service in our exit survey, response rates are very low, with only 6 surveys completed by the end of Q2, and 10 surveys completed by the end of Q3, when the survey was closed.	Staff focus on encouraging supervisors to complete the exit survey did not increase response rates sufficiently. Surveying all currently enrolled families was identified as a more effective way of gathering information on satisfaction with the ECE service.
Conducted online satisfaction survey for all currently enrolled families via SurveyMonkey, analysed responses.	Based on 55 responses, the overall satisfaction level with the ECE service offered is 100%. Individual responses to the survey question "If you could change one thing about this programme what would it be and why?" identify areas of development for the service, in regards to online learning opportunities, resource development and contact time with teachers.	The response rate for the online satisfaction survey is higher than for the exit survey (15% or 55 responses from 352 families emailed, compared to 3% or 10 responses from 279 families who exited by the end of Q3). Although we achieved a higher response rate via SurveyMonkey, the results are unlikely to be representative, and the high levels of satisfaction expressed by respondents could be attributed to the online survey format, encouraging participation of families who are more engaged with the programme.	Continue to monitor satisfaction with quality of ECE service and aim to increase survey response rates, to get a more accurate, representative dataset. Further incorporation of survey feedback into service design and delivery.

Planning for next year:

Survey feedback incorporated into ECE Team Annual Plan for 2017, with specific focus on digitisation of audio and the review and redevelopment of resources to support online learning and delivery. An Online Champion for the ECE Team has been appointed; responsibilities include promoting online initiatives and supporting staff confidence.

Strategic Aim:	Te Kura aims to lift achievement in reading, writing, and mathematics (literacy and numeracy) of students in their first 8 years at school, as well as in years 9 and 10.
Annual Aim:	2.1: Lift achievement in National Standards 2.2: Lift achievement of year 9 and 10 students
Target:	Target 2.1: The percentage of Full Time students in year 1 to 8 who are achieving 'at' or 'above' the National Standard in reading, writing and mathematics will increase from end-2015 to end-2016. Target 2.2: The percentage of Full Time students in year 9 and 10 who are achieving 'at' or 'above' the expected curriculum level for their year level in reading, writing and mathematics will increase from end-2015 to end-2016.
Baseline Data:	Target 2.1 (All / Māori): Reading: 63% / 43%, Writing: 57% / 28%, Mathematics: 53% / 33% Target 2.2 (All / Māori): Reading: 32% / 18%, Writing: 25% / 15%, Mathematics: 26% / 12%
Progress towards target by end-2016:	Target 2.1 (All / Māori): Reading: 57% / 37%, Writing: 52% / 32%, Mathematics: 51% / 30% - not achieved. Target 2.2 (All / Māori): Reading: 31% / 25%, Writing: 22% / 16%, Mathematics: 24% / 16% - partly achieved.

Actions *What did we do?*	Outcomes *What happened?*	Reasons for the variance *Why did it happen?*	Evaluation *Where to next?*
OTJ data collections at the end of term 1 and term 2. Identification of students at risk of achieving below or well below the National Standards or the expected curriculum level.	Term 1 OTJ data collection shows 43% of Y1-8 students are working below the expected level in reading, 53% below the expected level in writing and 45% below the expected level in mathematics. The term 2 National Standards data collection confirms these proportions. For Y9-10 students, term 1 OTJs see 61% below the expected level in reading, 69% below the expected level in writing and 63% below the expected level in mathematics. OTJs collected at the end of term 2 indicate a further decrease in the proportion of students at or above the expected level in all three learning areas. Students identified as at risk of underachieving have interventions put in place, such as Reading Eggs, Reading Plus, Lexia Reading Core5, teacher aides etc.	40% of students who received an OTJ at the midyear data collection were not on Te Kura's roll at the end of the prior year. New enrolments in Y9 and Y10 during the first two quarters are generally at risk students, referred to Te Kura by MoE.	Review of effectiveness of individual interventions put in place on a 6 week cycle. Review of diagnostics schedule for more refined assessment, to strengthen evidence base for OTJs and increase teachers' confidence in the use of assessment tools. PLD for teachers on reporting to parents and whānau, to better involve students' supervisors in their students' learning and progress. PLD for teachers on the Learning Progression Framework and the Progress and Consistency Tool (PaCT), to enable teachers to make dependable judgments about their students' achievement and progress. Referral of students to one of Te Kura's Big Picture Pilots where suitable.
Implementation of Progress and Consistency Tool (PaCT) in mathematics	After a successful trial of PaCT by individual teachers in term 1 and 2, the implementation and training for the use of PaCT for mathematics in its second cycle now includes all teachers of students in years 1-10, to build and increase capability and capacity.	The use of PaCT can be a time-consuming process, with each PaCT judgement taking approx. 15 minutes per learning area per student. In the upcoming report cycle every teacher will apply the PaCT for maths only.	Extending implementation of PaCT to reading and writing in 2017 and 2018, to achieve greater consistency of moderation in all areas of the National Standards. This will lead to more focussed teaching and learning in reading, writing and maths, to raise our students' achievement in National Standards, and also in years 9 and 10.

			PLD for teachers on Learning Progression Framework
Teacher PLD with focus on standardised reporting to students and whānau	Conducted a training session for all Primary and Te Ara Hou teaching staff on standardised reporting to parents/whānau. The training is supported by hard copy FAQ sheet now available to all teachers. Teachers better understand school protocols and expectations regarding reporting to families/whānau, enabling both more consistent reporting and overall teacher judgments (OTJs) across Te Kura. This led into emerging discussions regarding the validity of historic OTJs and data from diagnostic testing currently in use.	There are still 40 students for whom no National Standards OTJs were made, due to the short period of time of attendance at Te Kura prior to assessment. This is reflective of the ever-changing nature of Te Kura's Full Time roll, with students coming on and off all through the year.	With growing teacher confidence in the use of PaCT in mathematics and the roll-out of PaCT in reading and writing in 2017 and 2018, the robustness and validity of OTJs is expected to increase, and reporting to students and whānau will profit from these and other improvements, such as personalised, ongoing curriculum maps.
Teacher PLD with focus on Authentic Learning Through Inquiry for students in Y1-10	Ruth Deakin Crick's work on Authentic Learning Through Inquiry formed the basis for year 1 to 10 teaching staff to explore the concept of authentic learning for their learners in a training session conducted in term 4. A number of teachers welcomed the idea, and have begun using Authentic Learning Through Inquiry with groups of families/whānau.	This move from teacher-led pedagogy to student-led pedagogy is a significant shift for many Te Kura teachers, one that requires re-thinking the meaning of teaching and learning. This is a process, and a move which places teachers on a continuum of learning. It is happening simultaneously with Te Kura changing its delivery mode to online, presenting a challenge for some staff.	Over time, and with consistent PLD, all teachers are expected to shift thinking in order to retain and engage more learners, through a greater degree of personalisation, and shifting emphasis to learner authentic context. The use of best pedagogy online will bring the two moves together.
Successful proposal to MoE for centrally funded PLD	200 hours of facilitator time were granted by the MoE's centrally funded PLD programme, to further refine the learning challenge for our Y1-10 teams. A delivery plan has now		Each of the facilitators will take the Y1-10 teams one step further in developing a self-reflective community, who can answer the inquiry "Is what we are doing

	been developed covering four phases, including partnerships with four facilitators.		working?" Updates on progress will be provided in all quarterly reports throughout 2017. We also intend to apply again for further centrally funded PLD for years beyond 2017, to meet the needs of specific learners identified by each team in 2017.

