



FULL  
SPEED  
AHEAD

  
**SKILLS  
ACTIVE**<sup>TM</sup>  
AOTEAROA  
On-Job Qualifications  
for Active Careers

# Annual Report 2012



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# Our purpose

## Skills Active

To build a highly qualified workforce in the sport, recreation, snowsports and fitness 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 four core functions under the Industry Training Act are:

1. Setting skill standards and developing national qualifications for our industries
2. Providing work-based learning opportunities for employees and volunteers so they can increase their skills and gain qualifications
3. Quality-assuring assessment to ensure that every person who assesses our trainees' and training providers' work is assessing accurately and consistently
4. Providing leadership within our industries on matters relating to skill and training needs, by listening closely and responding to workplaces and other stakeholders.

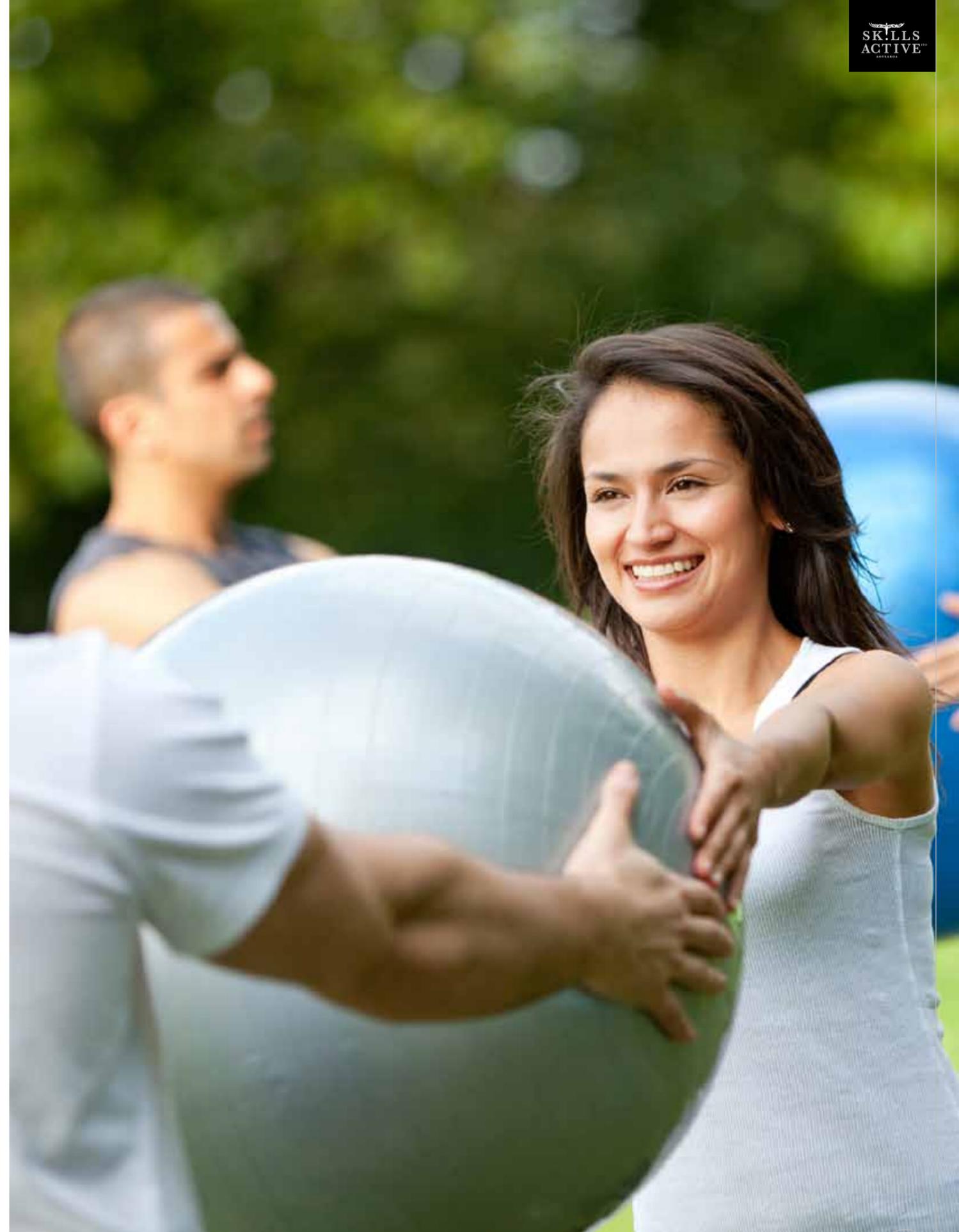
### Our values

**Tika** We do what is right

**Pono** We are true to ourselves and others

**Aroha** We demonstrate respect and care

### On-job Qualifications for Active Careers



## Chair's Report Sam Napia

*E ngā kaitiaki, e ngā pou-toko-manawa o tō tātou rōpu nei, tēnā koutou. E mihi atu ana ki a koutou me te tuku atu te reo hakamoemiti ki tō tātou Matua-nui-i-te-Rangi i te tuatahi. Tuarua, ka tuku mihi atu ki wa tātou tini mate i runga ano i te kōrero, āpiti hono tātai hono – ko rātou te hunga mate ki a rātou; āpiti hōno tātai hono – tātou te hunga ora ki a tātou; nā reira, tēnā koutou, tēnā koutou, tēnā ano tātou katoa.*

You will recall that, at the end of 2011, we put in place a new structure that was designed to better enable us to get on with 'business as usual'. What we could not have anticipated at that time was a 2012 that was not at all going to be usual.

For example, for a variety of reasons that were largely out of our control, we got to May having still not resolved our 2011 end of year position. Around the same time, the Minister for Tertiary Education announced that he was leading a review of industry training. Discussions around shared services and mergers commenced and intensified, and it seemed at times that much effort was being spent trying to dispel as rumour what the Minister had already stated on national television – that a desirable result of the review would be the reduction of the number of ITOs to between 6 and 10.

By August, AgITO, NZHITO, Sports Turf ITO and NZEqITO had merged; so too had Learning State, PGDRITO and ETITO, while ATTTO, HSI and the Retail Institute progressed their merger discussions. Other mergers were forming and it appeared that, for some, these rationalisations resulted in something more akin to takeovers.

Our response was to actively seek opportunities for collaboration, including shared services, but the Board was adamant that our primary focus would be on serving the best interests of our industries. To that end, the Board still has not ruled out the possibility of a merger, if such would indeed provide for better education outcomes for our industries. But we have been equally clear that we will not merge for merger's sake.

We have capped off very fruitful collaboration discussions with EMQUAL ITO with a memorandum of understanding and a programme for sharing of resources and expertise that will benefit our respective industries and stakeholders. We are continuing discussions with CareerForce ITO and Sport NZ, and anticipate memoranda between us.

Not jumping into a merger is taking the less-easy path. But expression of our values demands that we do what is right, not what is easy.

I am pleased to report to you that this commitment to do what is right in the best interests of our industries is shared and supported by Grant and our Skills Active staff. To be fair, it is more likely the case that it is our staff that are doing the hard yards and making the big gains while we, the Board, adopt the support role.

These big gains by staff are evident in the results of a number of workplace, trainee and stakeholder surveys conducted in November 2012. The results overall across all the surveys were very pleasing. And the quintessential result was that 90% of workplaces that responded to the survey would recommend Skills Active to another employer or workplace.

Having deservedly acknowledged our wonderful staff and chief executive, I wish to thank our Board members. Each and every one has discharged their duty diligently. Yes, 2012 has been a hard year but, if you have to do it hard, you would wish for a staff and Board team that are one in purpose. Such a team is ours.

