



STANDING
TALL


SKILLS
ACTIVE^{ITO}
AOTEAROA

On-Job Qualifications
for Active Careers

Annual Report 2014

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Who We Are

Our Purpose

To build a highly qualified workforce in the sport, fitness, recreation, and snowsport industries, leading to productive and sustainable organisations that provide quality services to New Zealand.

Ki te whakakaha ake i te hunga mahi i te ahumahi ā-rēhia kia puta ai he whakahaere whai hua, whakauka hoki e tuku ratonga kounga ai ki Aotearoa.

Our Vision

Our industries seek us because what we do makes a positive difference.

Nā te pai o te mahi ka aro mai ā mātau ahumahi.

Through our work with our industries we will be accepted as a leader in and role model of:

Biculturalism

Work skills development

Service excellence.

Te Tiriti o Waitangī sets a framework for bi-culturalism and partnership.

Skills Active enacts the bicultural framework through our vision, values and purpose.

Our Values

Tika - We do what is right.

Pono - We are true to ourselves and others.

Aroha - We demonstrate respect and care.





Chair's Report

Sam Napia

Ka tū ki runga, ka tū ki raro, ka tū ki hea, ki hea. Ka tū kia hakaputaina i te wheiao kia puta ki te ao marama. Ka tihei wa mauri ora.

Tuatahi, ka tuku atu te reo hakamoemiti ki tō tātou nei Matua-Nui-I-Te-Rangi. Me te tuku hakawhetai anō hoki mo te hakamarietanga o tōna tamaiti ā Ihu Karaiti, kia puta ake anō te aranga o te hunga mate, a, kia hakahoki atu ai tēnei mea te tangata ki te araro o te Atua. I meatia nei e ngā karaipiture: horekau he ingoa kē atu, horekau hoki he huarahi kē atu, horekau hoki he pūtake kē atu e puta mai ai te hakaoranga o te tangata i roto anahe i te ingoa o te Karaiti, o te Ariki Kaha Rawa.

Tuarua, ka mihi atu ki wā tātou tini mate maha. E ngā mate, e mihi kau atu ana ki a koutou katoa. Ko ngaro koutou i te tirohanga kanohi. Ngā mate o ngā rā inānahi tata ake nei, tae noa atu ki ngā mea ko whetūrangihia, ka mihi, ka tangi, ka mea, ko ea te wahanga ki a koutou.

Ka puta atu nei i te mate ki ngā kanohi ora. Rātou te hunga mate ki ā rātou; tātou ki ā tātou ngā mahuetanga iho e tangi tonu nei, ka huri.

Ko tō mātou kaupapa mo tēnei pūrongo-ā-tau ko tēnei: "Kia tū teitei".

He tinorangatira tēnei kaupapa. Ka hoki waku mahara ki taku tamarikitanga me ngā kōrero o ōku mātua tūpuna e pēnei ana: "E tū teitei, e tū tauira rangatira."

Nā reira, e mihi tonu atu ki a koutou katoa, tae atu ki wā tātou kaimahi e whai haere nei te kaupapa hakahirahira nei: Kia tū teitei tātou, hei tauira rangatira .

This year, our theme is 'Stand Tall'. Reflecting on the performance over the year, I am pleased to report that our staff team and Board can justifiably stand tall and be proud of our performance this year.

MAKING A GOOD THING BETTER

Skills Active runs a series of satisfaction surveys each year to gain insight into how our customers see us, and to identify how we can continually improve to meet their needs. The feedback from the 2013 results was positive and suggests that Skills Active is providing a good level of service and support. However, some improvement opportunities for 2014 were identified, specifically around communication, timeframes in meeting clients' expectations, and learning support.

As we launched into 2014 we took this feedback on board and you will see in this annual report evidence of improvement in these and other key areas.

We have also continued to positively engage in the improvement opportunities brought about by the government-led review of industry training.

As a result of mergers and restructures, the year opened with a much reduced list of Industry Training Organisations (ITOs) funded for 2014. With reference to standard training measures (STMs) (which represent the equivalent of one trainee undertaking 120 credits of training full time over one year), the only ITOs smaller than Skills Active (1,458 STMs) were the Hairdressing ITO (841 STMs), Fire and Rescue Services ITO (345 STMs), NZ Marine ITO (235 STMs) and Pharmacy ITO (9 STMs).

For some, ITO size seems to be the most important success factor. However, Skills Active remains focused on servicing the needs of our industries and trainees – they remain our top priority over and above any position jostling and pursuit of increased STM numbers.

For Skills Active, continuous improvement is about seeking to better understand the needs of our industries and trainees, and acting positively towards meeting these needs. Continuous improvement requires constant effort and an abiding positive attitude towards making a good thing better. Apathy and complacency have no place among us.

TARGETED REVIEW OF QUALIFICATIONS (TROQ)

One of Skills Active's greatest challenges for 2014 was the TROQ. It was necessary for us to energetically engage in this important and future-focused project while continuing to service our industries and trainees and to maintain our contractual obligations with the Tertiary Education Commission. By year's end, we had made excellent progress.

In late January, Sport NZ hosted a meeting of outdoor professionals and organisations. One of the discussion points was whether there would be support for one agreed set of qualifications and aligned pathways. The meeting supported the work of TROQ and Skills Active in aligning most organisations to the NZ Qualifications Framework qualifications, as well as the industry-led online register of qualified professionals (NZRRP). This was a great endorsement of Skills Active's efforts and the TROQ process.

The only dissenting voice was the NZ Outdoors Instructors Association (NZOIA), who were protective of their own awards and register. However, Skills Active worked with NZOIA during the year to promote an apprenticeship initiative to the outdoor recreation sector. This was well received and has already resulted in 32 applications for 20 apprenticeship positions on offer.

WORKFORCE DEVELOPMENT

Updating my report of last year on our collaboration with Sport New Zealand (Sport NZ), staff of both organisations continued the good work in furthering a shared workforce development framework. We look forward to playing our part in implementing this framework throughout 2015.

As also reported last year, Skills Active has been the New Zealand partner in a study of workforce development in the sport and recreation areas being carried out by the European Observatoire of Sport and Employment (EOSE). In 2014, part of our continuing commitment to the study was to produce a report on our New Zealand experiences and to present this to the wider consortium of contributing countries in Europe. In late February, Grant Davidson and Leona van der Heyden attended the international assembly held at Wembley Stadium in London and met that commitment. Our contribution was well received.

Our efforts in the area of workforce development are bearing fruit and achieving recognition both at home and abroad.

OUTDOORS MARK

Outdoors New Zealand (ONZ), a Skills Active shareholder, is recognised as the peak body for outdoor recreation and outdoor education (commercial and volunteer) in New Zealand. Its key function is to advocate on behalf of the outdoor sector.

ONZ had developed a product called 'OutdoorsMark', a certification scheme through which an outdoor organisation can have its safety management systems audited against health and safety legislation. In April 2014, ONZ was looking to sell its OutdoorsMark product.

Skills Active's work is about setting and raising professional standards in our industries. We already operate a professional registration system for the industry. This public register (NZRRP) allows individuals with recognised qualifications to show their ongoing current competency. Industry has indicated that they appreciate this and are getting value from this service we provide. It therefore made sense for us to consider acquiring OutdoorsMark as a means to further strengthen standards and professionalism in our industries. We took over OutdoorsMark from 1 May 2014 and, by the year's end, had recorded significant progress against all of our first-year targets.

ROUNDING OFF A GOOD YEAR

At year's end we were able to report credit completions exceeding 80% and programme completions of over 74%. These results are the best educational performance outcomes in this organisation's history.

It is my pleasant duty, on behalf of the Board, to publicly acknowledge and thank Grant and the team for doing a tremendous job in 2014.

Nā, ka mutu wāku nei kōrero i kōnei. Ka nui taku hakarāpopototanga mo te tau ko pahure ake nei.

Ka mihi kau ake ki wā tātou kaimahi katoa, tae atu ki tō tātou rangatira a Grant mo wā rātou mahi katoa. Tae atu ki ā tātou katoa.

Te mutunga iho, ka hoki ki te taumata kōrero i tīmatahia ai taku ripoata nei, koia tērā ko te tuku mihi hakamoemiti ki te Atua. Ngā manaakitanga o Te Runga Rawa ki tā tou katoa.

*Mauri ora,
Sam*



A handwritten signature in blue ink, appearing to read 'Sam Napia', written in a cursive style.

Sam Napia
Chair

Chief Executive's Report

Grant Davidson

It gives me considerable pleasure to present the results that staff have achieved on behalf of our industries over the past year.

Standing clearly at the front of these achievements is the way we exceeded the educational performance commitments we made to our major funder, the Tertiary Education Commission (TEC). While exceeding our delivery targets in terms of numbers of trainees, our programme completion rate (74%) and credit achievement rate (80%) were also far in excess of expectations. In addition, our in-house trainee management system (Kairangi) consistently had a data match with TEC's Industry Training Register of 99.7% or better.

We are also extremely pleased that the performance of our Māori trainees is better than that of non-Māori trainees. This confirms the approach we are taking through our Māori Strategy, set and monitored by the Board.

These results clearly show that our systems are working effectively, our staff are doing an excellent job in implementing those systems, and our workplaces and trainees are strongly engaged with the qualifications and assessment processes we offer. In a non-regulated set of industries, with workforces that are often seasonal and, in many cases, represented by a demographic that is young and transient, these performance outcomes are nothing short of stunning.

This is a real endorsement of remaining a small, targeted ITO that really understands its industries and is able to customise products to provide a good match of assessment to the skill development occurring in specific workplaces.

Further proof of the positive impact we are having with our clients is the varied approaches we have been able to take to engage with workplaces not in our traditional gazetted scope. A collective of District Health Boards approached us to put together a training package for their staff to more effectively engage with, and produce positive health outcomes for, Māori. After seeking approval from Careerforce ITO, we worked with the DHBs to design a programme around the National Certificate in Māori Management. This is currently being trialled with 38 trainees across three health boards and receiving very positive feedback to date. Similarly, the Top 10 Holiday Parks Group has asked us to train and qualify their staff in the National Certificate in Recreation and Sport (Core Skills), contextualised to their particular workplaces.

Earlier in 2014 the new Industry Training Act was passed. This new legislation retained the role of ITOs offering on-job delivery of qualifications. This was the result of employers throughout New Zealand giving strong feedback to the government that they valued this very cost-effective method of upskilling and qualifying their staff. However, the mandated role for ITOs of providing

leadership in terms of skills development needs was removed by the new legislation. The Ministry of Business, Innovation and Employment (MBIE) is now supposed to take a lead on this. However, the reality is that MBIE has almost no analysis of data and little interest in the sport and recreation sector. In partnership with Sport NZ we are committed to continuing this leadership work so that we have key information to ensure our industries can grow and thrive to serve New Zealand communities moving forward.

The TEC audited Skills Active's systems and performance earlier in the year and gave us a very favourable report. Based on this, and the equally favourable financial audit by Grant Thornton, the Minister for Tertiary Education granted re-recognition to Skills Active for a further 5 years, with the gazetted scope of sport, fitness, recreation, outdoor recreation and snowsports. This includes the Māori view of these sectors, which we talk of as Ngā Mahi a te Rēhia.

