



# New Zealand Kindergartens Te Putahi Kura Puhou O Aotearoa

# Annual Report 2010-2011



KINDERGARTENS  
GreatStart100%

# Annual Report 2010 – 2011

## **NZK VISION**

Kindergartens – first choice early childhood education service.

## **PURPOSE**

Growing and strengthening kindergarten.

## **VALUES**

- Every child has the right to participate in high quality early childhood education.
- Kindergartens are centres of excellence and innovation for early childhood education.
- Our goals are best achieved through collaborative relationships at all levels.
- Kindergarten is responsive to the cultural and language aspirations of families.

## **Our goals**

### **GROWTH AND DIVERSITY**

Support and strengthen associations to increase the participation of children and whanau in early childhood education.

### **ORGANISATIONAL ROBUSTNESS**

Model effective and efficient business and governance practices.

### **QUALITY**

Continuous quality improvement.

### **COMMUNITY/COLLABORATIVE RELATIONSHIPS**

Initiate and develop relationships that are beneficial to the purpose and the vision.

## **Annual plan**

### **OBJECTIVES**

- To identify current issues of importance to NZK members, and to develop and implement effective lobbying programmes.
- To provide effective communication to keep members informed, provide professional development and promote effective networking opportunities.
- To develop effective collaborative opportunities.
- To build NZK capacity and capability to provide leadership for kindergarten and improve organisational effectiveness.
- To maintain NZK as an effective organisation to meet the expectations of members.

**Board members****Elected Members**

Janice Bromell, president  
Rikki Jones, non-employee position  
Annette Sheehy, early childhood professional position  
Kelly Ellis, association manager position

**Appointed members**

Frank Bourgeois  
Tracy Donald  
Tony Hassed

**Life members**

Beverly Brayshaw	Ellen Stevenson
Brian Elliott	Bernice Lindegren
Elizabeth Beatson	Tony Rhodes
Trevor Helm	Lynda Boyd
Michael Meadowcroft	Wendy Logan
Sheryll Wilson	Karen Boyes
Jeremy Neild	

**Member associations**

Ashburton Free Kindergarten Association  
Canterbury Westland Free Kindergarten Association (Kidsfirst Kindergartens)  
Central Otago Kindergarten Association  
Dunedin Kindergarten Association  
Dannevirke Kindergarten Association  
Geraldine District Free Kindergarten Association  
Gisborne Free Kindergarten Association  
Heretaunga Free Kindergarten Association  
Lower Hutt Kindergarten Association (Hutt City Kindergartens)  
Kaitaia & District Kindergarten Association  
Marlborough Kindergarten Association  
Napier Free Kindergarten Association  
Nelson District Free Kindergarten Association  
North Taranaki Kindergarten Association  
Northern Auckland Kindergarten Association  
Northland Kindergarten Association  
Oamaru Free Kindergarten Association  
Rimutaka Kindergarten Association  
Ruahine Kindergarten Association  
South Canterbury Free Kindergarten Association  
South Otago Free Kindergarten Association  
South Taranaki Free Kindergarten Association  
Southland Kindergarten Association (Kindergartens South)  
Tauranga Regional Free Kindergarten Association  
Te Aroha Kindergarten Association  
Waimate Free Kindergarten Association  
Wanganui Free Kindergarten Association  
Wellington Region Kindergarten Association  
Westport Kindergarten Association

## PRESIDENT'S REPORT

### **Growing and strengthening kindergarten**

2010 signalled some big changes for the early childhood sector and for kindergarten in particular. The most significant was the funding cuts announced in the government's Budget and implemented in February 2011 which resulted in associations having to re-think their budgets to find cost savings. The Minister of Education proposed services limit the number of qualified teachers employed or charge parents significantly more in order to manage the cuts or meet current costs. Neither is an option for kindergarten. We have always stood for quality, affordable and accessible ECE for all children and their families. These are the values that set kindergarten apart.