As I write this report, I am mindful that we will be saying goodbye to two of our directors.

Robb Hogg, who currently chairs the CE review committee and has been a director since 2006, will be standing down at this AGM to concentrate on doctoral studies. Robb first stood for the Board in 2003, but was not successful at that time. Robb's election in 2006 brought to the table fresh perspectives as well as his expertise in the sports science field. Robb's calm and well-considered contributions around the board table will be missed.

Richard Beddie has indicated that he too will not be seeking re-election. Doing justice to a commentary on Richard's contribution to Skills Active, and its Sfrito predecessor(s), would take me well beyond my remaining word limit and space. So for now I shall simply note with sadness Richard's retirement from the Skills Active Board and sincerely wish him well.

We can be confident that 2013 will be another challenging year. Our shareholders, stakeholders and those who will be joining the Board upon election at this AGM can be equally confident of the continuation of the staff-Board team effort that has always served us well.

*Nā reira, heionaano wāku nei kōrero mo tēnei wā tonu nei. Ma te Atua tātou e arahi, e manaaki i nga wā katoa.*

*Mauri ora*



**Sam Napia**  
Chair

# Chief Executive's Report Grant Davidson

## *Kia ora tātou*

Our business plan for 2012 had a major focus on customer service, as we knew we had displayed real weaknesses in meeting some of our customer expectations in the past. Before the year started we went through a further unsettling restructure within the organisation in order to make sure we were best placed to meet our customer service and TEC goals. Naively, we thought that once staff were established in their new roles we would be allowed to get on and 'do the business' with our clients without major distractions – how wrong we were!

Early in 2012 the Minister of Tertiary Education announced a review of industry training, to be carried out by the Ministry of Education. This announcement came with the message that there would be a consolidation of the number of ITOs, along with a rationalisation of mandatory functions. There was talk of an end result being six ITOs and the function of arranging the on-job delivery of qualifications being removed.

The rationale provided for having fewer/larger ITOs was that scale would result in improved quality of outcomes, despite there being no evidence to support this from the ITOs that existed at the time. Various mergers/takeovers occurred within the ITO world, spurred on in the main by the outcomes from poor business models. Talk within the industry grew until every conversation was around who we were merging with and when it would happen! Not a good, motivating environment for our staff to carry on their business-as-usual tasks.

The reality, as I continue to tell anyone with time or energy to listen, is that we are already a merged ITO – combining the sectors of community recreation, outdoor recreation, snowsports, dive, fitness, sport and entertainment venues. There are very few natural fits with other industry groups, with the exception being adventure tourism. We have overlaps with community health and with emergency management and are very cognisant of these. We are working collaboratively with the EMQUAL and Careerforce ITOs around specific projects to achieve win-win outcomes.

As Sam has clearly articulated in his Chair's report, Skills Active remains open to merger discussions, when and if it becomes clear that our industry groups will benefit from such an outcome. In the interim, our focus continues to be on improving our services so that we are offering real value to our sectors and helping them to improve their business and community outcomes. We have no evidence to indicate that our current scale is an impediment to performance.

The second major external influence that has taken significant staff time and focus has been the review of all NZ Qualifications Framework qualifications in our sectors (TROQ). We had signalled in our last annual report that this was a big project but, until we became immersed in it, I don't think many of us realised just how big it was going to be for us.

In our leadership and qualification development role we offered to facilitate the process. This has involved coordinating the input of over 36 providers of 175 existing qualifications to develop an entire new suite of qualifications

that would meet industry (workplace/employer) need, while getting buy-in from all of the providers who use the existing qualifications. Setting up a governance group and six working groups to design a new set of draft qualifications, and then co-ordinating an industry-wide consultation process, has taken thousands of person hours at Skills Active. This is all in addition to our normal work processes. Special mention must be made of Leona van der Heyden and her team who have been the powerhouse behind this initiative.

We had also realised that a major component in meeting our expectations for clients was the need to develop and implement a new Trainee Management System (database) that could return key information on trainee progress in a timely fashion. During 2011 we designed a new TMS and had this built around our requirements so that it could be accessed from anywhere in the country on any 'smart' device. We began using this TMS in March 2012 but, like most new software builds and despite extensive testing, issues continued to arise during the year. It was not until near the end of 2012 that the system became stable and useful data was being produced.

In parallel, we undertook a complete overhaul of our operational policies and processes to ensure there was clear and consistent understanding of 'what', 'who' and 'how' things were to be done by everyone in the organisation. It was only by documenting these processes that we could raise the quality of our engagement and our outputs. The result has been the development of a new Quality Management System. While the policies and processes were implemented as they were being developed, the entire QMS system is to be launched to the Skills Active organisation through an intranet portal in early 2013.

Cate Baxter and her team were instrumental in the development of these two major projects, with the input of every team in the organisation. Special mention must be made of Craig Thomson and Jay Weerappulige, who worked tirelessly with our data and the IT platform itself to get the TMS system into an effective form for use with our clients.

In addition to all of these projects, we moved head office from Taranaki Street to Sages Lane. The new offices are open plan and have great meeting spaces. We have held a number of large and small industry functions here, with consistently positive feedback. The move has been acknowledged by staff, Board and clients as a very positive move.

Both our regional offices, in Auckland and Christchurch, have also moved premises. In all cases our facilities are now more aligned in character and function to our industries of sport and recreation. The offices are also more encouraging of staff who want to exercise before or after work, or during work breaks. This is in line with our organisational wellness policy of fostering the overall hauora of our staff.

Two major initiatives were begun during the year in our leadership role with our industries. It is significant that both of these were collaborations to achieve better outcomes. The first has been the development of the NZRRP and ActiveCV websites, providing new ways of recognising the skilled and qualified staff in our industries. This is explained in more detail later in this annual report.

The second was a joint project with Sport NZ and the New Zealand Recreation Association to conduct research aimed at better understanding the size and scope of the current sport and recreation workforce, and how this is likely to change over the next 5, 10 and 15 years. BERL have been contracted to carry out this research, and we expect the results in early 2013. Once we have analysed the research findings the important work will begin – working with industry partners to create a workforce development plan that will meet the challenges of ensuring a trained and skilled workforce that can continue to deliver the growing sport and recreation requirements to the New Zealand public and our overseas visitors.

Most organisations would have thought that any one of the projects outlined above would be challenging! The fact that we achieved all of them in one year is a testament to the dedication of the staff at Skills Active. The reality is that we needed every one of them in place in order to move forward with confidence in our work with our clients. 2012 has been a year to establish the ground work so that we can really start making a difference in providing a quality system of work-based national qualifications for our sectors.

Even more impressive than the list of projects achieved is that we still achieved our stated outcomes. I began this report by saying our focus for the year was on customer service. It is very pleasing to see that our end-of-year customer satisfaction surveys recorded our best results ever! We had an average result of 90% satisfaction across all areas surveyed. That is pretty good by anyone's standards. Once again this is due to





a whole-of-organisation effort, but special recognition needs to go to our workforce development team led by Diane Lithgow and Craig Hutchinson, who have ensured a much more meaningful interaction with workplaces and trainees.

On top of this we achieved our contracted TEC trainee numbers for the year with good levels of completions. The only disappointments were that we launched apprenticeship programmes for the first time in our industries and had limited take-up. I guess that is not surprising when our industries have no history of apprenticeships, and when there needs to be a commitment from both employer and employee to a longer programme of study. I feel sure that 2013 will bring much stronger demand as we establish these programmes as a valued form of development within our sectors.

What speaks volumes to me is the excitement, success and sense of achievement we are able to share with clients who use our qualifications. I have highlighted just a few examples from the past year of workplaces we have engaged with, who have been recognised for the quality of the staff and the work they do.