2014 was the first year in which apprenticeship qualifications, and resources for these, were truly on offer for our industries. The government was also offering 'Reboot' incentives for employers and apprentices signing up to these programmes. We were oversubscribed, with 221 apprentices signed up in fitness, community recreation, outdoor recreation and sports. It was encouraging to see new clients such as the NZ Professional Golf Association taking up apprenticeships for their cadet programmes and the NZ Outdoor Instructors Association promoting this opportunity to their members.

Unfortunately, just as we begin to have penetration and acceptance in this area, government has changed the definition of what qualifies as an apprenticeship programme. This means that we need to develop new qualifications over the coming year in order for us to be able to continue to offer apprenticeships to our industries from the end of 2015.

The government-mandated Targeted Review of Qualifications (TROQ) continued throughout 2014. We have been leading this review on behalf of our industries and at considerable expense. The Skills Active Board had approved increased expenditure of over \$250,000 for extra personnel alone in the 2014 year to make this possible. This expenditure will increase in 2015 to help complete this important work, all with no increased funding from government. We have also taken the lead in helping the performing arts industries review their qualifications, under our current scope of community education. We hope to work with the creative industries in 2015 to identify which of their industries might be best served by an ITO managing qualifications. If there is support we will make an application to increase our scope with TEC.

One of the more exciting initiatives we have embarked on in 2014 has been the development of an on-line delivery system for trainees (eLearning), allowing them to carry out self-paced learning and assessment tasks toward appropriate parts of qualifications. This was a major undertaking but provides us with a tool which will help many trainees to upskill and achieve qualifications through a medium that will be accessible at work or home. Our first pilot programme is due for evaluation in early 2015. This will lead to further refinement and development to meet trainee and workplace needs in our various industries – many of which have already signalled their interest in being involved.

Chairman Sam has already mentioned in his report the purchase of the safety auditing programme, OutdoorsMark, from our shareholder Outdoors New Zealand (ONZ) midway through 2014. Both Boards recognised that Skills Active was the most appropriate home for this programme. ONZ's principal mission is advocacy on behalf of the sector. Safety auditing sits more comfortably with an organisation like Skills Active that is focused on raising standards and levels of competency in our industries.

We took over the programme at a pressured time, as the legislative requirement for adventure operators to be audited in order to continue to operate was looming. There were also four other audit providers entering the marketplace – many offering financial incentives for operators to engage them for their audits. It is a credit to Sue Gemmell and the OutdoorsMark staff that we achieved all quality compliance signoffs from Worksafe New Zealand and then captured 68% of the operator market for audit. Based on this success we are now developing an audit product for schools offering education outside the classroom (EOTC) activities, in association with one of our shareholders (EONZ) and the Ministry of Education.

Late in the year the Skills Active Board carried out a strategic review of our future direction. This resulted in a slightly revised vision statement and set of strategic themes that are highlighted elsewhere in this report. As a Board and staff we are excited and motivated by these new statements. The outcome of this is our commitment to Skills Active providing a 'one-stop shop' for vocational training and qualification opportunities, from school to retirement. This will provide plenty of challenge for us in the years ahead.

I would like to finish this report by thanking all those who helped make the year so successful. Internally, credit goes to our talented and committed staff at head office and around the regions. Thanks too to our stakeholders, who are all of the national sport and recreation bodies that are promoting standards and qualifications in partnership with us. Finally, to the workplaces and trainees who have to do all of the hard work – thank you for continuing to support us, so we can in turn support you.

A handwritten signature in blue ink, which appears to be 'Grant Davidson'. The signature is stylized and fluid, with a long horizontal stroke extending to the right.

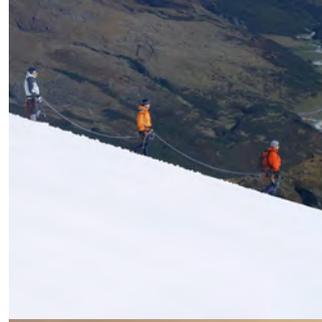
Grant Davidson
Chief Executive

Our Strategic Themes



1 A strong organisation

A strong organisation with skilled and motivated staff that is able to deliver to industry.



2 Vocational Training Success

Successful outcomes for vocational training for our industry.



3 Desired Qualifications

Desired qualifications and pathways that reflect industry need and add value.



4 Service Excellence

Service excellence: Services to industry that help progress trainees to timely completion of qualifications.



5 Strong Relationships

Relationships that are based on open communication and partnering to meet shared outcomes.



6 Leadership

Leadership that provides a positive and clear path for vocational training.



Progress against our strategic themes

Strategic Theme 1: A Strong Organisation

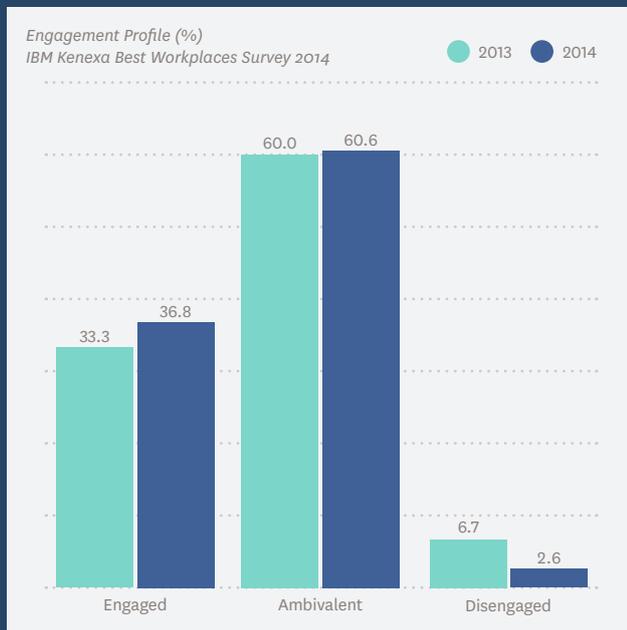
A strong organisation with skilled and motivated staff that is able to deliver to industry

2014 KENEXA BEST WORKPLACES SURVEY (BWPS) SUMMARY

For the sixth consecutive year Skills Active ran the IBM Kenexa Best Workplaces survey, in August 2014. This year we had the highest staff participation rate since starting the survey – 97% (2013: 93%).

The survey covers the following areas:

- Quality & performance focus
- Learning and development
- Communication and cooperation
- Reward and recognition
- Wellbeing
- Overall perception (this section determines employee engagement)
- The person I report to
- Taking action
- My team
- Final thoughts.
- My job

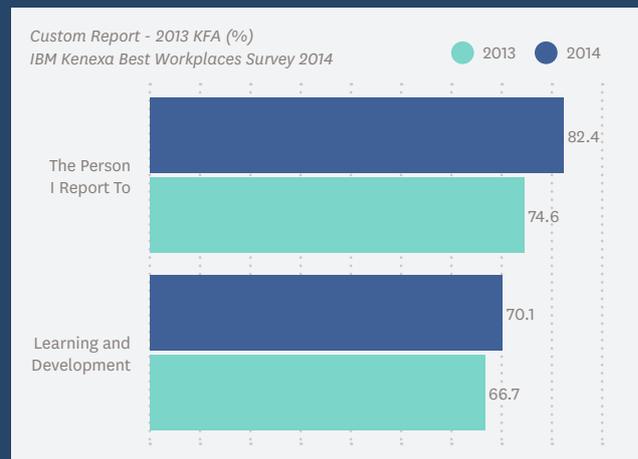


As shown in the table above, our level of engaged staff continues to rise, while our disengaged declines. It is interesting to note that the disengagement percentage of 2.6 reflects the one person who did not complete the survey. While there has been an upward movement in the levels of engaged staff, 60% still report as ambivalent, consistent with last year's results. It is this cohort of employees that we need to encourage to become more engaged with the organisation.

ORGANISATIONAL WELLNESS TEAM

As in previous years, an internal team works alongside the senior management team to improve key focus areas identified through the Best Workplaces Survey.

The two key areas of focus for 2014, identified as a result of the 2013 survey were 'The person I report to' and 'Learning and development'.



THE PERSON I REPORT TO:

We have increased 8% to sit at 82.4% satisfaction for this area. Ongoing initiatives for 2014 included:

- CE-facilitated confidential workshops with individual staff and teams to encourage feedback on the person that they report to
- Chair-facilitated confidential workshop with the senior management team
- Feedback from these workshops reported to the relevant manager, to enable continual improvement.