In recent months, we have focused on getting our messages out to politicians, government officials and the media. Our publication *Quality ECE: Worth the Investment* is a good resource for all associations to use and provides valuable background information for boards. The *Kindergartens- Great Start 100%* website provides an immediate response to issues as they arise and as a place to promote what kindergarten is all about – teaching and learning. I believe NZK has a good public profile that we will continue to build, and we have established ourselves as an opinion leader.

There have been some changes on the NZK board since the last annual general meeting. Annette Sheehy, Tauranga Regional Free Kindergarten Association was welcomed to the board in the early childhood professional position and Rikki Jones, Oamaru Free Kindergarten Association was elected to the board via postal ballot as the non-employee representative. Tony Hassed was appointed to the board for a further term of two years from 2011.

Thank you to all governance board members, managers and association staff, teachers, support staff and importantly, children and families, for your enthusiasm and commitment to kindergarten. Special recognition must be given to board members in particular, who give willingly of their time in a largely voluntary capacity in a governance role. We need to make sure board members are well supported and their contribution valued.

I would like to say thank you to the NZK board for its work since the last annual general meeting. We have focused on advancing our strategic intent, always mindful of the bigger picture. We spend time at each meeting identifying and discussing the issues and opportunities that could influence our strategy, providing a broad context within which the board can make its decisions.

I have been on the NZK board since 2005 and president for two years. As I step down from the role, I feel proud of what we have achieved as an organisation and believe NZK is in a sound position to build a strong future for kindergarten.

Janice Bromell  
**NZK President**

## CHIEF EXECUTIVE'S REPORT

It has been a busy few months since the NZK conference and annual general meeting in August 2010 – and not without challenges. Our deepest sympathy and support went to the children, family and whanau, and staff of Kidsfirst Kindergartens, and to the West Coast and Canterbury communities, as they dealt with the Pike River mine tragedy in November 2010 and the affects of the devastating earthquakes of September 2010 and February 2011.

The main focus of NZK activity in recent months has been around the impact of the funding cuts which came into effect this year. While there is much to celebrate about teaching and learning in kindergarten, the pressures on associations to meet funding short-falls has been significant.

In 2011, early childhood education (ECE) is at a crossroads. The progress we have seen in the previous decade to improve quality and increase participation is in jeopardy. Changes to ECE regulations have seen an erosion of standards in the sector. To ensure all children have the opportunity to reach their potential, we have to strongly advocate for government investment in high quality ECE services.

Kindergarten has been a flagship for ECE for many years - taking a lead role in setting the standards. NZK and our member associations have taken on that role again.

### Key issues

Funding remains a key issue for NZK. The government's decision to cut funding rates by removing the top two funding bands, which only applied to services employing 80 percent or more qualified and registered teachers, impacted every NZK member. The introduction of the revised funding rates on 1 February 2011 meant a 14 percent drop in overall funding to kindergarten. In announcing the funding cuts, the government was clear to point out that it believed having all qualified and registered teachers in teacher- led services was unnecessary and that 80 percent was sufficient to ensure quality.

NZK associations have revised budgets to ensure the continuation of quality services and that kindergartens remain affordable for families. However, that has come at the cost including deferred maintenance and building projects, reduced opportunities for teacher professional development, and in some areas, the redundancy of support or administration staff.

Qualified teachers are a hallmark of kindergarten. NZK members have committed to employing 100 percent qualified and registered teachers in permanent ratioed positions. Maintaining a qualified teaching workforce is in the best interests of children - it is a critical factor in determining high quality ECE.

NZK established a working group in 2010 which had as its first task, to develop a paper on the options available to associations to manage funding shortfalls. The group continued to meet to develop a second paper *Quality ECE: Worth the Investment* which set out the economic and educational evidence on the short and long term benefits of investing in high quality ECE. The paper was released in October 2010. It recommends the government establish a target for all teacher-led services to reach 100 percent qualified and registered teachers, and introduce a funding mechanism to support that aim. NZK presented the paper and promoted the recommendations to the Minister of Education and to ECE spokespeople in the Labour, Green, Maori and ACT political parties.