Once again, thanks to Skills Active staff and Board members who are firmly aligned to our collective vision. Thanks also to our industry associations, employers, trainees and assessors, who make our product 'hit the street' in such a meaningful and productive manner.

I look forward to working with you all again in 2013 and helping to make an even bigger impact on the productivity of the sport and recreation industry of New Zealand that we are so passionately committed to.

### Inaugural Grafton Art of Change Awards

NZSki was the first recipient of this prestigious business award (see Our Clients in Action later in this report).

### Fitness NZ Annual Awards

Skills Active Award for contribution to workplace education:

**Mandi Jensen, Manaaki Fitness Centre, Turangi**  
 'Mandi was chosen to receive this award because of her drive and passion for the industry, combined with her commitment to help her employees upskill and gain recognised fitness qualifications. Her own determination in the face of normally overwhelming circumstances stood her apart from the other nominees for this award.'

Mandi has proved her commitment to on-job training and qualifications via Skills Active; she has assisted ALL staff in undertaking professional fitness qualifications. With her husband George, she has trained and assessed trainees, even while battling illness.'

### NZRA Awards

NZRA Outstanding Pool Award was won by Community Leisure Management and Glen Innes Aquatic Centre.

NZRA Outstanding Community Recreation Programme Award was won by Manukau Leisure/Auckland City Council.

NZRA Outstanding Facility Award was won by Howick Recreation Centre, Manukau Leisure/Auckland City Council.

NZRA Outstanding Project Award went to Upper Hutt City Council for their project DIScover: Serving customers with disabilities. Highly commended for this category were Rotorua Youth Spaces Project, Rotorua District Council and ASB Sports Centre, Wellington City Council.

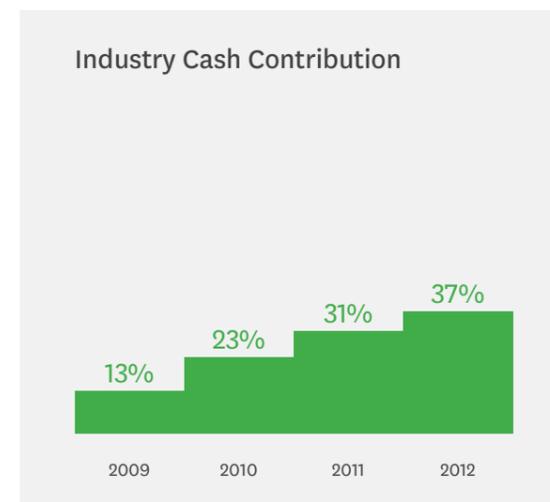
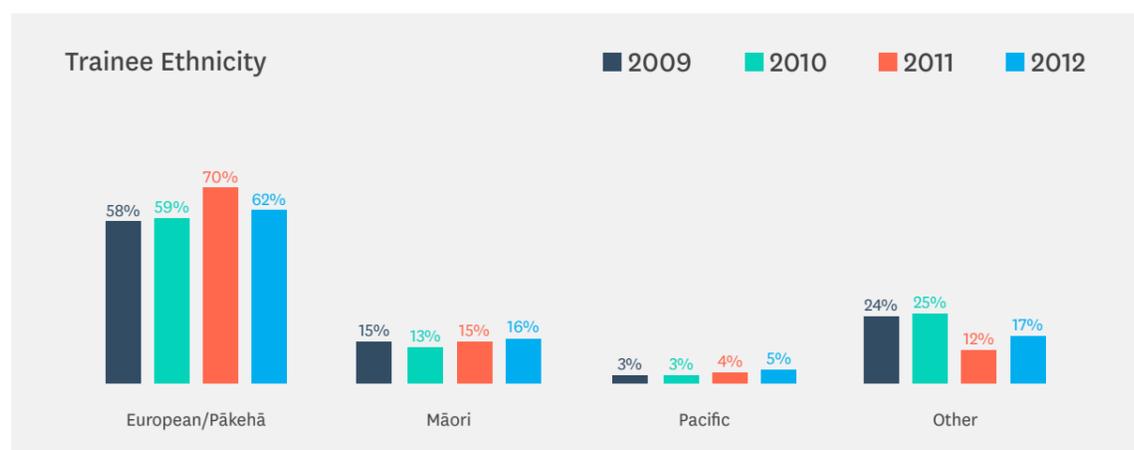
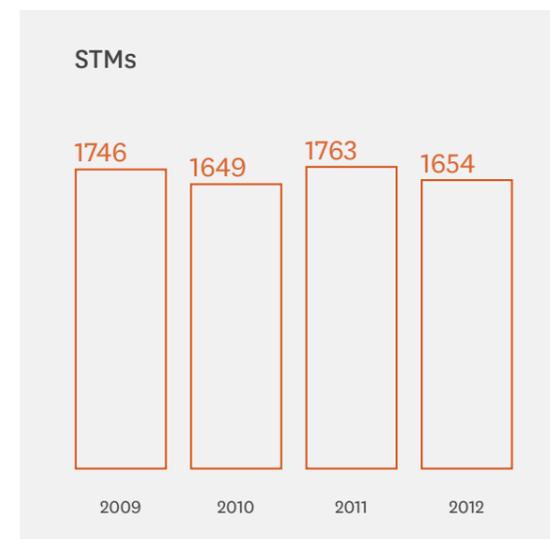
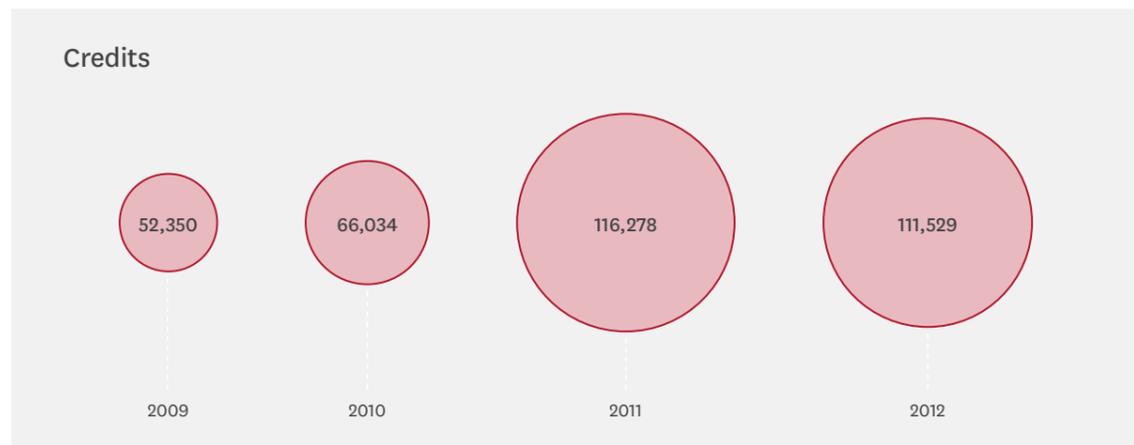
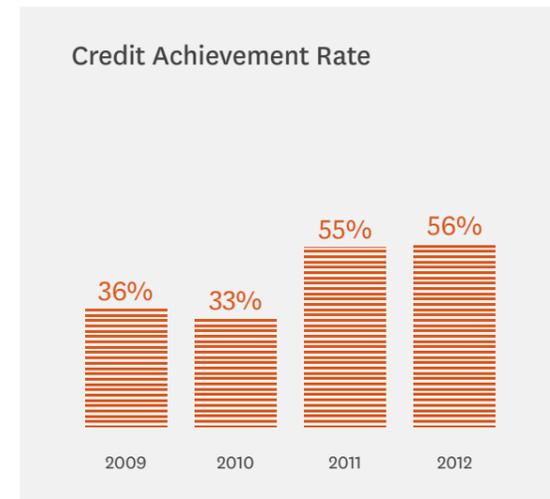
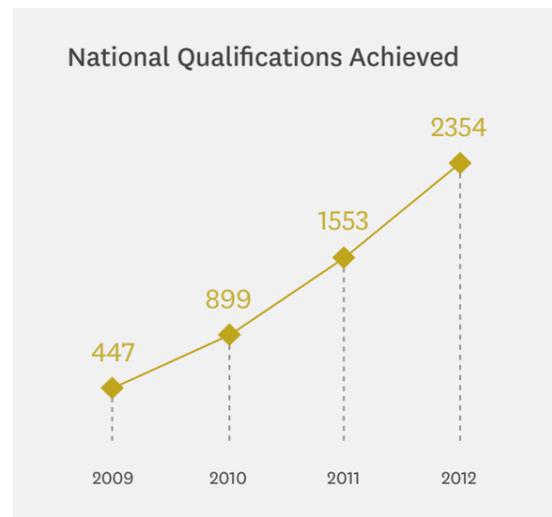
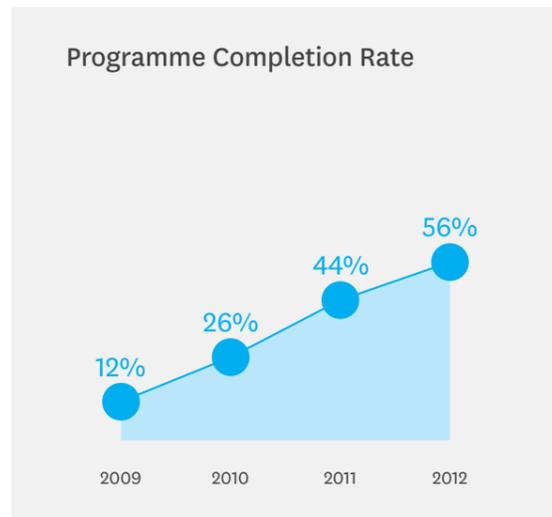
The Mark Mitchell Memorial Award was won by Georgie Witehira, Auckland City Council.