Planning for next year:

PLD for teachers to further implement PaCT and the Learning Progression Framework.
Centrally funded PLD for teachers to develop a self-reflective community, who can answer the inquiry "Is what we are doing working?"
Continue to early identify students at risk of underachieving and put suitable interventions in place.

Strategic Aim:	Te Kura aims to increase participation in and achievement of NCEA certificates, to contribute to the achievement of the Ministry of Education's Better Public Services goal.
Annual Aim:	3.1: Reduce proportion of Full Time and Young Adult students with no credits 3.2: Increase proportion of Full Time and Young Adult students with 40 or more credits 3.3: Increase proportion of Full Time and Young Adult students who meet the Literacy and Numeracy requirements for NCEA 3.4: Maintain high NCEA standard pass rates
Target:	Target 3.1: Te Kura aims to minimise the proportion of enrolled Full Time and Young Adult students with 0 credits. Target 3.2: Te Kura aims to increase the proportion of enrolled Full Time and Young Adult students with at least 40 credits. Target 3.3: Te Kura aims to increase the proportion of enrolled Full Time and Young Adult students who meet the Literacy and Numeracy requirements. Target 3.4: Te Kura aims to maintain or increase high pass rates for NCEA standards at all levels in 2016.
Baseline Data:	Target 3.1 end-2015 (Full Time / Young Adult): NCEA L1: 14% / 9%, NCEA L2: 12% / 7% Target 3.2 end-2015 (Full Time / Young Adult): NCEA L1: 40% / 51%, NCEA L2: 26% / 39% Target 3.3 end-2015 (Full Time / Young Adult): Literacy: 29% / 16%, Numeracy: 22% / 15%, Literacy & Numeracy: 21% / 13% Target 3.4: benchmark set to 90%
Progress towards targets by end-2016:	Target 3.1 end-2016 (Full Time / Young Adult): NCEA L1: 16% / 8%, NCEA L2: 14% / 6% - partly achieved Target 3.2 end-2016 (Full Time / Young Adult): NCEA L1: 43% / 56%, NCEA L2: 32% / 45% - achieved Target 3.3 end-2016 (Full Time / Young Adult): Literacy: 32% / 30%, Numeracy: 25% / 24%, Literacy & Numeracy: 22% / 21% - achieved Target 3.4 end-2016 (Full Time / Young Adult): NCEA L1: 92% / 93%, NCEA L2: 89% / 89%, NCEA L3: 93% / 90%, all NCEA levels: 91% / 90% - mostly achieved

Actions *What did we do?*	Outcomes *What happened?*	Reasons for the variance *Why did it happen?*	Evaluation *Where to next?*
Increased focus on Literacy and Numeracy Analysis of 2015 NCEA results confirms Literacy and Numeracy as the main bottleneck for participating students who missed out on an NCEA, in particular at level 1.	All learning advisors use weekly updated NCEA tracking sheets to identify students' credit achievement and gaps in Literacy and/or Numeracy achievement. Increased number of literacy and numeracy tutorials at advisories in all regions. Offering cross-curricular approaches to students for literacy and numeracy.	Literacy and Numeracy unit standards are completed as a set of assessments over the course of the year. After a slow uptake at the start of the year there was an increase of results observed in Q3 and Q4. Te Kura teachers have assessed over 10,200 standards counting towards Literacy and/or Numeracy, worth over 31,200 credits, to 31 December 2016.	Continue to monitor Literacy and Numeracy achievement of students. Develop strategies to engage students earlier in the year. Evaluation of effectiveness of literacy and numeracy tutorials at advisories.
Additional Trades Academy places Analysis of 2015 NCEA results confirms effectiveness of Huarahi placements for NCEA achievement, with high pass rates: L1 93.3%, L2 97.9%, L3 100%.	All 125 Huarahi places are subscribed in 2016. An additional 19 places are EFTS-funded by Te Kura.	Huarahi continues to be a very successful strategy for getting students to achieve NCEAs, and its popularity with Te Kura's students required additional places to be created.	Continue to monitor effectiveness of Huarahi placements, continue to promote Huarahi with staff and students, secure additional funding for Huarahi.
Additional staffing to assist students engage with OTLE (Online Teaching and Learning Environment).	Each region has received an additional staffing allowance where required, to help students with OTLE. Students identified as having issues with OTLE are proactively contacted to resolve issues and advise them on the most efficient use of the system.	A number of teething problems and technical issues with Te Kura's move to online education at NCEA Level 1 resulted in an increase of queries from students. With a large amount of online teacher PLD, staff were already facing additional workload. This highlighted the need for a dedicated team to assist teachers and students in this time of change.	Regional OTLE help is a precursor to Te Kura's Student and Whānau Service Hub, which will be established at the start of 2017. The Hub will proactively tackle any issues that might arise from OTLE use in 2017, in anticipation of higher student numbers when OTLE goes live at NCEA Level 2.

Planning for next year:

Continue to focus on literacy and numeracy, in particular through cross-curricular approaches and through authentic learning

Continue to promote Huarahi with staff and students, secure additional funding for Huarahi

Introduce two additional KPIs in the 2017 Annual Plan, to track increase of NCEA subject achievement and reduction of non-returners without credits amongst all FT/YA

Proactively contact students via Te Kura's new Student and Whānau Service Hub, to early engage all learners and tackle any issues they may experience with their learning

Strategic Aim:	To provide highly inclusive practices for learners with special education needs
Annual Aim:	4.1: Ensure progress of students with very high special education needs 4.2: Ensure positive transition of students with very high special education needs 4.3: Reduce proportion of SEASAC students with no credits and increase proportion with 40 or more credits 4.4: Increase proportion of SEASAC students who meet the Literacy and Numeracy requirements for NCEA 4.5: Maintain high NCEA standard pass rates of SEASAC students
Target:	Target 4.1: Full time students with very high special education needs are often working at Curriculum level 1 or early level 2 for all of their compulsory schooling years. Te Kura aims for an increase of the proportion of students with high special education needs who progress in their learning within these levels. Target 4.2: Te Kura's full time students with very high special education needs leave the school for a variety of reasons. Transition back to a face-to-face school or into another setting in the community is a declared goal for this cohort. We aim to increase the proportion of students who make a positive transition when leaving Te Kura's roll. Target 4.3: Some students who have been granted special assessment conditions (SAC) receive extra support from Te Kura for their assessments from the Special Education Allocation (SEA), such as a reader and/or a writer. Te Kura aims to minimise the proportion of enrolled SEASAC students with 0 credits, and to increase the proportion with 40 or more credits. Target 4.4: Te Kura aims to increase the proportion of enrolled SEASAC students who meet the Literacy and Numeracy requirements. Target 4.5: Te Kura aims to maintain or increase high pass rates for SEASAC students for NCEA standards at all levels in 2016