Promoting the benefits of high quality ECE and the need for increased government investment has also been a focus for NZK public activities. We have built up a considerable support base through our *Kindergartens – Great Start 100%* website and Facebook page. The website provides a place for NZK and members to promote kindergarten, providing stories and evidence of children's learning, and celebrating successes, and to be informed about and discuss policy issues.

Using social media is part of our strategy to promote the issues more widely and within the public arena to increase awareness and influence. Over one thousand supporters have signed up to the promotion. A number of member associations have promoted *Kindergartens - Great Start 100%* as part of local activities and have initiated or participated in activities organised to focus public and media attention on ECE. NZK has built a public profile across the media including on television and radio.

In October 2010, the Minister of Education announced the establishment of an ECE Taskforce to review the efficiency and effectiveness of spending on ECE, and propose new ideas for innovative, cost-effective and evidence-based ways to support children's learning. There was no discussion with the sector about the establishment of the Taskforce, its membership or the terms of reference. The establishment of the Taskforce followed regulation changes and funding cuts, and was viewed by many in the sector as a way for the government to rationalise its previous decisions and pave the way for further change.

Against this background, the sector was invited to engage with the Taskforce online and through written submission. NZK provided a comprehensive response and also met with the chair of the Taskforce Dr Michael Mintrom, Associate Professor of Public Policy at the University of Auckland. We responded to the Taskforce's question on the 'desired state' for ECE in five years time:

- Every child has the right to access high quality early childhood education.
- The interests of children are paramount in the development and implementation of ECE policies.
- Every child has access to at least 20 'free' hours of high quality early childhood education each week, provided by 100% qualified and registered teachers in teacher-led services.
- Government investment in ECE reflects the costs of high quality provision.
- National provision of services is planned and managed. Community based ECE services are well supported to meet the needs of their communities. New community based services are established and funded in areas where there is clear evidence there is a need for a particular service or provision of additional child places.
- An inter-government department/agency group monitors statutory requirements for ECE services to ensure none are contradictory and retain the child's interests as paramount.
- The principles of engagement, partnership and collaboration underpin the development and implementation of policies impacting children and their families, and the ECE sector is genuinely and appropriately engaged in both.

Complementing our promotion of high quality ECE to politicians and in the public arena, and in preparation for the release of the ECE Taskforce report in April 2011, NZK engaged economist Suzanne Snively to work with us to examine the issues impacting ECE from an economic perspective. This work provides a useful resource for members and focuses on the key factors contributing to sound investment in ECE.

## **National meetings and conference**

The NZK conference *Participation: policy and practice* was held on 27 – 29 August 2010 with the annual general meeting being held on Saturday 28 August. One hundred and seventeen people attended over the three days, participating in a range of workshops which were in themed strands: demographics, family and community, and innovative practice.

The conference welcomed the Minister of Education Anne Tolley, Human Rights Commissioner Rosslyn Noonan, and Secretary for Education Karen Sewell as keynote speakers. The conference had a future focus, providing opportunities for participants to consider population trends and the changing demographics of our communities and how kindergarten could meet the needs of communities in the future. The conference was the last of the annual conferences as NZK moves to a biennial timeframe in 2012.

In a first for NZK, association support staff met together in Wellington on 21 – 22 March 2011. They were joined by association managers on the second day who stayed on to meet together on 23 March.

Forty seven people attended the hui and included executive assistants, finance managers and administrators, HR advisors, payroll officers, office and operations managers, and property managers. Discussions covered employment matters, administrative systems, national procurement ideas and ECE funding changes. Overall, the hui was viewed by participants as a success, with support staff in particular, appreciative of the chance to network with others. They left knowing all have similar issues and how associations can better share their expertise and resources. Participants also acknowledged the value of NZK as a national body in bringing people together.