Grant Davidson  
 Chief Executive



# 2012 Key Performance Indicators





## Our clients in action

Skills Active engaged with a very large number of workplaces and organisations throughout the year. Here are comments from just a few of them.



In 2012 Lakes Leisure introduced an organisation-wide induction programme, supported by the National Certificate in Recreation and Sport (Level 3). This programme has provided a structured approach to preparing and supporting new staff into their roles. Additionally, 10 team leaders enrolled into a leadership development programme that incorporated the National Certificate in Business (First Line Management) (Levels 3 and 4).

The development programme has involved Skills Active facilitating four workshops, followed by one-on-one coaching, to support the participants in applying this new learning to their work practices. The programme will continue until July 2013.

***'The programme has been very beneficial. It has helped the participants with their positions and the transition into managing people. It has been good working together across different departments, and has created a change where people are now talking together. The workshops were great and the support they received was great too.'***

Kate Finday - Human Resources Manager



Hanmer Springs Thermal Pools and Spa have been working with Skills Active for a number of years to build training and development pathways for all of their staff. These cover a wide range of job roles, including lifeguards, swim instructors, spa therapists and staff working in the I-Site.

Staff are engaged in training from the moment they start with the organisation, by completing the Hanmer Springs Thermal Pools and Spa induction programme, which is aligned to the National Certificate in Recreation and Sport (Core Skills) (Level 2). On completion of the induction programme, staff are also encouraged and supported to complete higher-level qualifications relevant to their job role.

In 2012 Hanmer Springs Thermal Pools and Spa supported staff to complete 57 National Certificates – an excellent achievement for an organisation with just 120 staff. Skills Active was also pleased to appoint Yvonne Hughey, Hanmer Springs' Training Manager, as a Senior Assessor Mentor (SAM), allowing both organisations to gain from her extensive knowledge and experience as an assessor.

***'Working in partnership with Skills Active allows us to offer opportunities of professional development to our staff that they would not otherwise have access to, resulting in a higher motivated and performing workforce for us.'***

Yvonne Hughey - Training Manager



## Hilton Brown SWIMMING

Where everyone learns to swim!

Hilton Brown Swimming provide comprehensive training to new staff through in-water activities and theory sessions. They approached Skills Active in 2012 wanting to align all of their current training and assessment to the National Certificate in Recreation and Sport - Aquatics (Swim Education) (Level 3).

All of their material was benchmarked, resulting in 75 existing staff achieving the national qualification. In 2013, all staff will complete the National Certificate in Recreation and Sport - Aquatics (Swim Education) (Level 3) as part of their on-job training to become competent swim instructors.

***'Hilton Brown Swimming is very excited to be working alongside Skills Active and to have had our training recognised. The Skills Active staff have been great to work with, and I look forward to working with them in the future.'***

Ingrid Sharp - Manager



Ski-field operator NZSki was honoured with a 'transformational change' award during 2012 that recognises its impressive turnaround.

The company runs Coronet Peak, Mt Hutt and the Remarkables ski fields. They employ 40 full-timers and up to 1200 winter staff across the three ski fields.

James Coddington, the CE, was interviewed on TV One's Breakfast show about this achievement, and credited the turnaround in staff retention from 30% to 63% to its professional training programmes.

He told Breakfast the company's track record of low staff retention used to cost a lot in 'very, very expensive' training each season. 'So we focused on looking after our staff, and ensured that we could bring as many of them back as we could by focusing on professional and personal development,' he said.

Skills Active is very proud to be in partnership with NZSki and is pleased that they have been rewarded for their foresight, dedication and commitment in looking after their staff.



From early 2011, cityfitness has made a significant commitment to matching in-house training against national qualifications. This has led to hundreds of cityfitness staff achieving National Certificate qualifications through Skills Active in both group fitness instruction and personal training.

Their commitment to staff training was recognised when the cityfitness group took out the REPs (Register of Exercise Professionals) Award for contribution to professionalism and standards at the New Zealand Fitness Industry Awards held at the end of 2012.

***'By delivering National Certificates in Fitness, and having Advanced Fitness courses recognised with REPs, and all of our trainers and facilities registered, we continue to ensure that our team are setting the bar high by delivering the best fitness product in the world. We would like to thank both REPs and Skills Active for their ongoing support with the training and development of the cityfitness team.'***

Neil Wagstaff - National Director of Sales and Operations



Above Photo: Courtesy of NZ Ski





InShape Studio is owned by Helen Chisholm and based in Whangaparaoa, Auckland. InShape has been a Skills Active client for 5 years, and Helen was the recipient of the Skills Active Fitness Award for Outstanding Workplace 2012.

Helen has eight trainers working out of her studio, and the whole studio works with the community to assist them with fitness training and assessment.

Helen sets time aside each Tuesday to work with staff who are working towards national fitness qualifications, helping to prepare them for assessment. InShape Studio is a model workplace and it is great to see the how well the relationship with Skills Active works.

*'I have found the Skills Active fitness qualifications the perfect method to help me train a team of trainers to match the high-quality service our clients have come to expect at InShape Studio. The resources and support offered by Skills Active have allowed me to keep investing in my team and to increase our business in a highly competitive market. I look forward to many more years of working with the Skills Active organisation.'*

Helen Chisholm - Owner-operator



Skills Active entered a partnership with Canoe and Kayak Ltd in 2012, to benchmark their existing NZKI qualification against the National Certificate in Outdoor Recreation (Leadership) (Level 3), with strands in Kayaking and Sea Kayaking, and the National Certificate in Outdoor Recreation (Outdoor Instructor) (Level 4), Kayaking strand.