Baseline Data:	Target 4.1 end-2015: Reading: 33%, Writing: 28%, Numeracy: 32%
	Target 4.2 end-2015: 59% of leavers made a positive transition
	Target 4.3 end-2015: 0 credits NCEA L1: 0%, NCEA L2: 0%
	Target 4.3 end-2015: 40 or more credits NCEA L1: 56%, NCEA L2: 41%
	Target 4.4 end-2015: Literacy: 85%, Numeracy: 60%, Literacy & Numeracy: 56%
	Target 4.5: benchmark set to 90%
Progress towards targets by end-2016:	Target 4.1 end-2016: no data available
	Target 4.2 end-2016: no data available
	Target 4.3 end-2016: 0 credits NCEA L1: 0%, NCEA L2: 0% - achieved
	Target 4.3 end-2016: 40 or more credits NCEA L1: 89%, NCEA L2: 70%- achieved
	Target 4.4 end-2016: Literacy: 88%, Numeracy: 76%, Literacy & Numeracy: 76% - achieved
	Target 4.5 end-2016: NCEA L1: 94%, NCEA L2: 85%, NCEA L3: 83%, all NCEA levels: 90% - partly achieved

Actions *What did we do?*	Outcomes *What happened?*	Reasons for the variance *Why did it happen?*	Evaluation *Where to next?*
Te Kura has been following the Ministry of Education's wide ranging review of special education with interest. In November 2016 the Ministry announced the next steps to modernise a fully inclusive education system that puts the progress and achievement of all children and young people at its very heart.	During 2016 Te Kura began to review our learning support functions. This work continues into 2017. As noted by the Ministry making changes to learning support is complex and we know we need to take a bit of time to get it right.	Te Kura's review of learning support was triggered by the proposed changes at a national level but also by our own internal self-review processes.	Once the Ministry has completed the Learning Support Pilot being run in the Bay of Plenty, the outcomes and lessons learned will be used to implement changes nationwide. Te Kura will continue our own review in parallel and aim to integrate any changes we make into the national programme as seamlessly as possible.

Strategic Aim:	Te Kura aims to have students ready and able to learn, to be positively engaged in their learning and to feel connected to, and supported by, the school and their own communities.
Annual Aim:	5.1: Enrolments are processed as quickly as possible 5.2: Enrolment Services will answer all calls as quickly as possible 5.3: Students' learning resources are dispatched within five working days of being ordered 5.4: Reduce proportion of non-returners
Target:	Target 5.1: 90% of all students are enrolled within 10 working days of receipt of enrolment documents. Target 5.2: Call abandonment level no greater than 3%. Target 5.3: 95% of orders dispatched within five days. Target 5.4: The percentage of students from the Non-Enrolled/Exclusion enrolment gateways who are removed from the roll (by receiving Letter 2 through the non-returners process) will decrease by 1.5% from 2015 to 2016.
Baseline Data:	Target 5.1: benchmark set to 90% Target 5.2: benchmark set to 3% Target 5.3: benchmark set to 95% Target 5.4 end-2015 (All / Māori / Pasifika/Non-Māori Non-Pasifika): 12.3% / 16.2% / 0.0% / 7.5%
Progress towards targets by end-2016:	Target 5.1: (Including automated enrolments / excluding automated enrolments): 95% / 91% - exceeded Target 5.2: 1.7% - exceeded Target 5.3: 100% - exceeded Target 5.4 end-2016 (All / Māori / Pasifika / Non-Māori Non-Pasifika): 15.8% / 18.6% / 16.7% / 11.8% - not achieved

Actions *What did we do?*	Outcomes *What happened?*	Reasons for the variance *Why did it happen?*	Evaluation *Where to next?*
Phone skills course for all Enrolment Services (ES) staff in Quarter 2	All ES staff attended a phone skills course in Q2 that focused on effective communication to help with the goal of keeping call abandonment rates low. Call abandonment rate in Q2 was only 1.03%, compared to 2.49% in Q1		Keep tracking call abandonment rates and provide further training should the need arise.
Increased focus on all students receiving non-returner warning letter (NR1)	All Learning Advisors follow up on students receiving a non-returner letter and put interventions in place, such as requesting an additional Liaison Teacher visit, liaising with the appropriate agencies or adjusting the level of the course, where appropriate. We also continue to track and record reasons for each student removed by the non-returners process.	There has been insignificant change in the number of Full Time students removed from the roll by the non-returners process compared to 2015. The reasons for students coming off Te Kura's roll as non-returners continue to be complex, and are often beyond Te Kura's control.	The unchanged non-returner statistics remain a challenge and are disappointing. We will continue to follow up with students receiving NR1 through all available channels, adjust the level of the course where possible and increase involvement of the appropriate agencies. The introduction of two additional KPIs in the 2017 Annual Plan (increase of NCEA subject achievement, reduction of non-returners without credits amongst all FT/YA) is expected to contribute to a reduction of non-returners in the Non-Enrolled/Exclusion gateways.

Planning for next year:

Introduce two additional KPIs in the 2017 Annual Plan, to track increase of NCEA subject achievement and reduction of non-returners without credits amongst all FT/YA

Strategic Aim:	Have an efficient and effective school by ensuring our people, systems and processes are adaptive, responsive and capable of achieving our goals.
Annual Aim:	6.1: Achievement of operating and capital budget targets 6.2: Management and update of Te Kura assets 6.3: Compliance with statutory, regulatory and audit requirements

Target:	Target 6.1: Te Kura achieves its operating and capital budget targets within variance acceptable to the Chief Executive and Board. / Te Kura operates within its approved budget.
	
	Target 6.2: Te Kura assets will be well-managed and updated according to the replacement cycle. / The Capital Management policy is adhered to.
	
	Target 6.3: Te Kura will comply with all statutory, regulatory and audit requirements and the school's policies and procedures.
	    • Te Kura receives an 'unqualified opinion' from the Auditor General.
	    • No incidents of imprudence or non-compliance with legislation arise that may compromise Te Kura, its stakeholders or the Board.

Baseline Data:	n/a
Progress towards targets by end-2016:	Targets 6.1 - 6.3 achieved.

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10 Financial Statements

Ngā Purongo Putea

Statement of Responsibility

Enclosed are the financial statements of Te Aho o Te Kura Pounamu (Te Kura) for the year ended 31 December 2016. These are prepared in accordance with the requirements set out in section 87 of the Education Act 1989 and in section 155 of the Crown Entities Act 2004.