On 23 – 25 March 2011, senior teachers met for their annual hui hosted by senior teachers from associations in the Wellington region. *Leadership in a diversifying environment* was the central theme of the hui, with a focus on Te Whariki and curriculum development. Dr Helen May, and Director of the Centre for ECE at the University of Otago Lyn Foote provided the keynotes. I addressed the hui and focused on outcomes, asking “how do we know we are doing what we say we are doing?” At a time when the benefits of ECE are being questioned by government, teachers need to be able to articulate and advocate the learning outcomes for children of being in high quality ECE. Learning outcomes are an ongoing focus for senior teachers.

NZK administers the Joyce Barnes Travel Grant awards each year on behalf of the Nikau Trust. The award is available to kindergarten teachers to travel overseas to study or attend conferences. There are three awards offered each year, each of \$5,000. The recipients of the 2010 grants were the Wellington Region Free Kindergarten Association Senior Teacher Team to attend the ECE Teachers Conference in Brisbane, teachers at Roslyn Kindergarten to participate in the Reggio Emilia Melbourne tour, and to the Northland Kindergarten Association Professional Practice Advisor Maori to undertake study in Sydney.

NZK national office continues to support individual member associations in a range of ways including providing advice and resources. The NZK board offered to all members, the opportunity to discuss the implications of government policy direction and the actions members could take to not only minimise the impact of change but to also positively influence future decisions. I have visited 16 member associations meeting with board members and managers, speaking at staff meetings and public meetings, and visiting kindergartens. Government policy, governance and constitutional issues, funding and property matters, and participation initiatives are among the issues the NZK national office has worked on with members in recent months.

## Effective organisation

NZK continues to build relationships with other ECE and education providers, government officials, and with the media to promote our vision for kindergarten and to address issues of importance to NZK members. As noted elsewhere we met with the Minister of Education and other Members of Parliament to present *Quality ECE: Worth the Investment*. I have also met with Associate Minister of Education Rodney Hide to discuss the review of special education and the inclusion of ECE in government’s future thinking on special education policy.

We meet with ECE organisations regularly, notably as a member of the Ministry of Education’s Early Childhood Advisory Committee (ECAC) and of the Early Education Federation (EEF). As sector groups, both are influential and provide opportunities to promote issues of common interest to government officials and ministers as well as a forum in which to debate policy direction. Of particular note is the EEF forum held in November 2010 - *Economics of ECE* - and the third forum of the series planned for June 2011 - *Election 2011 - What's in it for young children and their families*. NZK has been instrumental in the planning and organisation of the forum and we have up to ten NZK representatives attending each.

We also meet separately with Te Tari Puna Ora o Aotearoa/NZ Childcare Association, the Early Childhood Council, Early Childhood Leadership and NZEI Te Riu Roa on matters of mutual interest such as the impact of the funding cuts, and proposed changes to regulations.

NZK meets with ministry officials regularly to discuss issues raised by members such as funding rules and requirements, and industrial matters. In 2011, I was a member of the Ministry of Education’s emergency operations group set up to deal with issues arising from the Canterbury earthquakes.

The NZK board meets annually with the Education Review Office (ERO) Chief Review Officer to provide feedback from members and to discuss national evaluation reports including topics for future reports.

NZK was invited by the NZ Teachers Council on several occasions to present the findings of the *Induction and Mentoring* pilot programme which was completed in early 2010. These included presentation to the World Teachers Day Conference in October 2010 and to the teacher education stakeholders group in March 2011.

We continue to work with the Teachers Council on ways to disseminate the findings of the pilot and to influence government policy to support newly qualified teachers and mentors.

Bargaining for the renewal of the *Kindergarten Associations Support Staff Collective Agreement* was completed in December 2010. The agreement covers nine employer groups, five of which are NZK member associations. Special thanks is extended to the NZK representatives on the bargaining team Wendy Logan, Chief Executive Officer, Nelson District Free Kindergarten Association, and Peter Monteith, Association Principal, Tauranga Regional Free Kindergarten Association. The employers were represented by Angela Walker, Wellington Employers and Manufacturers Association.