Through this partnership, Peter Townend (owner of Canoe and Kayak Ltd) was nominated to become a Skills Active Senior Assessor Mentor (SAM), and an in-house assessor training course was delivered to Canoe and Kayak store operators to enable the development of assessor pathways. Registration of assessors is continuing into 2013, with 40 Canoe and Kayak trainees working towards completion of the Leadership Level 3 qualification.

*'What a great bunch of dedicated, supportive and energetic people. We have worked with the Skills Active team over the last year to bring the in-house assessment scheme (NZKI) in line with the New Zealand Qualifications Framework. The Skills Active support material is really helping us train the next generation of instructors for courses, guides for tours and volunteer leaders for the Yakity Yak Kayak Club.'*

*The main advantage for me as a business owner is having the support of a 'Big Brother' to share the load, by them helping with the process, information and knowledge needed to train my team. Our staff and volunteers are excited because they now get a nationally accepted qualification as well as having a clearer pathway and understanding of the steps they need to take. Great workbooks and support information make it considerably easier to run training sessions, with the end result being a more rounded, knowledgeable team.'*

Peter Townend - Managing Director

# Qualification and resource development

Very little qualification development was undertaken in 2012 due to the Targeted Review of Qualifications.

The Targeted Review of Qualifications (TRoQ) was established by the government (through NZQA) to focus on reducing the duplication and proliferation of Level 1-6 qualifications. The aim is to ensure the system is easy to understand, particularly for learners and employers. The reviews are scheduled to take 3 to 4 years to complete and will take place between 2011 and 2014.

NZQA triggered the review of the Recreation, Sport and Fitness qualifications in March 2012. The Recreation, Sport, Fitness, Snowsport and Dive review covers 175 qualifications developed by 36 PTEs, ITPs, Wānanga and ITOs.

Skills Active was accepted as the Qualification Developer for this review process. This includes coordinating, administering and facilitating the review in close collaboration with all qualification developers and industry stakeholders. The acceptance of our leadership and standard-setting body role in this process mirrors many of the other TRoQ review processes being led by the associated ITO.

Through 2012 the review progressed well, with an established Governance Group overseeing the review and six Working Groups developing the draft qualifications. It is expected that the new qualifications will be consulted on in early 2013 and available for use in 2014.

## Qualifications developed and offered in 2012

While the development of any new qualifications was put on hold due to TRoQ, resource development work was completed on a number of existing qualifications. These included:

### NC in Sales (Level 3)

Skills Active was part of a consortium of ITOs involved in the development of this qualification and associated resources. Work was completed on a new suite of resources, and the qualification was launched in mid-2012. The qualification is for those who want to further their career in sales across the Recreation, Sport and Fitness sectors. The qualification is also recognised across other sectors, so it is transferable.

### NC in Business Administration and Computing (Level 3)

This qualification, designed for front-line and administration support staff, was launched to the industry in April 2012 following the completion of a new suite of resources. The resources can either be completed electronically (using an interactive PDF) or using a print version.

### NC in Māori Management (Level 3)

Skills Active developed a new suite of resources to support the National Certificate in Māori Management. The five new modules were:

- Tikanga - Protocols
- Te Reo Māori - Māori Language
- Te Tiriti o Waitangi - Treaty of Waitangi
- Tuinga Tangata, Tuinga Kaupapa - Building Relationships
- Kōrero ā nga Tūpuna - History of our Ancestors

This qualification is designed to increase awareness of Te Ao Māori and raise the level of competence and confidence of those working with Māori.

## Other new resources developed and offered in 2012

Skills Active also developed a number of other new programmes and resources in 2012 to support qualification achievement:

### Pool Lifeguard resources

In February - March 2012, Skills Active and New Zealand Recreation Association (NZRA) surveyed the pool lifeguarding industry to gain feedback on the new Lifeguard awards introduced in July 2011. The survey highlighted key areas for improvement in the structure of these qualifications and resource material. The result was to review the Pool Lifeguard resources and associated processes, with input from NZRA and technical experts. New resources and processes were piloted through September and officially launched on 1 October 2012. We have received feedback that the new resources are much more fit for purpose and user-friendly.



### New trainee Welcome Guide

The new 'Trainee Welcome Guide' was developed and launched in February. This resource will be provided to all trainees when they first enrol with Skills Active and provides information about their learning and assessment journey.



### 'Your Career in Recreation and Sport'

This new guide is a full-colour, 40-page A4 booklet that will be sent to all trainees who sign up for any Recreation and Sport qualification at Level 2 or 3. It will help trainees understand more about:

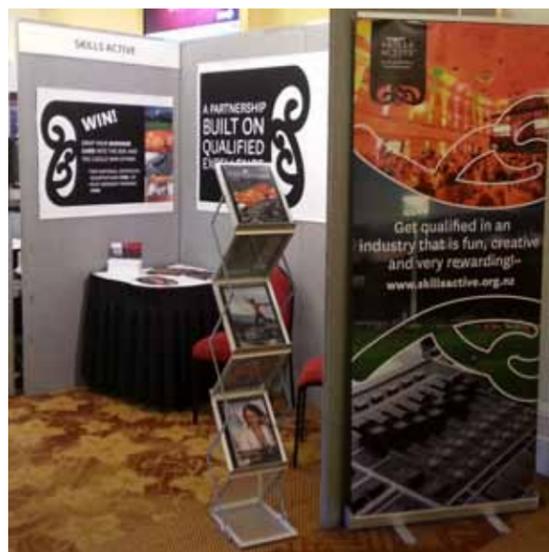
- the importance of recreation and sport in Aotearoa New Zealand and the variety of opportunities for participation
- the benefits of participating in recreation and sport for individuals, communities and society
- issues and trends in recreation/sport
- the main providers of recreation/sport opportunities
- careers in recreation and sport
- Skills Active's qualifications and career pathways.



## Supporting industry events

2012 was another big year for Skills Active in supporting its partners at their respective industry conferences and events:

- **Business Grow** – attendance and support of the premier business event dedicated to the exercise and fitness industry



- **The Entertainment Venues Association of New Zealand (EVANZ) conference** – a body representing the venue industry in New Zealand, and committed to developing skills and knowledge of those working in the industry
- **FitEx conference** – the annual conference designed to enhance the knowledge of New Zealand's exercise and wellness professionals



- **Just Add Water (JAWs) conference** – Skills Active is a major sponsor. Diane Lithgow, Skills Active Business Manager (Northern), presented at the conference, in conjunction with Manukau Leisure, on 'Industry training in practice'
- **Māori Sports Awards** – this year the Skills Active scholarship was awarded to Tyla Nathan-Wong. Attending Lynfield College in Auckland, Tyla was the 2012 girls Dux Ludorum – her achievements included Senior Girls Athletics Champion, Senior Girls Road Race Champion and member of the Senior Mixed Tag team. Her selection for the New Zealand Touch and Tag teams are a true testament to her exceptional talents in these codes
- **New Zealand Recreation Association (NZRA) national conference** – Skills Active is recognised for our support of the Recreation Young Leaders award. Diane Lithgow, Skills Active Business Manager (Northern), spoke about understanding the training needs of the recreation industry
- **Outdoors Forum** – Grant Davidson, Skills Active's chief executive, spoke at the Outdoors New Zealand forum on 'A value proposition for the outdoors: What, why and how'
- **Thinking Recreation conference** – Skills Active recognised as a major sponsor
- **Fitness Industry Awards** – Skills Active presented an award recognising exceptional commitment to on-job training and development of staff. The winner was Mandi Jensen from the Manaaki Fitness Centre, Tauranga





## Strategy for Māori success

# Māori engagement with Skills Active Aotearoa

In 2011 Skills Active Aotearoa launched its strategy in support of Māori working in the recreation, sport and fitness sectors.