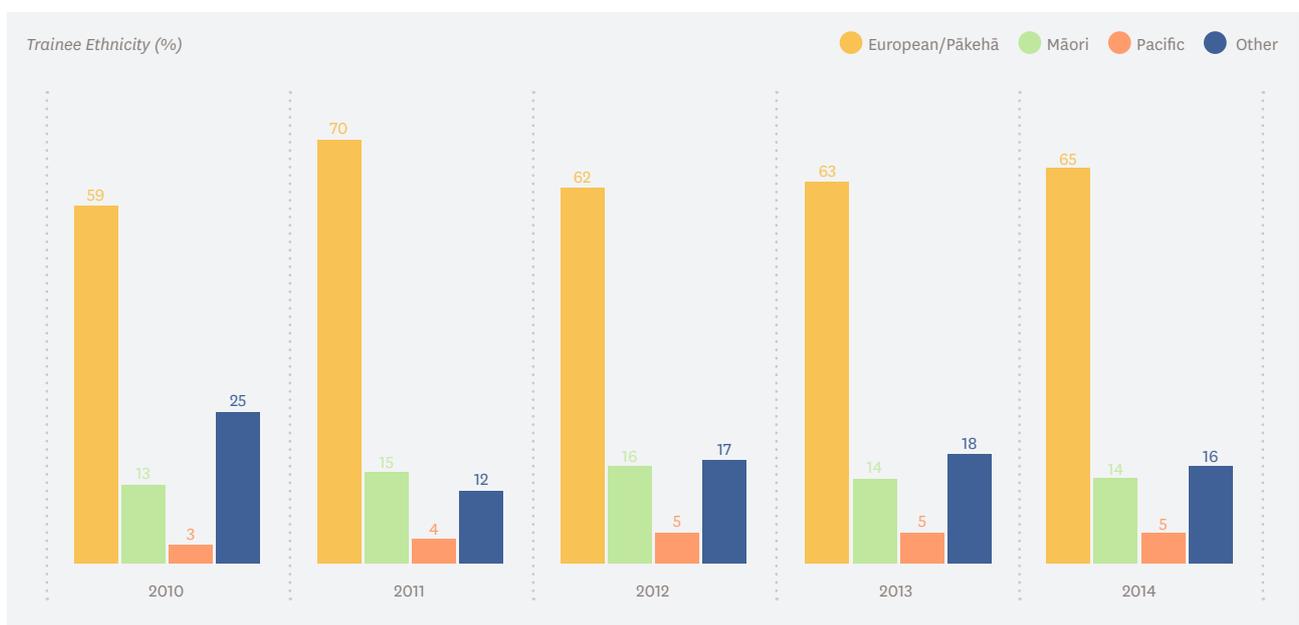
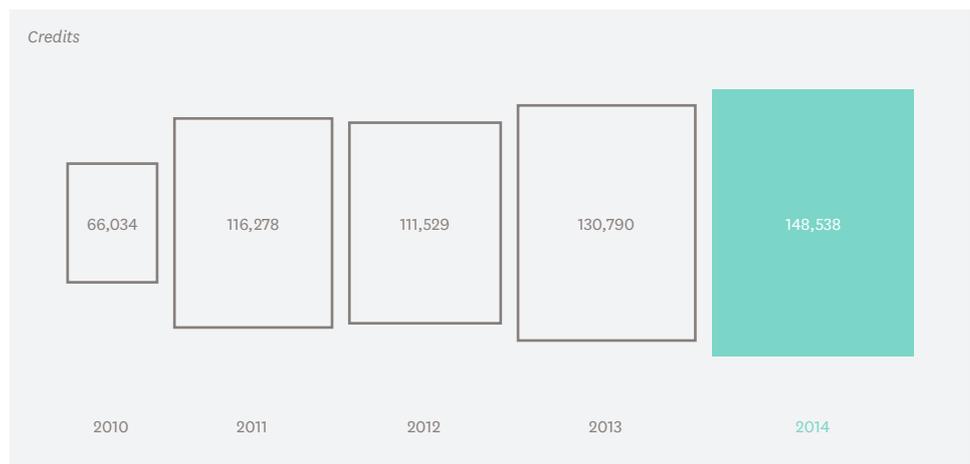
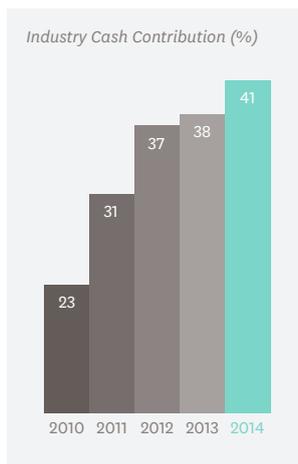
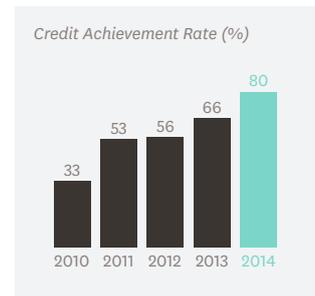
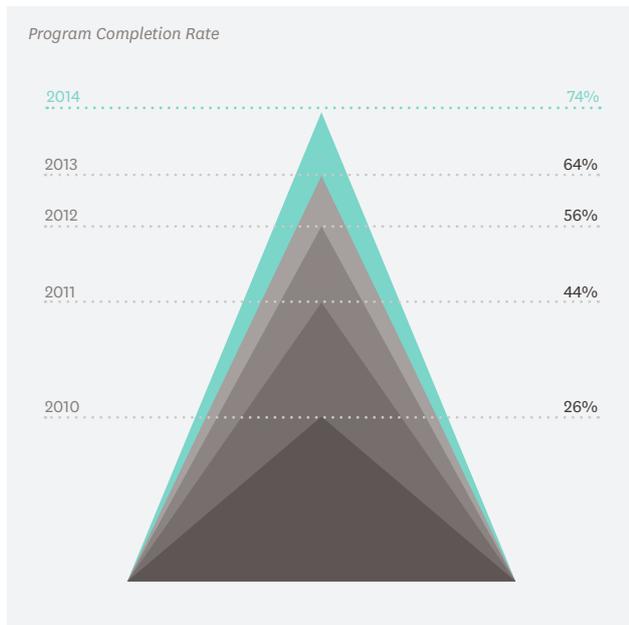
LEARNING AND DEVELOPMENT:

This area has improved by 3.4% to sit at 70.1%. Ongoing initiatives for 2014 included:

- Review, promotion and education of learning and development policy
- Project plan to create meaningful and relevant learning pathways for staff
- Development of skills matrices for all roles leading to GAP analysis and an integrated training calendar for the organisation.

Strategic Theme 2: Vocational Training Success

Successful outcomes for vocational training for our industry



Our clients in action

Professional development workshops – a tripartite approach

Do you find it difficult to find relevant professional development workshops for your staff? Many in our sectors do, which is why Skills Active joined forces with Lumin and the New Zealand Recreation Association (NZRA) in 2014 to provide our workplaces with a customised series of first line management and programme and event management workshops.

This tripartite arrangement is sector collaboration in action. With expertise in designing and facilitating workshops, Lumin developed highly interactive and practical programmes. NZRA contributed their superb leadership, promotional and organisational skills, and Skills Active provided traineeships and Learning Support Advisors to help people gain a national qualification.

Over 30 people took part in the workshop series in 2014, with higher numbers expected in 2015. Many of the participants were apprentices whose programmes include the National Certificate in Recreation and Sport (Level 4) and National Certificates in First Line Management (Levels 3 and 4).



RUAPEHU ALPINE LIFTS (RAL)

Ruapehu Alpine Lifts is a seasonal employer that operates Turoa and Whakapapa ski areas, with around 700 employees during peak season. Skills Active started working with RAL in 2014 to deliver qualifications as part of an initiative to increase employment and retain young people in the area. Twenty cadetships were offered to young people from around the Central Plateau – Turangi, Taumarunui, Ohakune and Raetihi areas.

Through the 2014 season the cadets completed the National Certificate Recreation and Sport (Core Skills) Level 2. This was achieved by attending classroom sessions two days a week and then working Friday, Saturday and Sunday on the ski field.

Ruapehu Alpine Lifts Human Resources manager Rachel de Haas said they chose this qualification because it was relevant to their business and offered the cadets transferable skills for future employment. RAL has built strong relationships with local organisations to look at providing employment between November and May when the mountain is closed.

A number of the trainees have been offered employment and further on-job training with RAL for the 2015 season and the company is now looking at offering a wider range of Skills Active qualifications.

TOUCH NZ

Touch NZ (TNZ) has this season adopted the National Certificate in Sport – Officiating as the principal career pathway for its referees, through Skills Active.

While TNZ's previous system of referee development has served more than 2000 Touch referees over the past 25 years, there has been no external recognition of their achievements other than within the ranks of TNZ itself. The advent of this National Certificate considerably enhances the value to referees, offering the following benefits:

- Formal acknowledgement of their specialised skills, knowledge and experience
- A nationally accepted qualification across all types of sports
- Alignment with the resources for officials provided by Sport New Zealand
- Demonstrating to current or future employing organisations that referees holding this qualification have a sound understanding of the skills needed to be an effective official
- Transferable skills, allowing referees to follow other career paths in the future
- The potential for qualified referees to become Skills Active registered assessors.

For TNZ, the immediate benefits will be:

- A rigorous quality assurance system for maintaining, growing and acknowledging the skills of Touch officials
- With the bonus of an NZQA-supported National Certificate, more people are likely to move to become referees, further contributing to the growth of Touch in New Zealand
- This type of qualification may become a very popular addition to the curriculum of secondary schools.

Major reasons for Skills Active allowing Touch NZ to accredit the National Certificate in Sport – Officiating were:

- Careful benchmarking of the existing TNZ referee curriculum showed that it closely matched the unit standards in the National Certificate
- The existing TNZ-wide referee structure gave assurance of the consistency of training and assessment for all referees
- The record-keeping and work practices of the current TNZ referee administration met Skills Active's requirements for the recommendation of referee certification.

The likely number of National Certificates to be awarded, based on Training Agreements received to date are:

- Existing qualified referees **49**
- 2014/15 season referees **31**
- 2015/16 onwards **40** per annum.

Success for Māori continues

It has been 4 years since Skills Active Aotearoa launched its strategy to support Māori working within recreation and sport, outdoor recreation and fitness. The 2011 business plan committed to supporting Māori to achieve within each sector, providing opportunities for engagement, training and assessment and support mechanisms to help ensure success in learning and training outcomes.

Specifically, the plan sought to increase the credit achievement rate of Māori to 50% in 2011, through to 60% in 2013 and subsequently to 65% in 2014.

2014 EDUCATIONAL PERFORMANCE INDICATORS (EPIS) CREDIT COMPLETIONS

To recognise itself as a well-performing ITO, Skills Active set organisation EPI targets for Māori in its 2014 business plan of:

- At least 65% credit achievement rates
- 55% credit achievement rate at Level 4 and above.

The data sourced from the Industry Training Register (ITR) in Fig. 1 below shows that these targets have been well exceeded. Further, Māori achievement rates have exceeded those of all trainees.

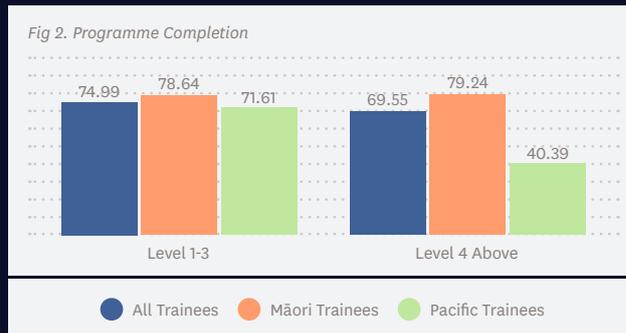


2014 EDUCATIONAL PERFORMANCE INDICATORS (EPIS) PROGRAMME COMPLETIONS

To ensure educational outcomes for Māori and non-Māori (including Pacific peoples) are all above Skills Active's target thresholds, the following EPI programme completion targets for Māori were set:

- At least 65% qualification completion rates
- 55% qualification achievement rate at Level 4 and above.

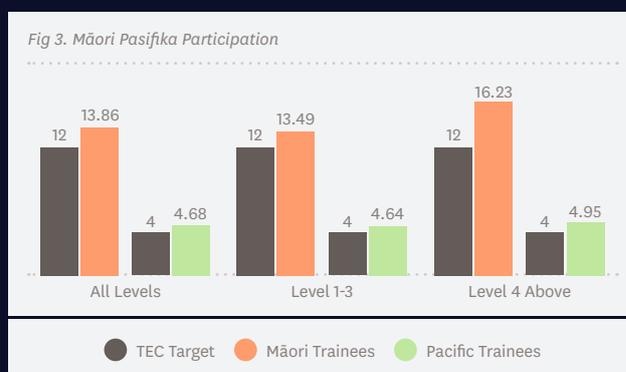
The data sourced from the Industry Training Register (ITR) in Fig. 2 shows that programme completions at both levels for Māori exceeded the target thresholds. Likewise, Māori programme achievement rates are favourable against all trainees.



PARTICIPATION IN OUR SECTORS

Statistics indicate that Māori represent 12% of the demographic participating in the recreation and sport sectors. Accordingly, organisation EPI targets for Māori were set in the 2014 business plan:

- Māori trainees make up 13% of trainees at Level 4 and above.



MAINTAINING SUCCESS FOR 2015 AND BEYOND

A platform has been set for 2015 and beyond, to base future success on current approaches, new learnings, closer support strategies and frequent analysis of data to identify common issues and solutions to increase credit and programme achievement.

SUCCESS FACTORS ON WHICH TO BUILD

- A templated approach to supporting trainees through to completion
- A culture of regular workplace visits and support of trainees and trainee coordinators
- Six-monthly audit of trainees – currently this indicates that trainees are being regularly supported, and EPI results reinforce this
- Bi-monthly, analyse and report data from KAIRANGI (Skills Active's LMS), based on Māori trainees by TEC status, region, workplace, programme, credit/qualification achievement
- Bi-monthly meeting with Skills Active's Learning Support Advisors (LSAs) and Learning Development Advisors to identify common issues and solutions to assist Māori to increase achievement levels.