Bargaining continues for the renewal of the *Kindergarten Teachers, Head Teachers and Senior Teachers' Collective Employment Agreement*. Particular thanks goes to Sherrill Wilson, Chief Executive, Kidsfirst Kindergartens and Beverley Richards, General Manager, Hutt City Kindergartens as the NZK nominated representatives on the Ministry of Education bargaining team, and to Wendy Logan as a member of the reference group supporting the negotiations. The NZK team brings valued expertise, experience and professionalism to the bargaining process.

In September 2010, I was privileged to be selected by UNESCO to attend the first world conference on ECE in Moscow as part of the New Zealand delegation. Over 1,000 delegates from 150 member states attended the conference. The conference was in response to the 2000 World Education Forum in Dakar which called for 'the expansion and improvement of comprehensive ECCE - particularly although not exclusively, for the most vulnerable and disadvantaged children.'

The World Forum set this as the first goal towards achieving the 1990 World Declaration on Education for All (EFA). The theme of the Moscow conference was 'Early Childhood Care and Education (ECCE) as the first and foundational step for building the wealth of nations.'

## **Collaboration**

NZK has a number of national agreements in place which aim to maximise our collective buying power and provide value for money for members.

NZK partners with Wilkinsons Insurance Brokers and Ansvar Insurers to provide a national insurance scheme. We have worked with Wilkinsons and Ansvar to develop a *Risk Management Manual* which was distributed to each kindergarten in 2011, and to develop guidelines on the process for dealing with and reporting potential employment disputes. The insurance scheme is offered beyond NZK members and there is currently a number of playcentres and education and care centres covered by the scheme.

We have entered the third year of our agreement with Fuji Xerox. Nineteen NZK member associations are party to the agreement. We have signed an agreement with Schools Supplies/Office Max which is to be introduced in May 2011.

NZK continues to work in collaboration with the Lap Top Company and in partnership with IBM to implement the *Kidsmart* programme and with Fairfax, the *First Books* programme, in kindergartens in low decile areas.

**National office**

It was with regret that we accepted Suz Foster's resignation in October 2010 as national office administrator. Suz was a great asset to NZK and took a lead role in the development of the website, in setting up effective processes and systems, and in organising national meetings and events. In February 2011, we welcomed Joanne Newth to NZK in the administrator position.

Thank you to financial advisor Leonie Bond for her contribution to NZK and support to national office. Special thank you to NZK president Janice Bromell and to board members for their vision and guidance and to NZK members for your support.

Kindergarten is a leader in early childhood education in New Zealand. NZK members are passionate about kindergarten, and have a commitment to children and their families and whanau to provide high quality early childhood education. While we will face considerable challenges in the future, our commitment to excellence and high standards, and to ensuring children are at the heart of our decisions, will hold us in good stead.

Clare Wells

**Chief Executive**

# New Zealand Kindergartens Incorporated Te Putahi Kura Puhou o Aotearoa

## Financial Report

For year ended 31 March 2011

### STATEMENT OF FINANCIAL RESPONSIBILITY

The board accepts responsibility for the preparation of these annual financial statements and the judgements used within.

The board accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurances as to the integrity and reliability of financial reporting.

In our opinion the annual financial statements for the financial year fairly reflect the financial position and operations of the society.

Clare Wells  
**Chief Executive**

Tony Hassed  
**Board member**



**NEW ZEALAND KINDERGARTENS INC  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2011**

	<b>2011</b>	<b>2010</b>
<b>PUBLIC EQUITY</b>	<b>401,149</b>	<b>264,376</b>
<b>PRESENTED BY</b>		
<b>CURRENT ASSETS</b>		
Cash and Deposits <sup>1</sup>	419,374	419,011
Accounts Receivable	5,827	45,133
Prepayments	-	420
GST Receivable	4,598	790
	<b>429,798</b>	<b>465,354</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	30,119	126,169
Induction & Mentoring Program	-	77,157
Annual Leave Provision	750	603
	<b>30,869</b>	<b>203,929</b>
<b>WORKING CAPITAL</b>	<b>398,929</b>	<b>261,425</b>
<b>NON-CURRENT ASSETS</b>		
Fixed Assets <sup>2</sup>	2,220	2,951
<b>NET ASSETS</b>	<b>401,149</b>	<b>264,376</b>

Clare Wells  
**Chief Executive**

Tony Hassed  
**Board member**

The notes and statements of accounting policies form part of and are to be read in conjunction with this financial statement. These financial statements have not been audited but have been subject to an accountant's review engagement.