Within each sector, two categories of involvement for Māori emerge:

1. Those working in ‘mainstream’ organisations such as local councils, fitness centres and so on, or in specific kaupapa Māori organisations focusing on mainstream activities such as Māori Hockey, Māori Touch and Māori Tennis
2. Those in work environments involving traditional Māori activities, such as those working on marae, or working for Iwi/hapu, Rūnanga, Hauora Māori etc.

Skills Active is committed to supporting Māori to achieve in both of these categories across all our sectors, by providing opportunities for engagement, training and assessment, and developing support mechanisms to help ensure success in learning outcomes.

A key value proposition of the strategy supports the development of qualifications in traditional Māori activities within our sectors where a vocational need has been demonstrated.

One example of this has been the development of the National Certificate in Marae Catering, with appropriate resources to support training and assessment in a marae setting.

### National Certificate in Marae Catering (Level 2)

The purpose of the qualification is threefold. It provides:

1. New learning opportunities for ringawera on the marae
2. Recognition for ringawera already working in this field to formalise their long-held experience into a qualification
3. A succession plan for rangatahi to learn from experienced ringawera and gain a qualification in a marae setting, which can lead on to further training in the hospitality industry.



## Māori Sports Scholarship recipient

### A bright new star on the horizon

At the Māori Sports Awards held in December, Tyla Nathan-Wong was announced as the recipient of the 2012 Skills Active Aotearoa Māori Sports Scholarship.

Skills Active Aotearoa has been a proud partner of Te Tohu Taakaro o Aotearoa Charitable Trust since 1999, providing scholarships for promising and outstanding Māori athletes, in support of their sporting and academic careers.

Tyla was the 2012 girls' Dux Ludorum at Auckland's Lynfield College. Her talents with an oval ball are exceptional; her commitment and dedication to her teams is unquestionable. These attributes have won her regional recognition in two codes – in 2012 she was a member of the Auckland Rugby Women's 7s, Counties Manukau Invitational Women's 7s, Counties Manukau Māori Women's 7s and Counties Manukau Open Women's Touch team.

Tyla's outstanding performances have been recognised by her selection nationally in the New Zealand Open Women's Tag, NZ Rugby Union Women's 7s, Aotearoa Māori Women's 7s and NZ Touch Black Open Women's teams. Tyla has competed internationally in each of these teams, earning NZ Caps at senior level in three different sports – Touch, Tag and Rugby 7s.

With her sights firmly set on the 2016 Olympics, we will watch with interest and pride the progress of this rising star.



## A Case Study –Te Runanga O Ngāti Porou and Skills Active Aotearoa

*'Kia tika a muri, ka tika a mua.'*

(Provided the right back-room support is in place, those who work the front of house will be successful.)

'Over many generations the ringawera on our marae have played a key role in ensuring that the functions and hui we hold are run smoothly and successfully. A new qualification is now being piloted within Ngāti Porou which acknowledges the work our kaimahi of the kitchen do behind the scenes. The National Certificate in Marae Catering (Level 2) is the outcome of a joint venture agreement between Te Runanga o Ngāti Porou and Skills Active Aotearoa. This is the first time this programme has been offered in a marae setting.

The pilot began in May 2011, with training activities hosted by Rauru marae in Ruatoria. Twelve participants enrolled in the programme, and over a 6-month period attended two-and-a-half-day wananga once a month. Four modules covering tikanga, food preparation, cookery and food service were delivered during this time.

Matekino Tuhura from Te Runanga o Ngāti Porou facilitated the programme in her role as Whakaako. She says her role was not to teach students what they already knew, but to encourage them to share their own knowledge and experiences, while also learning some new skills.

"Ngāti Porou have always used their own traditional systems and processes. For many of our whānau, catering at the marae is a way of life," she says. "This tohu (qualification) provides the opportunity for whānau to gain a qualification for what they do anyway. For those interested in developing a career in the catering industry, it also leads into the National Certificate in Hospitality (Level 3)."

As well as gaining a tohu, Matekino believes the programme also helps kaimahi enhance their work practices on the marae. She says local authorities may in the future implement stricter enforcement of the Health Act legislation, where marae would have to comply under the Food Hygiene Regulations 1974. This would require all marae to provide safety plans and certification to show their food preparation and hygiene practices meet certain criteria.

The pilot programme will be completed by the end of June 2013, after assessment of all twelve taura has taken place. Matekino will also join the students in being evaluated, as she works towards being credited as a National Certificate in Marae Catering assessor.'

(Acknowledgements: Jasmine Kaa, Matekino Tuhura, Te Rūnanga o Ngāti Porou)

This success so far is demonstrated in the whakatauki quoted at the beginning of the case study: *'Kia tika a muri, ka tika a mua.'* (Provided the right back room support is in place, and then those who work the front of house will be successful.)

With this in mind the following people should be acknowledged for their contribution and support to the project: Te Runanga o Ngāti Porou staff: Anne Huriwai (Senior Manager), Josie Tangaere (Service Manager), Matekino Tuhura (Whakaako Programme facilitator); Skills Active staff: Donnalynn Douglas (Learning Support Advisor), Craig Hutchinson (Business Development Manager), Rongonui Taukamo (Kaihautū).

*Ka mau i te wehi!*



Ko Hikurangi te Maunga, Ko Waiapu te Awa, Ko Ngāti Porou te Iwi



Table setting assessment (Rauru marae, Ruatoria)



Matekino Tuhura (Whakaako and programme facilitator) and Mike Timu (Trainee)

## New Industry Websites

Over the past year Skills Active has worked with industry partners from across our sectors to develop two new interactive websites that promote qualified and experienced individuals operating in our sectors. These two websites are:



### [nzrrp.org.nz](http://nzrrp.org.nz)

The New Zealand Register of Recreation Professionals. This is a public website that allows anyone to view holders of nationally accepted qualifications in our sectors who have met the requirements to prove they are still current in their skills and knowledge. The website also allows users to check who holds qualifications within specific workplaces or organisations, and whether those same organisations have met independent safety audit standards where applicable. This information helps any member of the public make more informed choices about who they are engaging with when undertaking a recreation activity.



### [activecv.org.nz](http://activecv.org.nz)

ActiveCV is a personal database of qualifications and experience, allowing individuals to keep ongoing records of their work and volunteering experience, the qualifications they hold and their development goals. The website allows the automatic creation of professional personal profiles (CVs) that can be made available to workplaces looking for staff. Links can be made to associate an individual with current and past workplaces as well as national organisations. Communication can be sent between these linked individuals and organisations to promote events, training, resources, etc. Registration is free and is open to individuals, workplaces or national organisations.