The Chief Executive Officer and the Board of Trustees of Te Kura accept responsibility for the preparation of the annual financial statements and the judgements used.

The Board and Management accept responsibility for establishing and maintaining systems of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting of Te Kura.

In the opinion of the Board and Management, the annual financial statements for the financial year fairly reflect the financial position and operations of Te Kura.

The financial statements have been authorised for issue by:

Karen Sewell
Board Chair
31 May 2017

Mike Hollings
Chief Executive
31 May 2017

Te Aho o Te Kura Pounamu

Statement of Comprehensive Revenue and Expense for the Year Ended 31 December 2016

	Notes	Actual 2016 $000	Budget 2016 $000	Actual 2015 $000
Revenue				
Government Funding		43,922	45,643	44,848
Other Revenue	3	6,297	6,121	6,394
Total Revenue		**50,219**	**51,764**	**51,242**
Expenditure				
Personnel Costs	4	38,292	41,174	36,651
Operating Costs	5	9,344	11,888	9,836
Depreciation & Amortisation	9,10	2,034	2,285	2,088
Total Expenditure		**49,670**	**55,347**	**48,575**
Net (Deficit)/Surplus for the year		**549**	**(3,583)**	**2,667**
Other Comprehensive Income		0	0	0
Total Comprehensive Income for the year:		**549**	**(3,583)**	**2,667**

The Statement of Accounting Policies and Notes to the Financial Statements on pages 52 to 71 form part of and are to be read in conjunction with the Financial Statements.

Te Aho o Te Kura Pounamu
Statement of Financial Position as at 31 December 2016

	Notes	Actual 2016 $000	Budget 2016 $000	Actual 2015 $000
Assets				
Current Assets				
Cash & Cash Equivalents	6	11,046	6,454	7,452
Accounts Receivable	7	1,518	1,078	1,375
Inventory		1,236	1,336	1,649
Prepayments		534	606	607
Other Financial Assets	8	6,017	5,000	9,182
Total Current Assets		**20,351**	**14,474**	**20,265**
Non-Current Assets				
Fixed Assets & Work in Progress	9	2,790	2,776	2,127
Intangible Assets & Work in Progress	10	10,662	12,940	10,451
Total Non-Current Assets		**13,452**	**15,716**	**12,578**
Total Assets		**33,803**	**30,190**	**32,843**
Liabilities				
Current Liabilities				
Creditors & Other Payables	11	5,520	4,562	4,566
Employee Entitlements	12	2,180	4,187	3,158
Provisions	13	568	40	125
Total Current Liabilities		**8,268**	**8,789**	**7,849**
Non-Current Liabilities				
Employee Entitlements	12	210	210	209
Provisions	13	81	81	90
Total Non-Current Liabilities		**291**	**291**	**299**
Total Liabilities		**8,559**	**9,080**	**8,148**
Net Assets		**25,244**	**21,110**	**24,695**
Equity				
Retained Earnings		25,177	21,042	24,628
Other Reserves		67	68	67
Total Equity	15	**25,244**	**21,110**	**24,695**

The Statement of Accounting Policies and Notes to the Financial Statements on pages 52 to 71 form part of and are to be read in conjunction with the Financial Statements.

Te Aho o Te Kura Pounamu
Statement of Changes in Equity for the Year Ended 31 December 2016

	Notes	Actual 2016 $000	Budget 2016 $000	Actual 2015 $000
Balance at 1 January				
Restricted Reserve		49	50	49
Asset Revaluation Reserve		18	18	10
Retained Earnings		24,628	24,625	21,961
		24,695	24,693	22,020
Add				
Movement in Restricted Reserve		0	0	0
Movement in Asset Revaluation Reserve		0	0	8
Total Comprehensive Revenue and Expense for the Year		549	(3,583)	2,667
Balance at 31 December	15	**25,244**	**21,110**	**24,695**

The Statement of Accounting Policies and Notes to the Financial Statements on pages 52 to 71 form part of and are to be read in conjunction with the Financial Statements.

Te Aho o Te Kura Pounamu

Statement of Cash Flows for the Year Ended 31 December 2016

	Actual 2016 $000	Budget 2016 $000	Actual 2015 $000
Cash Flows from Operating Activities			
Receipts from Government Funded Tuition	44,496	45,234	44,951
Receipts from Other Revenue	4,338	3,847	4,488
Receipts from Tuition Fees	438	471	457
Receipts from Finance Income	471	392	500
Payments to Employees	(37,707)	(38,249)	(35,206)
Payments to Suppliers	(8,736)	(11,319)	(9,107)
Net GST Paid *	(191)	(48)	(86)
Net Cash Flow from Operating Activities	**3,109**	**328**	**5,997**
Cash Flows from Investing Activities			
Receipts from Sale or Maturity of Investments	19,682	0	8,166
Proceeds from Sale of Assets	74	0	25
Purchase of Assets	(798)	(1,623)	(741)
Purchase of Intangible Assets/Work in Progress	0	(3,885)	(24)
Acquisition/Rollover of Investments	(16,517)	0	(13,292)
Work in Progress	(1,956)	0	(1,027)
Net Cash Flow from Investing Activities	**485**	**(5,508)**	**(6,893)**
Net (Decrease)/Increase in Cash and Cash Equivalents	**3,594**	**(5,180)**	**(896)**
Cash and Cash Equivalents at the Beginning of the Year	7,452	11,634	8,348
Cash and Cash Equivalents at the End of the Year	**11,046**	**6,454**	**7,452**

* The Net GST Paid component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The Net GST Paid component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The Statement of Accounting Policies and Notes to the Financial Statements on pages 52 to 71 form part of and are to be read in conjunction with the Financial Statements.

Te Aho o Te Kura Pounamu

Statement of Cash Flows for the Year Ended 31 December 2016 (cont)

Reconciliation of Net Surplus/(Deficit) to Net Cash Flow from Operating Activities

	Actual 2016 $000	Actual 2015 $000
Net Surplus/(Deficit)	549	2,667
Add/(Less) Non-Cash Items		
Depreciation & Amortisation Expense	2,034	2,088
Discount Unwind on Provisions	(9)	(18)
Provision for Doubtful Debts	(3)	(8)
Loss on Sale of Assets	7	107
Inventory Write Off/(Write Back)	258	208
Total Non-Cash Items	**2,836**	**5,044**
Movement in Working Capital		
Decrease/(Increase) in Assets		
Accounts Receivable	(159)	453
Prepayments	72	(124)
Inventory	155	135
Increase/(Decrease) in Liabilities		
GST Payable	(191)	(87)
Long Service Leave and Retirement Leave	0	(4)
Creditors & Other Payables	198	372
Employee Entitlements	(979)	198
Ministry of Education Payables	716	241
Provisions	528	0
Revenue in Advance	(8)	(231)
Total Movement in Working Capital	**332**	**953**
Items Classified as Investing Activities		
(Gain)/Loss on Sale of Assets	(59)	0
Net Cash from Operating Activities	**3,109**	**5,997**

Te Aho o Te Kura Pounamu

Notes to the Financial Statements for the Year Ended 31 December 2016

1   General Information

Te Aho o Te Kura Pounamu (Te Kura) is a New Zealand domiciled school within the meaning ascribed to that term by the Education Act 1989. The relevant legislation governing Te Kura's operations includes the Education Act 1989, the Public Finance Act 1989 and the Crown Entities Act 2004.