Workplace case study - National Certificate in Māori Management

The Māori strategy for 2014 was set around the two categories of involvement for Māori:

- Māori who work in 'mainstream' organisations, such as local councils, fitness centres, etc
- Māori who are involved in workplaces involving traditional Māori activities, such as those working on Marae, working for Iwi/hapū, Rūnanga, Hauora Māori etc.

CAPITAL AND COAST DISTRICT HEALTH BOARD AND WAIRARAPA DISTRICT HEALTH BOARD

Skills Active and the Capital and Coast District Health Board and Wairarapa District Health Board have worked to develop and implement a training programme which aligns to the NZQF and allows staff to work confidently with Māori in the health sector, reinforcing the DHBs' long-term training vision: a standardised approach across the region to developing a culturally competent health workforce, effective in reducing Māori health inequalities.



Wellington-based social worker Nora Thompson was one of the first trainees to sign up for a new programme developed by Skills Active for these two District Health Boards.

The DHBs' Te Tohu Whakawaiora: Certificate in Healthcare Capability

comprises a set of customised resources built around the National Certificate in Māori Management - Generic (Whakangahu ki Te Ao Māori - Workplace Practices) (Level 3). It will allow a wide range of staff in the Wellington and Wairarapa-based DHBs and allied organisations to build their skills in tikanga and Te Reo Māori, as well as deepening their understanding and application of the Treaty of Waitangi and relationships with local iwi and Māori stakeholder groups.

The pilot programme has started to be rolled out, and trainees include community care workers, nurses and midwives, social workers, mental health support staff, specialists, and security and front-desk staff.

Ron Taukamo, Skills Active's Kaihau & Manager, Cultural Development, says the launch of the pilot programme brings to fruition a long period of development and discussion with many professionals passionate about improving Māori health outcomes.

'On average, Māori have the poorest health status of New Zealand's population groups, and die younger. The Māori concept of hauora or wellness is not just about physical health – it incorporates all of physical, spiritual, psychological, cultural and economic elements, with whānau at the core. Health outcomes for Māori are more successful when health professionals' practices reflect the key elements of a holistic approach to healthcare, and when treatment plans and care processes are perceived by Māori not to be in conflict with their long-held values and traditions.

'This programme will empower those who enrol in it by providing the knowledge and tools they need to help

improve the health status of Māori patients in their care. Central to this improvement is the expectation that whānau (Māori patients and their families) will be treated in ways that celebrate their uniqueness and realities, including values, protocols, concepts, views of health and Te Tiriti o Waitangi.

'We hope this pilot is just a beginning, and that other DHBs will take the programme on board as a means of allowing a wide range of health professionals to build new skills and share their knowledge and experiences.'

Māori Sports Awards Recipient

Koroheke Moana-Taniwha – multi-sportsman! And young man of many talents.

Taupiri te maunga, Waikato te awa, Waikato te iwi, Tainui te waka, Ngati Hine te hapū, Horahora te marae.

Born and raised in Huntly, Koroheke spent all but three of his first school years at Te Wharekura o Rakaumangamanga. Fluent in Te Reo Māori, his outstanding educational achievements equal those of his sporting success across three separate codes: Waka Ama, Kī-o-Rahi and rugby league.



'Waikato-taniwha-rau. He piko he taniwha. He piko, he taniwha' (Waikato of a hundred taniwha. At every bend a taniwha can be found.)

The taniwha referred to in this proverb represents a chief or person of tremendous influence. Furthermore, the expression underlines the mana of the Waikato people. Koroheke has grown up with an infinite relationship with the Waikato River that flows behind his home marae of Horahora, and he has profited from every aspect of that relationship to develop a personal commitment to the sport of Waka Ama. It is not a surprise then when you read that his achievements include the Waka Ama World Sprints held in Brazil in 2014.

Taniwharau Rugby League Club in Huntly is nearly as old as the game itself in New Zealand, and synonymous with the name Taniwharau are the names of former NZ Warriors and New Zealand internationals Lance Hohaia and Wairangi Koopu. About to emulate the accomplishments of these two club stalwarts, Koroheke's potential has already been recognised – he was named in the NZ Warriors development squad for 2015.

Kī-o-Rahi – this traditional Māori game, which dates back to pre-European times, was on display when 22 schools contested the NZ Secondary School championships at Te Whiti Park, Lower Hutt in 2014. The tournament ran over 3 days and was the most representative held so far, as well as being the first under the umbrella of the New Zealand Secondary Schools Sports Council.

Te Wharekura o Rakaumangamanga, the 2013 defending champions, took out the finals where Koroheke received the award for Most Valuable Player at the tournament.

Koroheke is attending The University of Waikato where he is enrolled into a degree in Sport and Leisure studies.

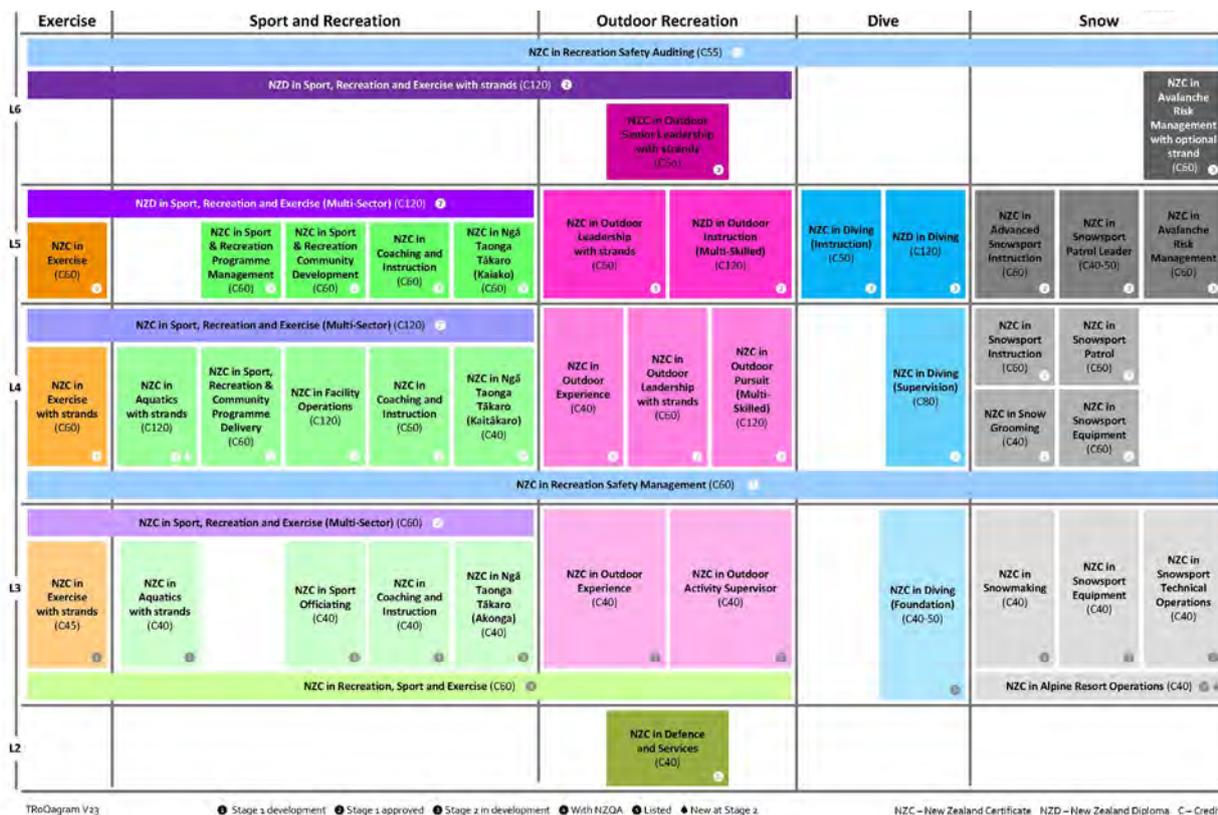
Strategic Theme 3: Desired Qualifications

Desired qualifications and pathways that reflect industry need and add value

TARGETED REVIEW OF QUALIFICATIONS (TROQ)

Work continued in 2014 on the review of all Sport, Fitness, Recreation and Performing Arts qualifications as part of the Targeted Review of Qualifications (TROQ). The end outcome from this project, which started in 2011, will be a cohesive suite of New Zealand qualifications across our sectors.

PROPOSED QUALIFICATION MAP - TROQAGRAM



This is a huge project that involves input from many sector stakeholders. In 2014 we hosted 39 meetings, with a total of 431 participants. Thank you to those who have offered their time and expertise to contribute to the development of the New Zealand qualifications.

Work continues in 2015 to submit the qualifications to NZQA for listing on the New Zealand Qualifications Framework (NZQF).

NEW SECTOR REFERENCE GROUPS (SRGS) ESTABLISHED

In 2014 we put in place a new governance structure for the development and ongoing maintenance/review of qualifications. Four Sector Reference Groups (SRGs) were established, and members were appointed in May 2014.

The role of the Sector Reference Groups (SRGs) is to provide strategic advice and direction to Skills Active to support the development of qualifications that will meet current and future industry, sector and community needs. A key part of their role in 2014 was to support the 'Stage 2' development of the Recreation, Sport and Fitness qualifications as part of the Targeted Review of Qualifications (TROQ). Following TROQ, the SRG will be responsible for the ongoing maintenance and review of their sector qualifications.



NEW PROGRAMMES AND RESOURCES

Skills Active developed and launched a number of new programmes and resources in 2014 to support qualification achievement. These included:



- **Fitness Foundations:** A revitalisation of our Fitness Foundation resources to update the content, bring them into line with our new resource templates and include embedded literacy and numeracy

- **Recreation Safety Auditing:** Development of an assessment resource to take experienced auditors through a Recognition of Current Competency (RCC) process to achieve the new New Zealand Certificate in Recreation Safety Auditing Level 6



- **Lower North Island DHB Māori Management Programme:** Development of customised resources for the National Certificate in Māori Management Level 3. These resources support the roll-out

of a programme to train and assess DHB staff to ensure they have the skills to engage and get good health outcomes for Māori patients and their whānau. The target group for this qualification is all levels of staff, from doctors to orderlies.



- **Wellington City Council, Christian Camping New Zealand, Hamilton City Council:** Customised induction programmes and resources for these clients.

SKILLS ACTIVE RECOGNISED IN PLAIN ENGLISH AWARDS



In November 2014 Skills Active was announced as the winner of the Best Plain English Document – Private Sector in the Writemark New Zealand Plain English awards. The award was received for a set of information sheets developed by Myra Mortlock, Skills Active Resource Developer.

As an organisation developing qualifications and career pathways for our sectors, we continually strive to provide ‘added value’ for individual trainees and for workplaces. As well as the technical skills covered in our qualifications — such as those needed by pool lifeguards, fitness instructors, park rangers, community recreation supervisors, and sports coaches, to name just a few — staff need skills that underpin all successful organisations, such as customer service, teamwork, time management, and behaving professionally at work.

Our information sheets help address these ‘soft’ skills in a clear and attractive way. They include key points, definitions of terms that may be new to an employee, and activities to encourage staff to apply new knowledge to their own workplace. These documents go out in



trainees’ resource packs across a range of qualifications and are also freely available on our website. Our field staff pass on suggestions for new topics from the workplaces they engage with so we know we are meeting a real need.