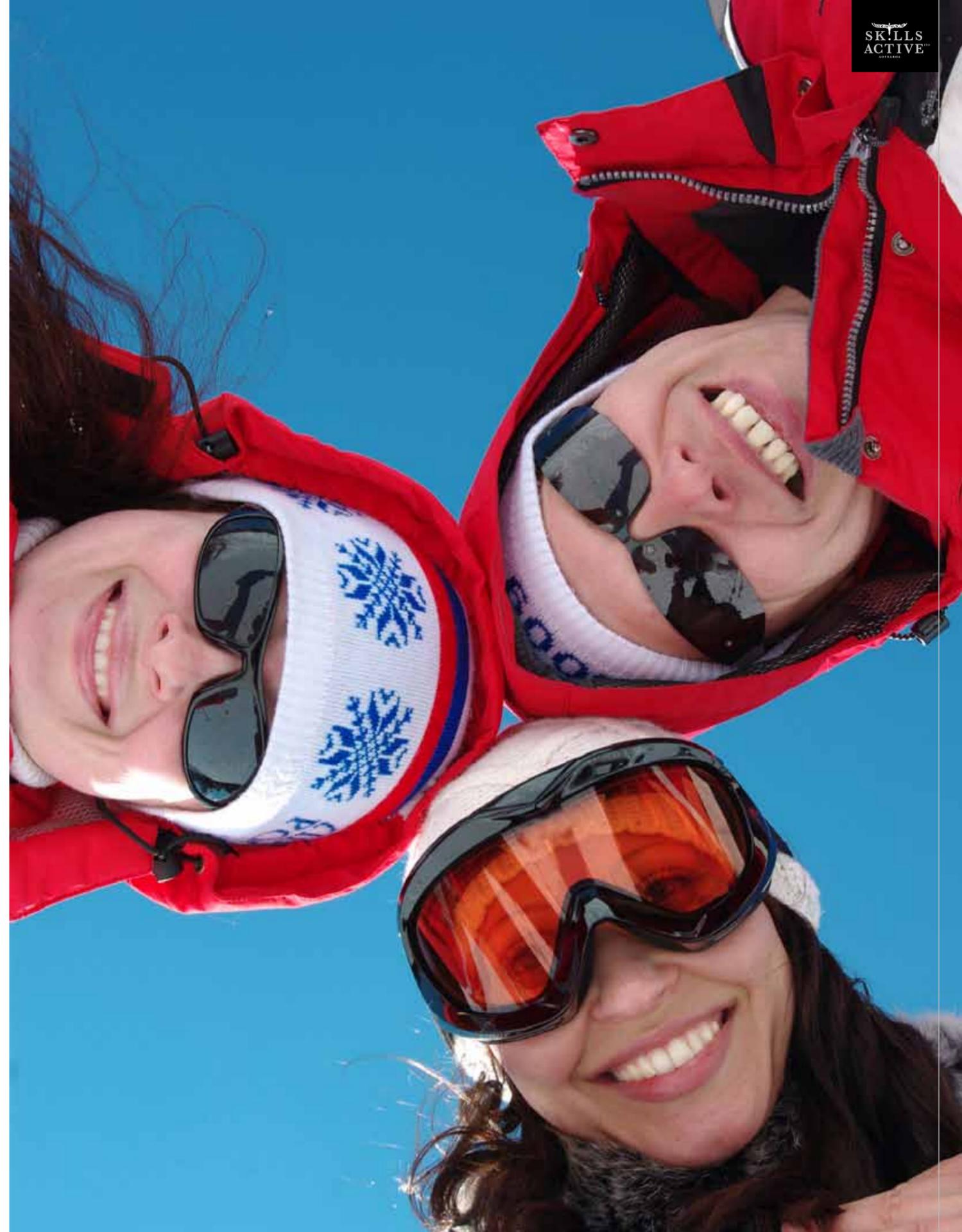
To date, over 6000 individuals who hold nationally accepted qualifications in their area of endeavour are listed on NZRRP. These range from pool lifeguards to raft guides. Individuals on the register can choose which of their personal contact information is available for public viewing.

We have had excellent feedback from users to date. The great advantage for New Zealanders as they enter the global workforce is that all of their key employment history and qualifications are available anywhere in the world through the web. This year the auditors carrying out the Poolsafe audits of public swimming pools used the NZRRP website to check whether rostered lifeguards in various pools held current qualifications. This was a major test of the value of the website.

The NZRRP data will be owned by the whole 'recreation' sector and the site will be managed by Skills Active. In the initial phases this has been made possible by forming an industry steering group to progress and advise on these developments. This group includes industry bodies (NZ Deerstalkers' Association, NZ Recreation Association, Outdoors NZ, Fitness NZ, Education Outdoors NZ, NZ Rivers Association), safety organisations (NZ Mountain Safety Council, Water Safety NZ) and the government agency SportNZ.

In addition, Sector Registration Advisory Groups (SRAGs) were formed for community recreation and outdoor recreation. These SRAGs were tasked with defining what qualifications would be used to define the minimum competency standards for any job role in the industry, and what the requirements would be for proving 'currency' of those skill sets in order for an individual to be able to apply for re-registration after a period. The group has used the New Zealand Qualifications Framework qualifications, which are all agreed on by industry, as the foundation qualifications for establishing the agreed standards for any job role.

We will continue to develop and refine both websites over the coming year to add functionality and increase ease of use. We welcome any input and ideas to make these websites more useful for our sectors.





## Satisfaction surveys

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.

In October 2012 an electronic survey form was sent via web-based survey company Survey Monkey to 253 workplaces and 350 trainees. There were a total of 167 useable responses overall.

This year there were some major modifications to the design of the survey questions, reflecting Skills Active's new service delivery model.

## Trainee survey

The trainee survey was divided into seven sections:

- General communication
- Administration service
- Qualification support
- Learning and assessment resources
- Your assessor
- Value of the qualification
- Recommendations.

Each of the first six sections targeted a specific area of Skills Active's service to trainees, or a specific team in the organisation. The last section contained respondents' recommendations on what had been done well and what could be improved.

### Key findings

The key results from trainees were:

**89.1%** of trainees think information regarding Skills Active's activities is effectively communicated.



**88.8%** of trainees received their qualification resources in a timely manner after completing their training agreement.



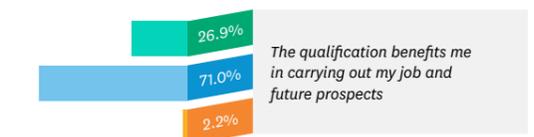
**88.4%** of trainees think their Learning Support Advisors (LSAs) support them to achieve their qualification by ensuring they understand what the qualification is and how they were going to achieve it.



**94.7%** of trainees think the learning resources gave them relevant information to help them complete their assessment.



**97.9%** of trainees think their qualifications benefit them in carrying out their jobs and for future prospects.



**88.2%** of trainees would recommend Skills Active to another potential trainee.



■ Exceeded Expectation ■ Met Expectation ■ Didn't Meet Expectation ■ Yes ■ No

## Workplace survey

The workplace survey was divided into seven sections:

- General communication
- Administration service
- Qualification support
- Learning and assessment resources
- Value of the qualification
- Skills Active's leadership
- Recommendations.

Each of the first six sections targeted a specific area of Skills Active's service to trainees and workplaces, or a specific team in the organisation. The last section contained respondents' recommendations on what was done well and what could be improved.

### Key findings

The key results from workplaces were:

**83.3%** of workplaces think information regarding Skills Active's activities is effectively communicated.



**90.5%** of workplaces think their LSAs are reliable.



**91.9%** of workplaces think the learning resources provide relevant information to help their staff to complete their assessments.



**91.8%** of workplaces think their staff who complete Skills Active qualifications use their skills to improve the productivity of their business/organisation.



**86.9%** of workplaces feel they have the opportunity to provide feedback to Skills Active about all aspects of the training process.



**90%** of workplaces would recommend Skills Active to another employer or workplace.



■ Exceeded Expectation ■ Met Expectation ■ Didn't Meet Expectation ■ Yes ■ No

## Assessor survey

The assessor survey was divided into five sections:

- General communication
- Assessor support
- Learning and assessment resources
- Assessor training
- Recommendation.

Each of the first four sections targeted a specific area of Skills Active's service to assessors. The last section contained respondents' recommendations on what had been done well and what could be improved.

### Key findings

The key results from assessors were:

**92.9%** of assessors think information regarding Skills Active's activities is effectively communicated.



**96.5%** of assessors think their LSAs are approachable and act in a professional manner.



**94.1%** of assessors think the assessment resources are relevant and allow staff to use their everyday work activities and experiences as evidence.