Section 90 of the Education Act 1989 specifies that schools governed by that Act are Crown entities for the purpose of the Public Finance Act 1989. Section 41 of the Public Finance Act requires Te Kura, as a Crown entity, to prepare annual financial statements in accordance with generally accepted accounting practice as defined by Section 2 of that Act (as if those sections had not been amended by the Crown Entities Act 2004 in accordance with section 198 of the Crown Entities Act 2004).

The reporting entity is that entity known as Te Aho o Te Kura Pounamu, identified by the Charter of Te Kura and governed by the Board of Trustees of Te Aho o Te Kura Pounamu, and includes all activities carried out in the name of Te Kura.

The primary objective of Te Kura is to provide services to the community for social benefit rather than making a financial return. Accordingly, Te Kura has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of Te Kura are for the year ended 31 December 2016 and were approved by the Board of Trustees on 03 May 2017.

Basis of Preparation

Te Kura financial statements are prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of Te Kura have been prepared in accordance with the requirements of the Crown Entities Act 2004 and the Education Act 1989, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE Accounting Standards.

These financial statements comply with PBE accounting standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000).

Standards issued and not yet effective and not early adopted

There are no standards which have been issued but are not yet effective at balance date that will have a material impact on the financial statements of Te Kura in subsequent accounting periods.

2   Summary of Significant Accounting Policies

Government funding

Te Kura receives Government funding to supply education services to eligible students. Revenue is recognised as the services are delivered to students based on either the number of students on the roll for each funding period or specific service delivery. Revenue is measured at the fair value of consideration received.

Tuition fees

Tuition fees are received from students who are ineligible for Government funding for the supply of education services. Revenue is recognised at the point of student enrolment unless the enrolment is for the following year. Revenue is measured at the fair value of consideration received.

Interest

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

Leases

All leases held by Te Kura are operating leases. An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Leasehold improvements are capitalised and the cost is amortised over the unexpired period of the lease or the estimated useful life of the improvements, whichever is shorter.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Receivables

Short term receivables are recorded at the amount due, less any provision for uncollectability.

A receivable is considered uncollectable when there is evidence that Te Kura will not be able to collect the amount due. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Other Financial Assets

Inventories held for distribution in the provision of services that are not supplied on a commercial basis are measured cost, adjusted, when applicable, for any loss of service potential.

Cost is allocated using the weighted average method.

Inventories acquired though non-exchange transactions are measured at fair value at the date of acquisition.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in surplus or deficit in the period of the write-down.

Property, plant and equipment
Property, plant and equipment consist of the following asset classes: IT equipment, library materials furniture and fittings, leasehold improvements, motor vehicles, art, and plant and equipment.

Te Kura estimates the cost of reinstatement of leased buildings at the time the lease expires and discounts back to the present value.

Any equipment or furniture with a cost value less than $2,000 is treated as expenditure rather than as an item of property, plant and equipment. The value of an individual asset less than $2,000 which is part of a group of similar assets is capitalised.

Revaluations
Art Work is recorded at fair value based on the current market. A valuation is carried out every five years. The appropriateness of the valuation is assessed on an annual basis.

Classes of property, plant and equipment that are revalued are revalued at least every five years or whenever the carrying amount differs materially to fair value. The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognises in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

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

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

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

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

Disposals
Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated surplus/(deficit).

Depreciation
Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

IT equipment	3-5 years
Library materials	5 years
Furniture and fittings	5 years
Leasehold	5 years
Motor vehicles	5 years
Art	Indefinite life and not depreciated
Plant and equipment	10 years

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end. Capital work in progress and art works are not depreciated.

Intangible assets
Software acquisition and development
Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include software development, employee costs and an appropriate portion of relevant overheads.

Costs associated with maintaining computer software are expensed when incurred.

Costs associated with development and maintenance of Te Kura's website are expensed when incurred.

Amortisation
The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is expensed in the surplus or deficit.

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

Acquired software	3-10 years
Internally generated software	3-10 years

Impairment property, plant and equipment and intangible assets
Te Kura only holds non-cash generating assets. These assets are not held with the primary objective of generating a commercial return.

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

Value in use is the present value of an asset's remaining service potential.

Value in use is determined using the depreciated replacement cost approach.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus/(deficit).

Payables
Short term payables are recorded at the amount payable.

Employee entitlements
Short term employee entitlements
Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and retiring and long service leave entitlements expected to be settled within 12 months.

Long term employee entitlements
Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

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

Superannuation schemes
Defined contribution schemes
Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus/(deficit) will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contributions scheme.

Provisions
A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Reinstatement provision
Te Kura may enter into lease agreements for various properties which require Te Kura, at the completion of the lease, to return the building to the same condition as when the lease was first signed. The liability for the reinstatement provision is based on reasonable estimates of expenditure required to reinstate the premises.

Restructuring

A provision for restructuring is recognised when an approved detailed formal plan for the restructuring has either been announced publicly to those affected, or for which implementation has already started.

Reinstatement provision
Te Kura may enter into lease agreements for various properties which require Te Kura, at the completion of the lease, to return the building to the same condition as when the lease was first signed. The liability for the reinstatement provision is based on reasonable estimates of expenditure required to reinstate the premises.

Equity
Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:
- accumulated surplus/(deficit);
- asset revaluation reserves; and
- restricted reserve

Asset revaluation reserve
This reserve relates to the revaluation of Art Work to fair value.

Restricted reserve
This reserve relates to monies held in trust.

Goods and services tax (GST)
All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.
The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures
The budget figures are derived from the statement of performance expectations and revisions as approved by the Board of Trustees. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

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

Estimating useful lives of property, plant and equipment
At each balance date, the useful lives of property, plant and equipment and intangible assets are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by Te Kura, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life will affect the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. Te Kura minimises the risk of this estimation uncertainty by:

- Physical inspection of assets;
- Asset replacement programs;
- Review of second hand market process for similar assets; and
- Analysis of prior asset sales.

Estimating useful lives of software assets
In assessing the useful lives of software assets, a number of factors are considered, including:

- the period fo time the software is intended to be in use;
- the effect of technological change on systems and platforms; and
- the expected timeframe for the development of replacement systems and platforms.

An incorrect estimate of the useful lives of software assets will affect the amortisation expense recognised in the surplus or deficit, and the carrying amount of the software assets in the statement of financial position.