We’re proud that this award recognises the ‘continuous improvement’ ethos of our organisation in developing products and services that help our industry partners build a competitive edge, now and for the future. The judges commented that the documents were a very clear, well-written set of documents, which can be read by a wide audience.



ELEARNING AND ASSESSMENT

2014 saw Skills Active launch into the world of eLearning and assessment. SkillsActivator, a Moodle-based learning management system, was launched in November with an initial pilot course, Active Trainer, and 24 trainees.

The overall goals for providing eLearning to Skills Active trainees and clients are:

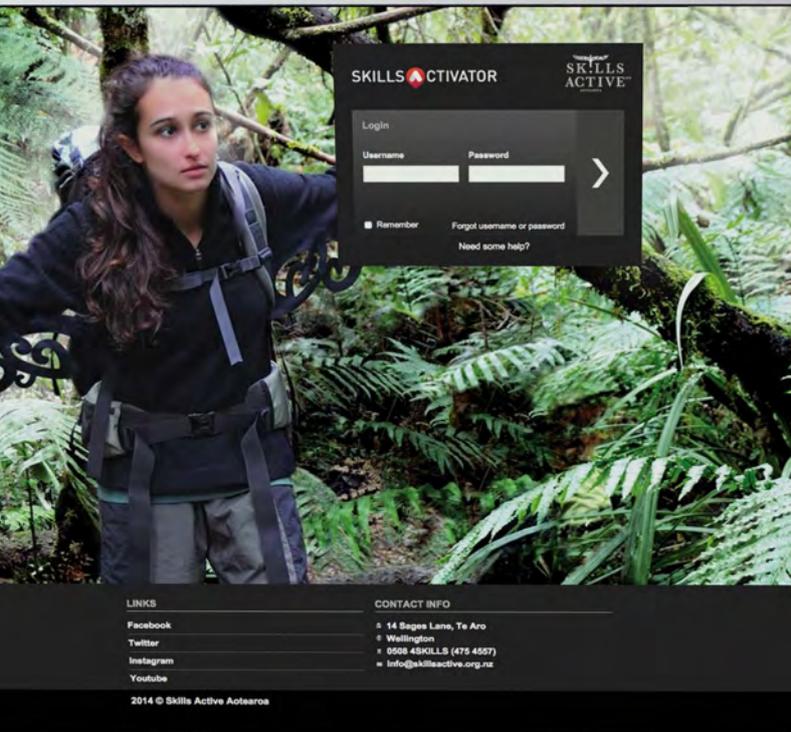
- **Improve the level of service to workplaces.** Workplaces will be able to better manage and connect with their trainees; they will have more information about them and they will be able to better integrate training into process improvement and operations.
- **Extend the options and support available to trainees.** Trainees will be able to access learning and connect with a network of support in a way that best fits their learning style, personal or work circumstances and cultural preferences.
- **Drive improved completions.** Through eLearning, Skills Active will have more information about the response of trainees to the content and trainees will be able to learn in a way that is most suitable for them.
- More online courses will be developed and launched in 2015.

CREATING A WORLD OF OPPORTUNITY

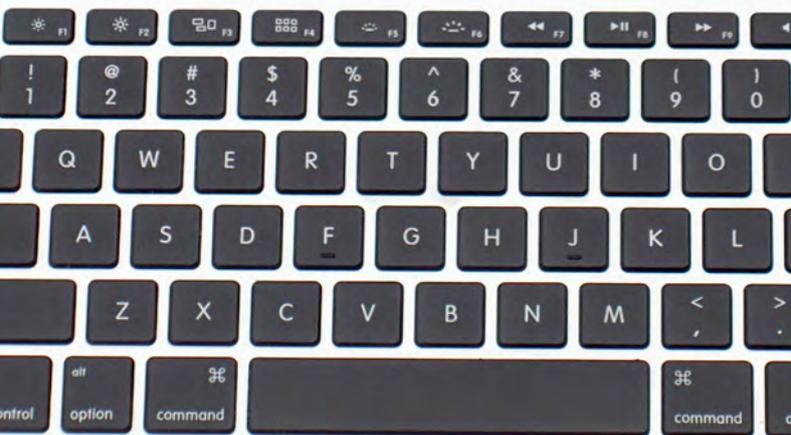
At Skills Active we believe that every trainee, no matter what stage of life they are at, has the potential to be a high achiever — not only in their choice of industry, but in their overall life. We also believe that each trainee has started on or accelerated this growth through on-job training with one or more of our qualifications.

To highlight these successes and show the potential for everyone, we launched a video campaign ‘Creating a World of Opportunity’ during 2014, showcasing a number of trainees who have completed a Skills Active qualification. Each trainee had used their qualification to improve their opportunities — be it to start their own business, achieve a promotion or become more valuable to their workplace.

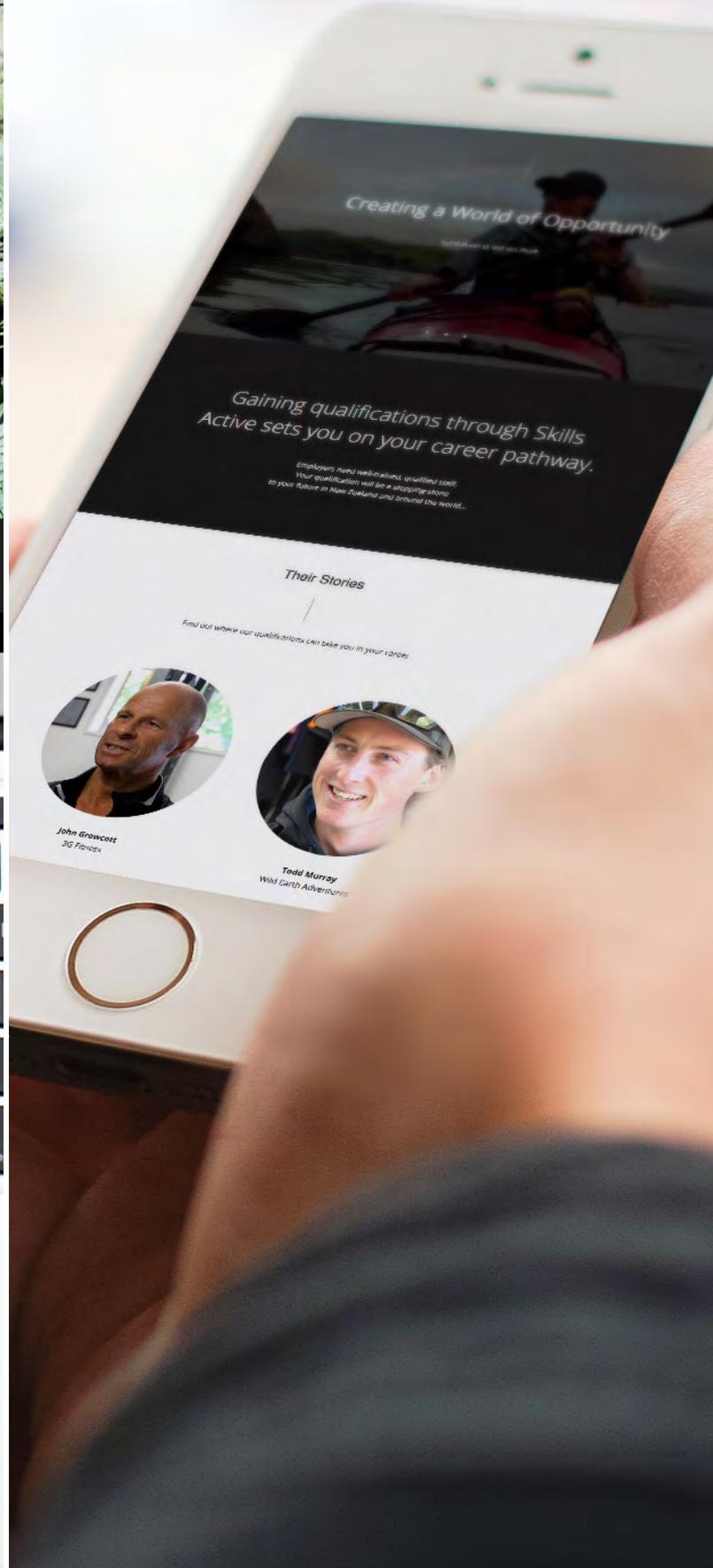
The videos can be viewed at worldofopportunity.co.nz



MacBook Air



Skills Activator Login Page



World of Opportunity Website

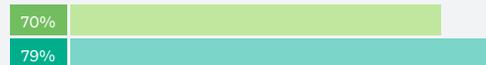
Strategic Theme 4: Service Excellence

Services to industry to help progress trainees to timely completion of qualifications

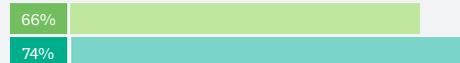
Every year Skills Active undertakes surveys of workplaces, trainees, assessors and stakeholders to get feedback on their levels of satisfaction with our services and products. The summary of results for the 2013 survey show increased, or the same level of satisfaction levels across all areas from the 2013 survey. Of particular note is the increased level of satisfaction across our trainees compared to 2013.

Workplace Survey Summary 2013

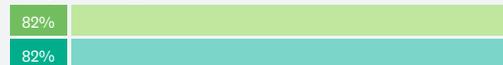
General Communication



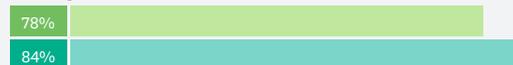
Qualification Service



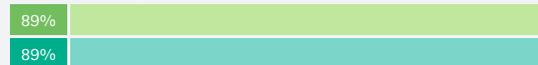
Qualification Support



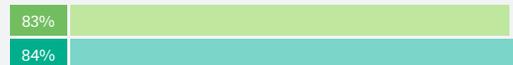
Learning and assessment resources



Value of the qualification

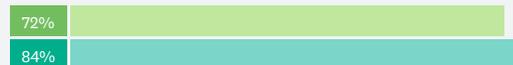


Recommendation to others

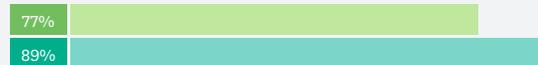


Trainee Survey Summary

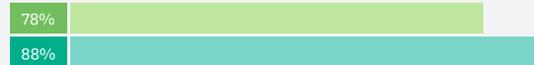
General Communication



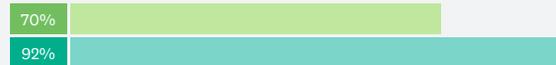
Qualification Service



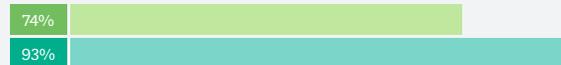
Qualification Support



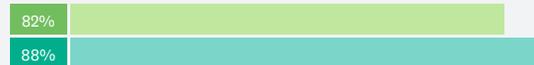
Learning and assessment resources



Value of the qualification

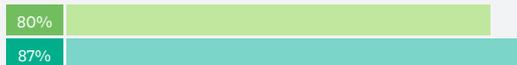


Recommendation to others

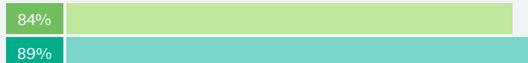


Assessor Survey Summary

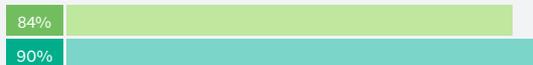
General Communication



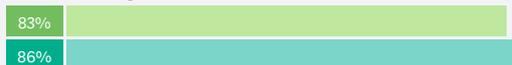
Assessor Support



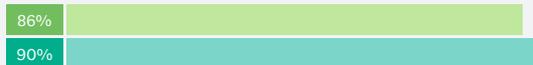
Learning and assessment resources



Assessor Training

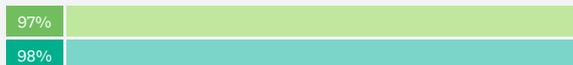


Recommendation to others

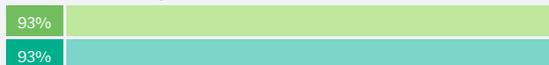


Stakeholder Survey Summary

Interaction with Skills Active



Skills Active as an organisation



● 2013 ● 2014

Strategic Theme 5: Strong Relationships

Relationships that are based on open communication and partnering to meet shared outcomes

The excellent performance results we achieved in 2014 were the outcome of strong and mutually beneficial relationships that our staff continue to forge and develop with our industry partners. These partners and Skills Active have a common desire to build robust and vibrant sport and recreation services in New Zealand. Our particular role in that work is ensuring people in our industries have the skills, competencies and experience that will drive quality outcomes.