**NEW ZEALAND KINDERGARTENS INC  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 MARCH 2011**

	<b>2011</b>	<b>2010</b>
<b>INCOME</b>		
MOE grants	-	7,000
Levies	350,328	334,760
Induction & mentoring programme	77,157	180,849
Interest	23,715	6,488
NZK conference & AGM registration	37,954	-
Sponsors & exhibitors	5,494	-
Sundry income	24,705	18,005
	<b>519,353</b>	<b>547,102</b>
<b>LESS EXPENDITURE</b>		
Board expenses	42,215	36,290
Personnel expenses	156,600	151,964
Board fees and president's honorarium	6,258	4,000
Office expenses	20,537	17,633
Rent	23,833	28,167
Meeting expenses	66,267	31,621
Induction & mentoring programme	114	190,149
Organisational development	63,546	4,489
Auditor's remuneration	2,478	1,607
Depreciation <sup>3</sup>	731	889
	<b>382,579</b>	<b>466,809</b>
<b>NET SURPLUS (DEFICIT) FOR YEAR</b>	<b>136,773</b>	<b>80,293</b>

**NEW ZEALAND KINDERGARTENS INC  
STATEMENT OF MOVEMENTS IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2011**

	<b>2011</b>	<b>2010</b>
Opening public equity	264,376	184,083
Net surplus	136,773	80,293
<b>Closing public equity</b>	<b>401,149</b>	<b>264,376</b>

The notes and statements of accounting policies form part of and are to be read in conjunction with this financial statement. These financial statements have not been audited but have been subject to an accountants review engagement.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

	<b>2011</b>	<b>2010</b>
<b>1 CASH AND DEPOSITS</b>		
ASB 12-3254-0020574-00	8,943	78,394
ASB 12-3254-0020574-50	60,406	90,517
ASB term deposit	-	250,000
Westpac term deposit	350,000	-
Petty cash	24	100
	<b>419,374</b>	<b>419,011</b>

	<b>31 March 2011</b>			<b>31 March 2010</b>		
	<b>Cost/ Value</b>	<b>Accum. Dep</b>	<b>Book Value</b>	<b>Cost/ Value</b>	<b>Accum. Dep</b>	<b>Book Value</b>
Equipment, computers	39,382	37,875	1,507	39,382	37,373	2,009
Furniture	5,652	4,939	713	5,652	4,710	942
	<b>45,034</b>	<b>42,814</b>	<b>2,220</b>	<b>45,034</b>	<b>42,083</b>	<b>2,951</b>

	<b>2011</b>	<b>2010</b>
<b>3 DEPRECIATION</b>		
Equipment, computers	502	502
Furniture	229	387
	<b>731</b>	<b>889</b>

**4 STATEMENT OF COMMITMENTS**

There are no known commitments at balance date. (2010 nil)

**5 STATEMENT OF CONTINGENT LIABILITIES**

There are no known contingent liabilities at balance date. (2010 nil)

**ACCOUNTANTS REPORT TO NEW ZEALAND KINDERGARTENS INC**

We have reviewed the financial statements on pages 2 to 6<sup>1</sup> of New Zealand Kindergartens Incorporated (“the society”) for the year ended 31 March 2011 in accordance with the Review Engagement Standards issued by the New Zealand Institute of Chartered Accountants. A review is limited primarily to inquiries of the society’s personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit.

We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view.

**Markhams Miller Dean Audit, Chartered Accountants**  
**Wellington, New Zealand**  
**15 April 2011**

<sup>1</sup> pages 10 – 13 of this report.



KINDERGARTENS  
GreatStart100%