Te Kura has not made significant changes to past assumptions concerning useful lives.

Critical judgements in applying Te Kura accounting policies
Management has exercised the following critical judgements in applying accounting policies:

Notional lease
Te Kura uses the Portland Crescent property which is owned by the Ministry of Education (MoE). The MoE has advised that the notional revenue and the notional expense are to be recorded in the financial statements. The fair value assessment is made by the MoE.

3   Other Revenue

	Actual 2016 $000	Actual 2015 $000
Trades Academy	1,475	1,265
Ongoing and Reviewable Resourcing Scheme (ORRS)	1,110	1,053
Pilot Programme	634	650
Special Education	550	514
Tuition Fees	436	466
Finance Income	496	559
Other	1,596	1,885
Total Other Revenue	**6,297**	**6,394**

Revenue received under the various Ministry Initiatives is spent in accordance with the rules set by the Ministry of Education for each initiative.

The majority of this revenue has been classified as revenue from non-exchange transactions with the exception of tuition fees which has been classified as revenue from exchange transactions. Items grouped under "Other Revenue" in this note includes revenue from exchange transactions which are not considered to be material.

4   Personnel Costs

	Actual 2016 $000	Actual 2015 $000
Salaries and wages	34,615	33,092
Contractors	2,373	1,804
Personnel related	1,428	1,255
Restructuring & exit costs	577	0
Movement in employee benefits	(978)	194
Employer contributions to defined contribution plans	277	306
Total Personnel Costs	**38,292**	**36,651**

Research and Development

Salaries and wages and contractors expenditure includes $1.239m of research activities relating to the development of OTLE resources.

Employees over $100,000 Remuneration

(Excluding Principal's remuneration)	Actual 2016	Actual 2015
Number of employees in $100,000 - $110,000	6	3
Number of employees in $110,001 - $120,000	5	2
Number of employees in $120,001 - $130,000	2	3
Number of employees in $130,001 - $140,000	2	5
Number of employees in $140,001 - $150,000	7	3
Number of employees in $150,001 - $160,000	1	1
Number of employees in $160,001 - $170,000	1	0
Number of employees in $170,001 - $180,000	0	0
Number of employees in $180,001 - $190,000	0	0
Number of employees in $190,001 - $200,000	0	0
Number of employees in $200,001 - $210,000	0	0
Number of employees in $210,001 - $220,000	0	1
Number of employees in $220,001 - $230,000	1	1
Number of employees in $230,001 - $240,000	1	0
Total Value of Remuneration	**$3,541,913**	**$2,614,444**

Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	Actual 2016	Actual 2015
Total	$0	$0
Number of people	0	0

4   Personnel Costs (cont)
Principal's Remuneration (CE)

	Actual 2016 $000	Actual 2015 $000
Salary	340 - 350	310 - 320
Benefits	0	0
Actual Severance	0	0

Principal's Remuneration in 2015 included backpay relating to 2014.

5   Operating Costs

	Actual 2016 $000	Actual 2015 $000
Fees to Auditors		
- fees to Auditors for audit of financial statements 2016	98	91
- fees to Auditors for audit of financial statements 2015	0	20
- technical advice	0	10
Consumables/school costs	1,135	1,367
Inventory related expenditure	1,206	1,602
Rent	1,017	1,013
Notional rent	1,234	1,167
Other accommodation expenses	817	842
Administration expenses	2,638	2,840
Student expenses	1,098	778
Provision for doubtful debts expense	(3)	(8)
Board of Trustees remuneration	113	114
Finance costs	(9)	0
Total Operating Costs	**9,344**	**9,836**

Commitments and Operating Leases

	Actual 2016 $000	Actual 2015 $000
Property Lease Commitments		
Not later than one year	875	679
Later than one year and not later than five years	1,685	873
Later than five years	94	0
Total Property Lease Commitments	**2,654**	**1,552**

6   Cash and Cash Equivalents

	Actual 2016 $000	Actual 2015 $000
Cash at bank and in hand	3,392	4,916
Term deposits with maturities of 3 months or less	7,654	2,536
Total Cash and Cash Equivalents	**11,046**	**7,452**

7   Accounts Receivable

	Actual 2016 $000	Actual 2015 $000
Receivables (gross)	1,561	1,421
Less provision for doubtful debts	(43)	(46)
Total Receivables	**1,518**	**1,375**
Total receivables comprises:		
Receivables from exchange transactions	167	531
Receivables from non-exchange transactions	1,351	844
Receivables from non-agency transactions	0	0
The ageing profile of receivables at year end is:		
Not past due	1,429	1,200
Past due 31 - 60 days	21	17
Past due 61 - 90 days	15	18
Past due > 91 days	53	140
Total Receivables	**1,518**	**1,375**

Fair value

Debtors and other receivables are non-interest bearing and receipt is normally on 30 day terms, therefore the carrying value of debtors and other receivables approximates fair value.

8   Other Financial Assets

	Actual 2016 $000	Actual 2015 $000
Term deposits with maturities of greater than 3 months	6,017	9,182
Total Other Financial Assets	**6,017**	**9,182**

9   Property, Plant & Equipment

	Cost 01/01/16	Accumulated Depreciation 01/01/16	Carrying Amount 01/01/16	Current Year Additions	Current Year Disposals	Current Year Depreciation	Disposal Depreciation in Period	Cost 31/12/16	Accumulated Depreciation 31/12/16	Carrying Amount 31/12/16
2016										
IT Equipment	5,702	(4,610)	1,092	447	0	(413)	0	6,149	(5,023)	1,126
Library Materials	763	(763)	0	0	0	0	0	763	(763)	0
Furniture & Fittings	1,913	(1,681)	232	152	(130)	(81)	120	1,935	(1,642)	293
Leasehold	3,908	(3,672)	236	29	0	(76)	0	3,937	(3,748)	189
Reinstatement - Leasehold	182	(119)	63	3	(85)	67	0	100	(52)	48
Motor Vehicles	642	(350)	292	135	(198)	(114)	191	579	(273)	306
Art	43	(2)	41	0	0	0	0	43	(2)	41
Plant and Equipment	495	(476)	19	36	(75)	(7)	75	456	(408)	48
	13,648	(11,673)	1,975	802	(488)	(624)	386	13,962	(11,911)	2,051
Work in progress										739
Total Property, Plant & Equipment										**2,790**

	Cost 1/01/15	Accumulated Depreciation 1/01/15	Carrying Amount 1/01/15	Current Year Additions	Current Year Disposals	Current Year Depreciation	Disposal Depreciation in Period	Cost 31/12/15	Accumulated Depreciation 31/12/15	Carrying Amount 31/12/15
2015										
IT Equipment	5,189	(4,382)	807	525	(12)	(240)	12	5,702	(4,610)	1,092
Education Resources	0	0	*0*	0	0	0	0	0	0	0
Library Materials	763	(763)	0	0	0	0	0	763	(763)	0
Furniture & Fittings	1,900	(1,660)	240	76	(63)	(71)	50	1,913	(1,681)	232
Leasehold	3,985	(3,362)	623	1	(78)	(351)	41	3,908	(3,672)	236
Reinstatement - Leasehold	347	(206)	141	0	(165)	87	0	182	(119)	63
Motor Vehicles	593	(301)	292	131	(82)	(121)	72	642	(350)	292
Art	35	(2)	33	8	0	0	0	43	(2)	41
Plant and Equipment	490	(469)	21	7	(2)	(9)	2	495	(476)	19
	13,302	(11,145)	2,157	748	(402)	(705)	177	13,648	(11,673)	1,975
Work in progress										152
Total Property, Plant & Equipment										**2,127**

No impairment of property plant and equipment has been recognised in the current year.