We would like to thank all of the national sport and recreation organisations that have partnered with us to work towards a more skilled and qualified workforce. This also extends to the Australian and UK partner organisations we are collaborating with to ensure that we can all make better use of an internationally mobile workforce by aligning our qualifications.

One very visible way we engage with our industry partners is by supporting key industry conferences throughout the year. Our support is sometimes financial and also through attendance, running or sponsoring workshops and key speakers, and providing Skills Active staff to run sessions themselves.

Some of the events we supported in 2014 include:

- **AUSTSwim** – 12 July, Wellington. AUSTSwim trains, accredits and licenses 10,000 teachers of swimming and water safety each year. Currently, over 30,000 active AUSTSwim teachers based in Australia, New Zealand and internationally provide aquatic education in local communities. Skills Active had a display stand at the AUSTSwim conference.
- **Thinking Recreation** – 29-30 July, Hamilton. Skills Active was recognised as a major sponsor for this event.
- **Eventing the Future** – 6-7 August, Christchurch. Skills Active was recognised as a major sponsor.
- **Just Add Water (JAWs) conference** – 3-5 September, Hamilton. This conference has a long history within the aquatic sector and is highly regarded among its audience as the ‘must attend’ professional development event each year. Skills Active is a major sponsor.
- **CATE conference** – 19-20 November, Tauranga. Careers & Transition Education Association (Aotearoa) Ltd (CATE)’s main focus is on the career education of youth and their transition into the wider world of employment, training and/or further education which is a great alignment to our new strategic approach. The majority of its members are school careers advisors, transition teachers, STAR, Gateway and Youth Apprenticeship Co-ordinators. Other members work in associated areas, such as Career Services, Tertiary training, local government, private business and industry training organisations.

Skills Active, in conjunction with four other ITOs, invested in a combined stand, which included an

opportunity to host a panel discussion on the first day and a presentation on the second day. Skills Active was represented on the panel by Mike Page, Baywave Aquatic Venue Manager. This event was a great success and there is huge interest from schools about our programmes.

- **FitEx conference and Fitness Industry Awards** – 21-23 November, Auckland. FitEx is the conference for the exercise and wellness industry in New Zealand. It features the latest in science and business for every facet and role within the industry – from facility owners through to exercise professionals (personal trainers and group exercise instructors).

Skills Active presented an award recognising exceptional commitment to on-job training and development of staff. The winner in 2014 was cityfitness. cityfitness have for several years been an advocate of Skills Active’s workplace-based qualifications. Having developed their own staff training packages, these were then benchmarked to NZQA national standards. This has resulted in cityfitness staff having the ability to achieve three National Certificate qualifications, with a fourth currently being worked on.

- **New Zealand Recreation Association (NZRA) national conference** – 26-28 November, Christchurch. This national conference is the premier event on the NZRA professional development calendar. It features presentations on strategic developments and trends impacting on the wider recreation industry, including keynote speakers of international standing. The programme also included concurrent sessions covering natural resource management, recreation facility and service provision and policy making.

Skills Active is recognised for our support of the Recreation Young Leaders award and is a major sponsor of the conference. We had a dedicated area at the conference where conference delegates could relax on beanbags, catch up on emails and calls, and network.

- Skills Active was a major sponsor of the **Outdoors NZ Outdoor Forum** held in Christchurch during October. The Outdoors sector is currently going through massive change in terms of peak body representation and impacts due to legislation. We believed it was important that the sector had an opportunity to come together and discuss these changes, along with the networking opportunities that such a gathering provides.

A highlight as major sponsor was being invited to present the Supreme Outdoor Award for 2014 to the family and co-workers of Lyndsay Simpkin of Adventure Specialties. Lyndsay has made major contributions to the outdoor education and instructing worlds in NZ for over 40 years. He passed away after a brief illness early in 2014, which was a major shock to all those in the industry. Lyndsay’s legacy will live on with the incredible work carried out by the Adventure Specialties Trust that he started in 1984.



Strategic Theme 6: Leadership

Leadership that provides a positive and clear path for vocational training

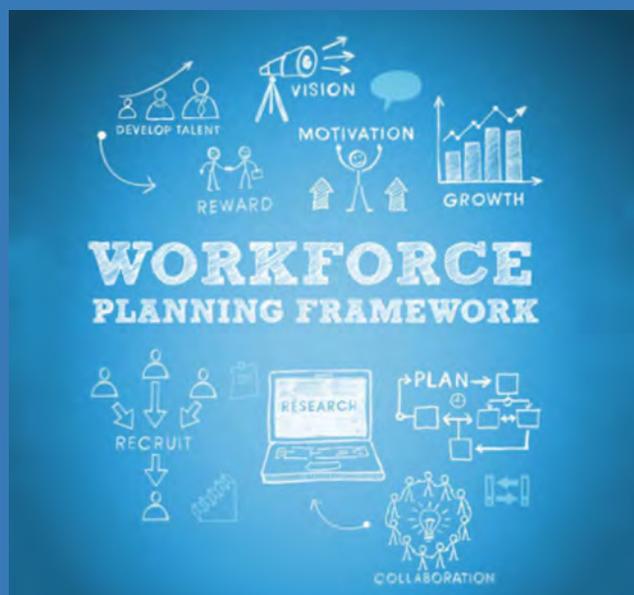
As discussed in the Chief Executive's report, the statutory role under the Industry Training Act for ITOs to provide skills and qualification leadership in their sectors was removed in the 2014 changes to the Act. However, while no longer mandated to fulfil this role, we feel Skills Active is still the best organisation to realise this role in partnership with sector organisations.

Workforce planning framework

In 2014 we provided an update on research that we had been conducting with Sport NZ and NZRA on the future workforce needs of our sectors. This research was conducted by Business and Economic Research Limited (BERL) and indicated that, with growth in our sectors and many workers retiring from our sector workforces, we have a significant challenge in recruiting, training and retaining skilled workers. The BERL report is available on the Skills Active website (go to 'About us' and then 'Research and useful links') and the Sport NZ website.

The next step involved coming up with a sector-wide plan to ensure that we do have the skilled and competent workforce to ensure we can continue to deliver quality sport and recreation products to New Zealand. With this in mind we again sat down with Sport NZ and NZRA to create a planning framework to help guide all sport and recreation agencies in New Zealand on the steps they need to consider to achieve the goal of a skilled workforce.

This framework would also disclose what they could expect from other major players, so that there are efficiencies in the system. The outcome of this is a very concise planning framework that should be a useful, thought-provoking tool for any sport and recreation organisation in New Zealand. This framework is also available on the Skills Active and Sport NZ websites.



Career pathways

Another part of the skills leadership 'jigsaw' is to provide information that will help guide individuals and their families into rewarding career pathways within our sectors. We have had regular feedback that many people find it difficult to understand whether in fact there are worthwhile careers in our field, or if they are just short-term seasonal and student jobs until a 'real' job turns up.

We believe it is important to provide evidenced-based research and case studies to show that a valued career can be achieved in any one of our sectors. The latest Economic and Social Value of Sport and Recreation in NZ report, commissioned by Sport NZ, placed the economic value of our sectors conservatively at \$4.5 billion (2.4% of GDP). If volunteer time and cost is included this figure increases to as much as \$12.2 billion.

It is one thing to be told there are career prospects in our industries; it is a much harder task to actually find out what those roles are and what skills and competencies (training) are required to move to or between them. The Careers New Zealand website currently shows only six jobs from all of our sectors. The new Vocational Pathways promoted by the Ministry of Education has jobs in our industries spread over three different pathways, making them hard to find and follow.

Skills Active has taken the task of filling this career gap. We are undertaking research to identify all of the major job roles in our industries, and then profiling those jobs in terms of a role description, salary expectations, key skills/experience required, other jobs this might lead to, etc. Our aim is to have this information compiled during 2015 and then to build an interactive website where students, and those already in a job, can explore ways to plan and develop their careers.

Professional register

The other leadership function we have adopted in promoting skills and careers in our industries is to promote graduates who already have the industry-recognised skill sets and experience to meet key job roles. To fulfil this we have created the New Zealand Register of Recreation Professionals (nzrrp.org.nz). This site and its content is overseen by a governance group composed of national recreation organisations and safety organisations whose skill sets are recognised on the register.

There has been growing acceptance of this register among various user groups in sport and recreation. The New Zealand Mountain Safety Council has taken the strategic decision to no longer offer outdoor training courses, and therefore to discontinue its Instructor Warrants. However, it has made the decision to transfer those who want to continue to work as instructors to the NZRRP, and is helping its instructors meet all the competency requirements to register.

We have also had enquiries from the exercise industry and the entertainment technology industry to include their professional qualification holders onto the NZRRP.