The valuation of artwork was completed by Christopher Moore Gallery on 12 August 2015. The valuer is completely independent and not associated with Te Kura in any way.

10   Intangible Assets

	Cost 01/01/16	Accumulated Depreciation 01/01/16	Carrying Amount 01/01/16	Current Year Additions	Current Year Disposals	Current Year Amortisation	Disposal Amortisation in Period	Cost 31/12/16	Accumulated Depreciation 31/12/16	Carrying Amount 31/12/16
2016										
Acquired	1,639	(1,366)	273	(1)	0	(94)	0	1,638	(1,460)	178
Internally Generated	18,534	(9,416)	9,118	137	0	(1,316)	0	18,671	(10,732)	7,939
	20,173	(10,782)	9,391	136	0	(1,410)	0	20,309	(12,192)	8,117
Work in progress										2,545
Total Intangible Assets										**10,662**

	Cost 1/01/15	Accumulated Depreciation 01/01/16	Carrying Amount 01/01/16	Current Year Additions	Current Year Disposals	Current Year Amortisation	Disposal Amortisation in Period	Cost 31/12/15	Accumulated Depreciation 31/12/15	Carrying Amount 31/12/15
2015										
Acquired	1,636	(1,515)	122	275	(272)	(67)	216	1,639	(1,366)	273
Internally Generated	17,782	(8,100)	9,682	752	0	(1,316)	0	18,534	(9,416)	9,118
	19,418	(9,615)	9,804	1,027	(272)	(1,383)	216	20,173	(10,782)	9,391
Work in progress										1,060
Total Intangible Assets										**10,451**

No impairment of intangible assets has been recognised in the current year.

11   Creditors and Other Payables

	Actual 2016 $000	Actual 2015 $000
Payables Under Exchange Transactions		
Suppliers	910	687
Salary related liabilities	105	103
Revenue in advance	41	49
Other accruals	1,503	1,270
Students	27	33
Total Payables Under Exchange Transactions	**2,586**	**2,142**
Payables Under Non-Exchange Transactions		
Suppliers	4	19
Salary related liabilities	4	4
Ministry of Education (EFTS)	2,052	1,479
Ministry of Education (Other)	494	540
Students	4	3
Total Payables Under Non-Exchange Transactions	**2,558**	**2,045**
Payables Under Agency Transactions		
GST payable	29	219
Ministry of Education (Other)	347	160
Total Payables Under Agency Transactions	**376**	**379**
Total Payables	**5,520**	**4,566**

12   Employee Entitlements

	Actual 2016 $000	Actual 2015 $000
Current Portion		
Accrued pay and annual leave	2,180	3,158
Total Current Portion	**2,180**	**3,158**
Non-Current Portion		
Long service leave	6	6
Retirement leave	204	203
Total Non-Current Portion	**210**	**209**
Total Employee Entitlements	**2,390**	**3,367**

13   Provisions

	Actual 2016 $000	Actual 2015 $000
Current Portion		
Reinstatement	40	125
Contractual	528	0
Total Current Portion	**568**	**125**
Non-Current Portion		
Reinstatement	81	90
Total Non-Current Portion	**81**	**90**
Total Provisions	**649**	**215**

Movements for each class of provision are as follows:

	Reinstatement $000	Contractual $000
2016		
Balance at 01 January 2016	215	0
Additional provisions made	0	509
Amounts used	(85)	0
Discount unwind	(9)	0
Balance at 31 December 2016	**121**	**509**
2015		
Balance at 01 January 2015	398	0
Additional provisions made	0	0
Amounts used	(165)	0
Discount unwind	(18)	0
Balance at 31 December 2015	**215**	**0**

Reinstatement provision
The School has entered into lease agreements for various properties which require the school, at the completion of the lease, to return the building to the same condition when the lease was first signed. The liability for the reinstatement provision is based on reasonable estimates of expenditure required to reinstate the premises.

14   Contingent Assets & Liabilities

There were no contingent assets (2015: $0) in the current year.

Contingent liabilities (2015: $0)
Tuition Fees: Te Kura is working with the Ministry of Education to resolve a number of ambiguities in the Education Act 1989. Te Kura became aware during 2014 that, for a number of prior years, it had been providing tuition (for a fee) to students who may be outside the requirements of its enrolment policy and/or the Education Act 1989. These students comprise approximately 1% of the students enrolled with Te Kura. Te Kura continues to work through these issues with the Ministry of Education.

Te Kura has received legal advice in respect of this matter, and it considers its past practices to be consistent with the Act. While Te Kura acknowledges the issues are complex, it is not aware of any current or threatened claims for a refund of tuition fees charged in relation to these students. In any event, the likelihood of successful claims for refund of fees is considered to be low.

15   Equity

	Actual 2016 $000	Actual 2015 $000
Retained Earnings		
Balance at 1 January	24,628	21,961
Surplus for the year	549	2,667
Balance at 31 December	**25,177**	**24,628**
Money Held in Trust		
Balance at 1 January	49	49
Balance at 31 December	**49**	**49**
Asset Revaluation		
Balance at 1 January	18	10
Increase/(decrease) in art revaluation	0	8
Balance at 31 December	**18**	**18**
Total Equity at 31 December	**25,244**	**24,695**

16   Related Party Transactions

Te Kura o Te Kura Pounamu ("Te Kura") is a New Zealand domiciled state school within the meaning ascribed to that term by the Education Act 1989. The Government significantly influences the roles of Te Kura as well as being its major source of revenue.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more favourable than those that it is reasonable to expect Te Kura would have adopted in dealing with the party at arm's length in the same circumstances.

17   Key Management Personnel Remuneration

	Actual 2016	Actual 2015
Board Members:		
Remuneration	$113,155	$113,998
Full-Time Equivalent Members	0.82	0.83
Leadership Team:		
Remuneration	$961,079	$859,808
Full-Time Equivalent Members	4.00	3.80
Total Key Management Personnel Remuneration	**$1,074,234**	**$973,806**
Total Full-Time Equivalent Personnel	**4.82**	**4.63**

Key Management Personnel
Key management personnel include the Chief Executive, the Senior Leadership Team, and the Board.