Directors' Disclosures

Board Member	Interest	Meetings attended
DES RATIMA	Whakatū Kohanga Reo – Chair	4/5 Board meetings, AGM, Strategic planning, 2/2 Kaupapa Māori Advisory Committee
	Ahuriri District Health Trust – Chair	
	Te Whānautahi Charitable Trust – Chair	
	Te Roopu Kaitiaki o Te Wai Māori – Company Manager	
	Whakaruruhau Ngā Mahi ā te Rēhia – Director (24 January 2014 - August 2014)	
BUTCH BRADLEY	Te Kotahitanga ki Whakatū Economic Committee – Advisor (until 3 October 2014)	3.5/5 Board meetings, Strategic planning, AGM, CE Performance Appraisal Committee meeting, 2/2 Kaupapa Māori Advisory Committee meetings
	Te Ara a Māui Regional Tourism Board – Director	
	Māori Tourism – Director of Regions and Operations (until 10 October 2014)	
	Māori Business Network Te Awe – Director (from 2 May 2014)	
	Basketball New Zealand – Director (from 24 May 2014)	
	Ngāti Apa ki te Rā Tō – CEO (from 20 October 2014)	
ANDREW GUNN (re-elected 27 June 2014)	Snake Point Lodge Limited – Director	5/5 Board meetings, 3/3 Audit and Risk Committee meetings, AGM, Strategic planning
	Strike Holdings Limited – Director	
	Industry Training Federation – Director (to 4 December 2014)	
	Professional IQ College – Director (from 17 October 2014)	
SAM NAPIA	Thames-Coromandel District Council – Director Strategic Relationships and Projects	4.5/5 Board meetings, 3/3 Audit and Risk Committee meetings, AGM, Strategic planning, CE Performance Appraisal Committee meeting, 2/2 Kaupapa Māori Advisory Committee meetings
	Tuhoronuku Independent Mandated Authority – Trustee (14 February 2014 – 3 September 2014)	
	Tuhoronuku Independent Mandated Authority – Deputy Chair (from 3 September 2014)	
ALEXANDER BRUNT	Water Safety NZ – General Manager (until 4 December 2014)	4.5/5 Board meetings, 3/3 Audit and Risk Committee meetings, AGM, Strategic planning
	Outdoors NZ – Chairperson (until 28 February 2014)	
	Member of governance committee for New Zealand Recreation Associations Pool Safe Audit scheme.	
	Royal Australia and New Zealand College of Radiologists – General Manager (from 4 December 2014)	

Board Member	Interest	Meetings attended
STEPHEN GACSAL	<p>Treasurer and Board Member, Exercise Association of New Zealand</p> <p>Registrar, Register of Exercise Professionals</p> <p>Board member of ICREPs</p> <p>Representing Fitness on the TROQ working group</p>	<p>5/5 Board meetings, 3/3 Audit and Risk Committee meetings, AGM, CE Performance Appraisal Committee meeting</p>
WENDY SWEET	<p>Personal Training Company – Director</p> <p>Senior Assessor Mentor for Skills Active</p> <p>University of Waikato – contract lecturer (until 13 February 2014)</p>	<p>5/5 Board meetings, AGM, Strategic Planning, CE Performance Appraisal Committee meeting</p>

Skills Active Shareholders

Sector	Formal Name of Organisation
COMMUNITY RECREATION	Dance Aotearoa New Zealand Limited Entertainment Technology New Zealand New Zealand Recreation Association Incorporated Water Safety New Zealand Incorporated National Council of YMCAs of New Zealand Incorporated
FITNESS	Exercise Association of New Zealand
NGĀ MAHI A TE RĒHIA	Aotearoa Māori Providers of Training Education and Employment (AMPTEE) Aotearoa Māori Tennis Association Incorporated Handball New Zealand Hauraki Māori Trust Board Te Tohu Taakaro o Aotearoa Charitable Trust - National Māori Sports Awards New Zealand Māori Rugby Board Te Arawa Lakes Trust Te Kaunihera Haupoi Māori o Aotearoa Te Roopu o te Pātaka Whakaruruhau Ngā Mahi ā Te Rēhia
OUTDOOR RECREATION	Christian Camping New Zealand Incorporated Education Outdoors New Zealand Incorporated New Zealand Mountain Safety Council Incorporated New Zealand Outdoor Instructors Association Incorporated Outdoors New Zealand Incorporated The Sir Edmund Hillary Outdoor Pursuits Centre of New Zealand
SNOW SPORTS	New Zealand Snowsport Instructors Alliance Incorporated NZ Snow Industries Federation Incorporated NZ Snowsports Council Incorporated Ski Areas Association (New Zealand) Incorporated
SPORT	Sport and Exercise Science New Zealand Incorporated



Auditor's Report



Independent Auditor's Report

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To the Shareholders of Skills Active Aotearoa Limited

Report on the financial statements

We have audited the financial statements of Skills Active Aotearoa Limited on pages 2 to 16, which comprise the statement of financial position as at 31 December 2014 and the statement of comprehensive income, and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibilities

The Directors are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

Other than in our capacity as auditor we have no relationship with, or interests in Skills Active Aotearoa Limited.

Opinion

In our opinion, the financial statements on pages 2 to 16:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of Skills Active Aotearoa Limited as at 31 December 2014 and its financial performance for the year ended on that date.

Report on other legal and regulatory matters

Per the Financial Reporting Act 1993:

- we have obtained all the information and explanations that we have required;
- in our opinion, proper accounting records have been kept by Skills Active Aotearoa Limited as far as appears from an examination of those records.



Grant Thornton New Zealand Audit Partnership
Wellington, New Zealand
30 April 2015

Financial statements

Statement of Comprehensive Income For the year ended 31 December 2014



Revenue	Note	2014 (\$)	2013 (\$)
Tertiary Education Commission			
Industry Training Fund (ITF)	4	4,791,894	4,642,312
Sector Leadership Fund		30,000	24,999
Other TEC Funding		172,435	98,000
		4,994,329	4,765,311
Industry Contributions			
Workplace fees and registration fees		549,352	502,148
NZQA moderation rebate		157,400	148,169
Other income	5	7,882	24,239
		718,633	674,556
OutdoorsMark			
	4	646,941	-
Total revenue		6,355,903	5,439,867
Less Cost of Sales	6	1,184,170	609,920
Gross Surplus		5,175,735	4,829,947
Expenses			
Employee benefits expense	7	3,245,917	2,729,361
Other operating costs	8	1,213,106	1,093,442
Client servicing and training resources	9	473,424	442,341
Total expenses		4,932,447	4,265,144
Surplus/(Deficit) before financing income		239,288	564,803
Interest income		134,022	121,699
Surplus/(Deficit) for the year		373,310	686,502
Total Comprehensive Income		373,310	686,502

Statement of Changes in Equity For the year ended 31 December 2014



Revenue	Note	2014 (\$)	2013 (\$)
Retained Earnings			
Equity at the beginning of the year		3,893,209	3,206,707
Surplus/(Deficit) for the year		373,310	686,502
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		373,310	686,502
Equity at the end of the year	10	4,266,519	3,893,209

Statement of Financial Position
As at 31 December 2014



Revenue	Note	2014 (\$)	2013 (\$)
Current Assets			
Cash and cash equivalents	11	795,923	575,078
Short term deposits	12	2,801,439	2,710,938
Receivables	13	496,136	229,369
Prepayments		119,495	66,212
		4,212,992	3,581,597
Non-Current Assets			
Property, plant and equipment	14	331,191	365,136
Intangible assets	15	254,691	265,162
		555,882	630,298
Total Assets		4,798,874	4,211,895
Current Liabilities			
Trade payables		247,843	146,410
Employee benefits payable		104,865	89,136
Goods & services tax payable		80,162	77,568
Provision for TEC Payback	16	-	5,573
Income in Advance		99,485	-
		532,355	318,686
Nett Assets		4,266,519	3,893,209
Equity			
Shared capital			
Retained earnings	10	4,266,519	3,893,209
Total Equity		4,266,519	3,893,209

For and on behalf of the Board.

Sam Napia **Chairman**
30 April 2015

Andrew Gunn **Director**
30 April 2015



1. Reporting entity

Skills Active Aotearoa Limited is a Company incorporated in New Zealand, registered under the Companies Act 1993. The Company is the Industry Training Organisation for the Sport, Fitness and Recreation industries of New Zealand. The registered office of the Company is 14 Sages Lane, Te Aro, Wellington. The financial statements of the Company are for the year ended 31 December 2014. The financial statements were authorised for issue by the directors on 30 April 2015.

2. Statement of compliance and basis of presentation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), applying the Framework for Differential Reporting for entities adopting the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and its interpretations as appropriate to public benefit entities that qualify for differential reporting. The Company is a reporting entity for the purposes of the Companies Act 1993 and the Financial Reporting Act 1993.

The Company qualifies for differential reporting as it has no public accountability and it is not defined as large for financial reporting purposes. All available reporting exemptions allowed under the Framework for Differential Reporting have been adopted.

The financial statements are presented in New Zealand Dollars (NZD) which is the Company's functional and presentation currency. The financial statements are prepared on the historical cost basis.

The Directors have approved these financial statements on a going concern basis. The Directors have concluded the going concern basis is appropriate, as Skills Active Aotearoa Limited has obtained funding from the Tertiary Education Commission (TEC) for the period 2014-2015.

3. Specific accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes. Interest income is recognised in the Statement of Comprehensive Income as it accrues.

Revenue from the TEC is recognised as it is received according to Skills Active's negotiated Investment Plan. Any potential repayment is recognised as a liability in the Balance Sheet.

b) Property, plant and equipment

Property, plant and equipment are recognised at cost, less aggregate depreciation. The following depreciation rates have been used:

Computer equipment	40% - 60% diminishing value
Office equipment	22% - 50% diminishing value
Office furniture	12% - 15% diminishing value
Motor vehicles	20% diminishing value
Leasehold improvements	15% - 26% diminishing value

Subsequent costs are added to the carrying amount of an item of property, plant and equipment, when that cost is incurred, if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred. The residual value of assets is reassessed annually.

c) Leases

The Company leases certain office equipment, vehicles and buildings.

Finance leases, which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item are capitalised at the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The leased assets and corresponding liabilities are disclosed, and the leased assets are depreciated over the period for which the Company is expected to benefit from their use.

Operating lease payments, where the lessors effectively retain substantially all of the risks and benefits of ownership of the leased items, are recognised in the determination of the operating surplus in equal instalments over the lease term.

d) Intangible Assets

An intangible asset is recognised only if all of the following conditions are met:

- An asset is controlled by the Company as a result of past events;
- It is probable that the asset created will generate future economic benefits; and
- The cost of the asset can be measured reliably.

Intangible assets are categorised into those with finite lives and those with indefinite lives. Intangible assets with finite lives i.e. software are amortised using the diminishing value method at rates of 40% - 60%. Where an intangible



asset can not be recognised, the expenditure is charged to profit or loss in the period in which it is incurred. The Company has no intangible assets with indefinite lives.

The residual value of intangible assets is reassessed annually.

e) Trade and other receivables

Trade and other receivables are stated at cost less impairment losses.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Subsequent recoveries of amounts previously written off are credited against other income.

f) Employee benefits

The Company's net obligation in respect of annual leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using current pay rates and actual leave accrued. The Company has no obligation in respect to defined contribution pension plans, long service leave, or share-based payment transactions.

g) Income tax

The Company was registered with the Charities Commission in under the Charities Act 2005, and is therefore exempt from tax.

h) Goods and services tax

All items are stated exclusive of GST except for trade receivables and trade creditors that are stated inclusive of GST.

i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

k) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

l) Financial Instruments

Financial instruments are recognised in the Balance Sheet when the Company becomes party to a financial contract. They include cash balances, deposits, bank overdraft, receivables, and payables. The business invests funds only with entities with satisfactory credit ratings. Exposure to any one financial institution is restricted in accordance with the business' policy.

All the Company's financial instruments are classified as loans and receivables and are initially recorded at cost and subsequently carried at amortised cost using the effective interest method. Due allowance is made for impairment of non-financial assets.

m) Rounding

All amounts detailed in these financial statements are rounded to the nearest dollar.

n) Comparatives

Presentation of comparatives have been reclassified from that reported in the December 2013 financial statements where appropriate to ensure consistency with the current years position and performance. The net asset position and net surplus reported in comparatives is consistent with previously authorised financial statements.

o) Changes in Accounting Policy

The accounting policies adopted are consistent with those of the previous year.

4. Tertiary Education Commission Revenue

Approximately 78% of total income is derived from the contract with the Tertiary Education Commission (TEC). The Company has received a gazetted five year re-recognition by TEC as the Industry Training Organisation for the Sport, Fitness and Recreation sectors (expiring 26 June 2019).