18   Board of Trustees Remuneration

	Actual 2016 $000	Actual 2015 $000
K Sewell (chairperson)	30	29
J Sproat	0	6
P Adams	16	15
J Chemis	16	4
G Heald	16	15
S Middleton	16	15
M Moana-Tuwhangai	16	15
L Rajasingham	5	15
Total Board of Trustees Remuneration	**115**	**114**

Remuneration
The total value (other than reimbursement of expenses) paid or payable to members of the Board of Trustees during this financial year. This note includes rounding.

19   Financial Instruments Risk

The carrying value of cash and cash equivalents, accounts receivable, investments and amounts owing by Te Kura are all considered to be equivalent to fair value. Amounts owing to Te Kura by the Ministry of Education are considered to be risk-free.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Te Kura holds no financial instruments with any currency risk and, accordingly has no exposure to currency risk. Te Kura has no currency exposure in terms of overseas revenue as all fees are stated as payable in local currency.

Interest Rate Risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate or, the cash flows from a financial instrument will fluctuate, due to changes in market interest rates. The primary imperatives underlying cash management policies of Te Kura are to:
(a) ensure sufficient liquidity to enable operational and capital expenditure commitments to be met, and
(b) invest in risk-free or near risk free investments.

However, subject to these constraints the Board seeks to minimise exposure to interest rate risk on investments due to fluctuating interest rates by acquiring investments with a range of short-term maturity dates.

All investments are for less than twelve months.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to Te Kura, causing Te Kura to incur a loss.

In the normal course of its business, credit risk arises from debtors, deposits with banks and derivative financial assets. Maximum credit risks are disclosed in the Statement of Financial Position. The concentration of credit risk in respect of cash and cash equivalents is mitigated by investing with high credit rating registered banks (in accordance with section 73 of the Education Act 1989).

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

	Actual 2016 $000's	Actual 2015 $000's
Loans and Receivables		
Cash and Cash Equivalents	11,046	7,452
Accounts Receivable	1,518	1,375
Other Financial Assets	6,017	9,182
Total Loans and Receivables	**18,581**	**18,009**
Financial Liabilities Measured at Amortised Cost		
Creditors and Payables (excluding income in advance, taxes payable and grants received subject to conditions)	5,450	4,298
Total Financial Liabilities Measured at Amortised Cost:	**5,450**	**4,298**

19   Financial Instruments Risk (cont)

Liquidity Risk Management
Ultimate responsibility for liquidity risk management rests with the Board of Trustees, which has built an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements of Te Kura. Te Kura manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Capital Management
Te Kura assesses the availability of accumulated surplus and the funding provided by the Ministry of Education in the calculation of capital available. There are no externally imposed restrictions on capital.

There has been no change during the year to the exposure to market risks or the manner in which the risk is managed by Te Kura.

20   Events after the Balance Date

There have been no significant events after the balance date.

21   Explanations of Major Variances Against Budget

Explanations for major variances from Te Kura's budgeted figures for 2016 are as follows:

Statement of Comprehensive Revenue and Expense
Government Funding was lower than budget for the year due to a lower than expected number of Equivalent Full-time Students (EFTS) for whom Government Funded Tuition was received. Total EFTS for 2016 were 7,055, Budget 7528 - a decrease of 6.3%.
Actual $43.922m, Budget $45.643m.

Other Revenue was lower than budget for the year due to lower than expected funding overall across all income streams.
Actual $6.297m, Budget $6.121m.

Personnel costs were lower than budget due to vacancies held or delay in appointment of staff, lower than budgeted expenditure on contractors, travel and learning and development.
Actual $38.292m, Budget $41.174m.

Operating costs were lower than budget due to the impact of moving to the delivery of online courses for 000 subjects, later than budgeted securing of office premises and professional services expenditure lower than budget. Actual $9.344m, Budget $11.888m.
Actual $9.344m, Budget $11.888m.

Depreciation was lower than budget due to the deferral of some capital projects.
Actual $2.034m, Budget $2.285m.

Statement of Financial Position
There was a higher than expected cash & cash equivalents balance and a higher than expected other financial assets balance due to lower expenditure than budgeted enabling funds to be invested in short term deposits.
Actual cash and cash equivalents $11,064m, Budget $6.454m; Actual other financial assets $6.017, Budget $5.000m.

21   Explanations of Major Variances Against Budget (cont)

Creditors & Other payables were higher than budget due to an increase in creditors and accruals resulting from increased expenditure at the end of the year.
Actual $5.520m,Budget $4.562m.

Employee entitlements were lower than budget. A decrease in personnel costs and 27 pay periods in the year has meant lower accruals at the end of 2016.
Actual $2.180m , budget $4.187m.

Non Current Assets are lower than budget due to deferral of some capital projects.
Actual $13.452m, Budget $15.716m

Statement of Changes in Net Assets/Equity
The major variation occurred due to the surplus for the year.

22   Adjustments Arising on Transition to the New PBE Accounting Standards

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards.

The financial statements comply with PBE accounting standards.

Other than changes in terminology and presentation to the financial statements, there have been no material adjustments arising on transition to the new PBE accounting standards.

Te Aho o Te Kura Pounamu

Independent Auditor's Report For the Year Ended 31 December 2016

Deloitte.

To the readers of Te Aho o Te Kura Pounamu's financial statements for the year ended 31 December 2016

The Auditor-General is the auditor of Te Aho o Te Kura Pounamu (Te Kura). The Auditor-General has appointed me, Trevor Deed, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of Te Kura on his behalf.

Opinion

We have audited the financial statements of Te Kura on pages 47 to 71, that comprise the statement of financial position as at 31 December 2016, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of Te Kura:

- present fairly, in all material respects:

    - its financial position as at 31 December 2016; and

    - its financial performance and cash flows for the year then ended; and

- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Benefit Entity Standards.

Our audit was completed on 31 May 2017. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Reponsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of Te Kura for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of Te Kura for assessing Te Kura's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge Te Kura, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the Auditor for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exist. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

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

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

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit, Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Te Kura's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Te Kura's ability to continue as

a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Te Kura to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arises from the Public Audit Act 2001.

Other information
The Board of Trustees is reponsible for the other information. The other information comprises the information included on pages 1 to 43, but does not include the financial statements, and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Other that the audit, we have no relationship with or interests in Te Kura.

Trevor Deed
Deloitte
On behalf of the Auditor-General
Wellington, New Zealand

This audit report relates to the financial statements of Te Aho o Te Kura Pounamu for the year ended 31 December 2016 included on Te Aho o Te Kura Pounamu's website. The Board is reponsible for the maintenance and integrity of the entity's website. We have not been engaged to report on the integrity of the entity's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. The audit report refers only to the financial statements named above. It does not provide an opinon on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 31 May 2017 to confirm the information included in the audited financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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