A contract has been established with the TEC for a two-year period 2014 to 2015. Funding received within this contract is for two fiscal years. The terms of the contract to provide services does not guarantee any further contracts with the TEC.



Revenue	2014 (\$)	2013 (\$)
Industry Training Fund (ITF)		
TEC Contract		
ITF Funding	4,480,000	4,232,551
Apprenticeship Funding	301,600	56,191
LLN Funding	-	252,463
MA Co-ordination	10,294	106,680
Less TEC Offset Provision	-	5,573
Nett TEC Income	4,791,894	4,642,312
Sector Leadership Fund		
TROQ	30,000	24,999
	30,000	24,999
Other TEC Funding		
Re Boot Initiative	172,435	98,000
	172,435	98,000
OutdoorsMark		
Annual Declaration Fee	2,700	-
Annual JASANZ Fee	7,050	-
Audit Fees	408,974	-
Worksafe	100,000	-
Worksafe Operator Subsidy	128,217	-
	646,941	-
5. Other Income		
TroQ Income	-	(500)
Other Revenue	7,882	24,739
	7,882	24,239
6. Cost of Sales		
Assessment Fee	29,605	4,128
Certificate and Card Printing	11,656	21,525
NZQA Credit Reporting	276,462	252,608
NZRA Fees	20,640	12,000
Professional Fees - Direct Cost	2,067	-
Re Boot Initiative Payments	186,000	86,000
Resource Courier Costs	33,684	30,489
Resource Printing	137,950	140,958
SAMs	20,784	25,201
Workshop Costs	18,229	35,617
Other Cost of Sales	448	1,395
	737,525	609,920



Revenue	Note	2014 (\$)	2013 (\$)
OutdoorsMark			
ONZ Fees		7,040	-
Auditor Fees		166,206	-
Auditor Moderation		4,173	-
Auditor Training		22,550	-
Certificate Printing		4,014	-
Disbursements		59,208	-
Auditor Insurance		3,155	-
Specialist Advice and Consultation		8,920	-
Technical Expert Fees		44,658	-
Worksafe Subsidy		126,721	-
		446,645	-
Total Cost of Sales		1,184,170	609,920
7. Employee Benefit Expense			
Wages and Salaries		2,964,112	2,559,674
Contract Staff		92,308	45,162
Employee Entitlements		3,056,420	2,604,835
Training		40,949	23,807
Other Costs		148,548	100,719
		3,245,917	2,729,361
8. Other Operating Costs			
Depreciation and Amortisation		228,535	255,091
Net Loss on Disposal of Assets		12,006	4,630
Impairment of Trade Receivables		(5,615)	17,996
Rental and Operating Expenses		711,884	606,924
Auditor Fees		20,499	20,014
Directors Fees		115,681	107,592
Other		130,117	81,195
		1,213,106	1,093,442
9. Client Servicing and Training Resources			
Client Servicing		420,228	321,296
Conferences and Events		2,457	5,954
External Surveys		1,039	1,456
Partnership Agreements		49,700	57,090
TroQ		-	4,243
Other		-	52,303
		473,424	442,341



10. Equity and Reserves

The Company has a policy of maintaining equity reserves (retained earnings) between a minimum of \$3 million and a maximum of \$6 million based on the current Strategic and Operational Risk Analysis. This policy represents approximately 8 to 17 months of the Company's current total expenses for the year. Equity reserves as at 31 December 2014 stand at approximately 11 months of current total expenses. Equity reserves will be retained to allow for such items as future capital expenditure, economic downturn, failure to meet TEC contract requirements, contingency in the case that the Company ceases operations and the resulting costs and liabilities associated with that event with particular attention to transition trainee agreements to another entity and non-cancellable lease commitments.

At 31 December 2014, share capital comprised 1,000 ordinary shares (2013: 1,000) all of which were uncalled and unpaid at the balance date. The holders of ordinary shares are entitled to one vote per share at meetings of the Company. They have no right to the Company's residual assets. Ordinary shares have no par value.

Revenue	2014 (\$)	2013 (\$)
Total Issued and Paid Up Capital		
Balance at Beginning of Year	3,893,209	3,206,707
Net Surplus/(Deficit) after Financing Income	373,310	686,502
Retained Earnings at end of year	4,266,519	3,893,209
Total Equity	4,266,519	3,893,209

11. Cash and Cash Equivalents		
ANZ Bank - Short term deposits less than 90 days	675,073	503,374
ANZ Bank Current Account	72,144	43,532
ASB - Short term deposits less than 90 days	3	23
Westpac - Short term deposits less than 90 days	46,123	13,328
Westpac Current Account	2,580	14,821
	795,923	575,078

12. Short Term Deposits		
ANZ Bank - Short term deposit greater than 90 days	121,068	116,521
ASB - Short term deposit greater than 90 days	892,529	854,282
Kiwibank - Short term deposit greater than 90 days	963,766	925,511
Westpac - Short term deposit greater than 90 days	824,076	814,623
	2,801,439	2,710,938

13. Receivables		
Accrued Revenue	132,414	145,379
Trade Receivables	376,459	105,223
Allowance for Doubtful Debts	(12,737)	(21,233)
	496,136	229,369



Revenue	Cost (\$)	Depreciation Charge (\$)	Accumulated Depreciation (\$)	Book Value (\$)
14. Property, Plant and Equipment				
2014				
Computer Equipment	238,066	29,228	193,358	44,708
Leasehold Improvements	30,794	2,490	18,171	12,623
Motor Vehicles	-	466	-	-
Office Equipment	158,591	16,228	112,593	45,998
Office Furniture	81,189	5,766	51,396	29,794
Sages Lane Development	321,750	35,141	123,682	198,068
	830,390	89,319	499,200	331,191

2013				
Computer Equipment	258,831	31,308	228,795	30,035
Leasehold Improvements	30,794	3,100	15,681	15,113
Motor Vehicles	30,445	789	29,151	1,294
Office Equipment	152,591	20,740	111,355	41,235
Office Furniture	164,682	8,628	120,433	44,249
Sages Lane Development	321,750	41,384	88,541	233,208
	959,093	105,949	593,956	365,136

Revenue	Cost (\$)	Depreciation Charge (\$)	Accumulated Depreciation (\$)	Book Value (\$)
15. Intangible Assets				
2014				
Computer Software (Purchased)	8,604	1,410	6,885	1,718
Computer Software (Developed)	664,669	137,805	461,696	202,973
OutdoorsMark	50,000	-	-	50,000
	723,273	139,215	468,581	254,691

2013				
Computer Software (Purchased)	7,987	2,387	5,475	2,512
Computer Software (Developed)	586,541	147,078	323,891	262,650
	594,529	149,465	329,366	265,162

Revenue	2014 (\$)	2013 (\$)
16. Provision for TEC Payback		
Apprentice Co-ordination	-	(19,359)
LLN Funding	-	24,932
	-	5,573



The TEC provision is calculated with the information available at the time of production of Financial Statements and is subject to final confirmation from the TEC. Confirmation was received from TEC by letter dated 9 March 2015 that there would be no recoveries based on the 2014 data.

Revenue	2014 (\$)	2013 (\$)
17. Operating Lease Commitments		
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	206,651	247,511
Between one and five years	314,832	30,696
More than five years	-	-
	521,483	278,207

Operating leases undertaken by the Company relate to motor vehicles, office equipment, and property.

18. Related Parties

The Company has related party relationships with its Directors and Chief Executive Officer. The transactions between Directors, the Chief Executive Officer and organisations in which they hold an interest are:

Board Member/ Management	Organisation	2014 \$ Paid to the Company	2014 \$ Paid by the Company	2013 \$ Paid to the Company	2013 \$ Paid by the Company
Stephen Gacsal	Exercise Association of New Zealand Support for Business Grow, FitEx Conference and Fitness Industry Awards		15,000		15,350
Alexander Brunt	Outdoors New Zealand Support for Outdoor Forum Rent and Opex Purchase of fixed assets		17,345	20,000	12,000
	New Zealand Recreation Association Support for Thinking Recreation, Just Add Water Seminar and National Conference	2,162	17,246		15,000
	Annual Payment for Aquatics Completions		16,500		12,000
Wendy Sweet	Director Personal Training Company		1,200		1,200
Grant Davidson	Director Sausage Roll Limited		12,250		



Stephen Gacsal is currently the Treasurer and a Board Member of Exercise Association of New Zealand; the Registrar of the NZ Register of Exercise Professionals (REPs); Director of the International Confederation of Registers for Exercise Professionals (ICREPs).

Alex Brunt is a member of the governance committee for New Zealand Recreation Association's Pool Safe Audit scheme.

Wendy Sweet is a Senior Assessor Mentor for Skills Active, a director of the Personal Training Company and a contract lecturer at the University of Waikato.

Grant Davidson is a director of Sausage Roll Limited.

Revenue	2014 (\$)	2013 (\$)
Total Compensation of key management personnel including Directors	818,539	757,733

19. Industry Contribution

The contract with TEC requires the amount of industry contribution calculated according to TEC guidelines to be disclosed in the notes to the Financial Statements. This can include both monies received the Company and payments by industry to third parties in pursuit of the achievement of the Company's qualifications.

For the year ended 31 December 2014, the amount of industry contribution was \$3,318,092 (2013: \$2,905,764) This is an achievement of 41% (2013 40%) of total funding and contribution received against a TEC target of 30%.

	2014 (\$)	2013 (\$)
Industry contribution received by Skills Active and recorded in the audited accounts	710,666	502,148
Payments by industry to third parties in pursuit of achieving Skills Active qualifications	2,607,426	2,403,616
	3,318,092	2,905,764

20. Financial Assets and Liabilities

All financial assets are classified as loans or receivables for financial measurement purposes.

These are:

Loans and receivables at amortised cost

	2014 (\$)	2013 (\$)
Cash and cash equivalents	795,923	575,628
Short term deposits	2,801,439	2,710,938
Receivables	496,136	230,195
	4,093,498	3,516,761

Trade payables are the only financial liabilities at amortised cost. There are no financial liabilities at fair value through profit and loss.



21. OutdoorsMark

On 1st May 2014 the Intellectual Property and Trademarks of OutdoorsMark were purchased from Outdoors New Zealand. A separate division has been established to deliver this functionality and the financial result of this operation is included in the overall financial statements as well as being separately identified.

Purchases made (\$)	
OutdoorsMark's Programme	50,000
Plant and Equipment	5,692
Total Consideration Paid	55,692

	2014 (\$)	2013 (\$)
22. Non Financial Performance Indicators		
ITF STMs delivered (after offsets)	1,455.35	1,465.71
Apprentice STMs delivered (after offsets)	68.18	39.21
Percentage of eligible trainees with 10 credits	86.84%	-
Credit Completion (achieved versus expected credits)	80.17%	66.03%
Programme Completion (nominal weighted)	74.19%	63.71%
Programme Completions (total qualifications awarded)	2,737	2,796
Trainees (total TEC funded trainees enrolled)	3,907	4,576

Directory

Skills Active Board Members 2014

Des Ratima
Butch Bradley
Andrew Gunn
Sam Napia
Alexander Brunt
Stephen Gacsal
Wendy Sweet

Registered Office

14 Sages Lane
Te Aro
Wellington

Solicitor

Kensington Swan

Bankers

ANZ
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