**90%** of assessors think the outcomes of the assessor workshops met their expectations.



**92.6%** of assessors would recommend Skills Active to another employer or workplace.



■ Exceeded Expectation ■ Met Expectation ■ Didn't Meet Expectation ■ Yes ■ No



## Stakeholder survey

The stakeholder survey focused on:

- effectiveness of level and methods of communication
- whether the relationship is relevant and beneficial to them
- whether Skills Active's products and services are relevant and beneficial to the industry.

### Key findings

The key results from the stakeholder survey were:

100% of stakeholders think Skills Active makes them feel welcome and treats them as valued stakeholders.



100% of stakeholders think Skills Active presents itself as competent and knowledgeable.



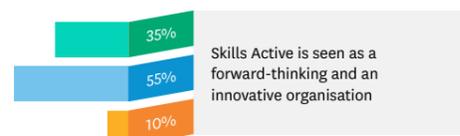
95% of stakeholders think Skills Active has the resources in place appropriate for their industries.



90% of stakeholders think Skills Active is perceived as competent at helping employers develop their employees' skills toward gaining New Zealand qualifications.



90% of stakeholders think Skills Active is seen as a forward-thinking and innovative organisation.



90% of stakeholders think Skills Active maintains good quality assurance standards in their industry training.



■ Exceeded Expectation ■ Met Expectation ■ Didn't Meet Expectation

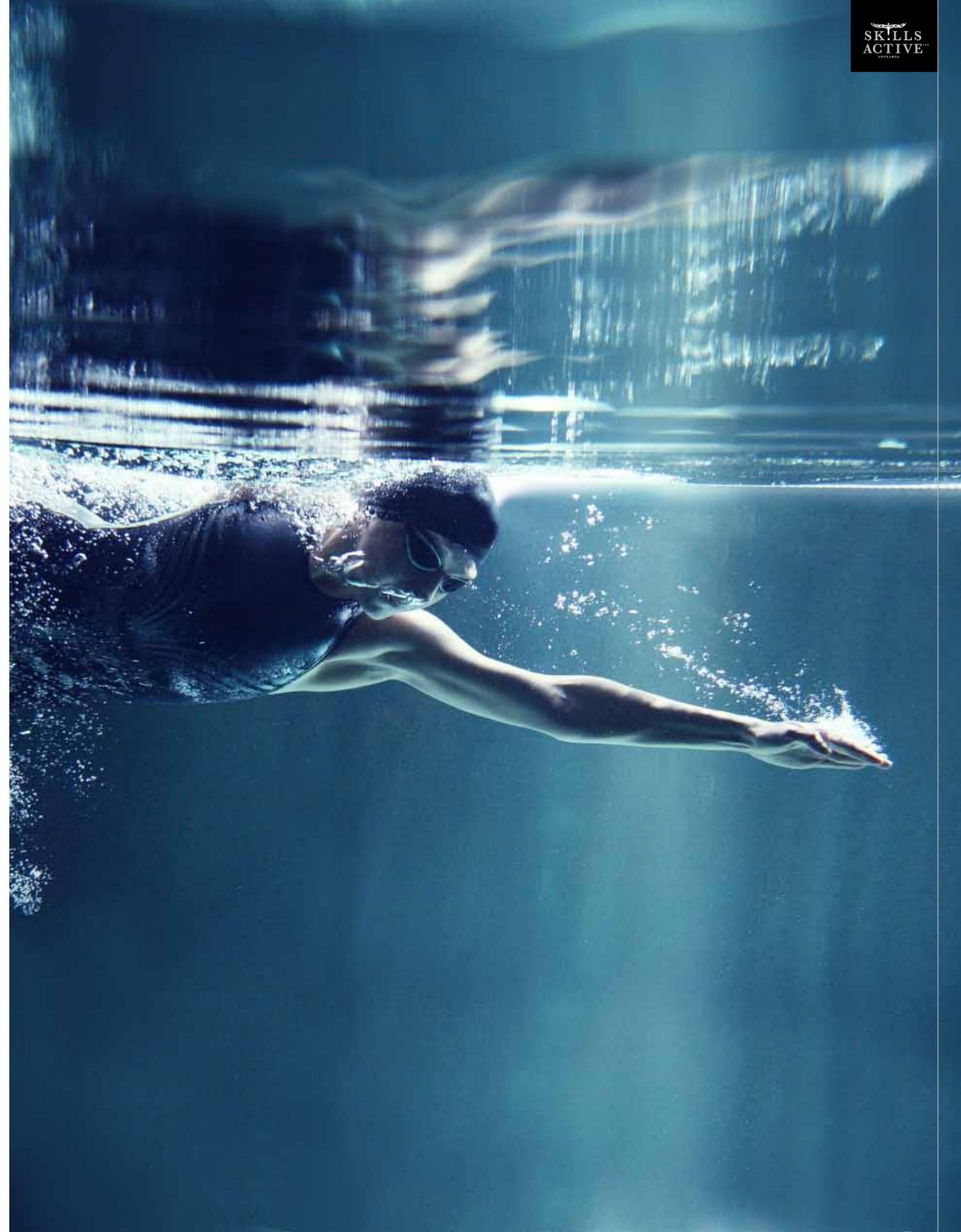
## Directors' disclosures

Board Member	Interest	Meetings Attended
<b>Richard Beddie</b>	CEO, Fitness New Zealand Inc Chair, International Confederation of Registers for Exercises Professional (ICREPs) Representing Fitness NZ on the TROQ Governance group Board member Register for Exercise Professional United Arab Emirates (REPUAE)	5/5 Board meetings, AGM, Strategic planning meeting
<b>Butch Bradley</b>	Te Ara a Maui Regional Tourism Board – Chair (until February 2012) Nelson Marlborough West Coast Lottery Grants Committee – Committee Member (until November 2012) SPS Ltd – Director K1W1 Ltd – Director Te Kotahitanga ki Whakatu Economic Committee – Chairman Te Ara a Maui Regional Tourism Board – Director Māori Tourism – Director of Regions and Operations NMIT Tourism and Hospitality Advisory Committee – Member	3/5 Board meetings, AGM
<b>Andrew Gunn</b>	Director, Holfar Holdings #14 Ltd Director, Snake Point Lodge Limited Director, Strike Holdings Limited Director, Industry Training Federation	5/5 Board meetings, AGM, Strategic planning meeting
<b>Robb Hogg</b>	Senior Lecturer, AUT University	4/5 Board meetings, AGM, Strategic planning meeting
<b>Sam Napia</b>	Group Manager, Environmental Services, Thames-Coromandel District Council (until August 2012) Director, Strategic Relationships and Projects, Thames-Coromandel District Council	5/5 Board meetings, AGM, Strategic planning meeting
<b>Alexander Brunt (appointed 29 June 2012)</b>	General Manager, Water Safety NZ Chairperson, Outdoors NZ Trustee, Riverslea Trust Board Member and Pool Safe Auditor NZRA Trustee, Wellington Youth Oversight Office Board	2/3 Board meetings
<b>Stephen Gacsal (appointed 29 June 2012)</b>	Treasurer and Board Member, Fitness NZ Registrar, Register of Exercise Professionals Board member of ICREPs Representing Fitness on the TROQ working group	2/3 Board meetings, Strategic planning meeting
<b>Hinemaua Rikirangi (term ended 29 June 2012)</b>	Co-chairperson, Sfrito Whakaruruahu Director, KOI Development Director, Indigenous Business Development Whakaruru Hauora, NZQA Part-time staff member, Special Education Services Employee of Waiariki Polytechnic, Rotorua	1/2 Board meetings

# Skills Active Shareholders

Sector	Common Name of Organisation
<b>Community Recreation</b>	Artmakers Community Artists Trust
	DANZ
	NZRA
	Water Safety NZ
	YMCA New Zealand
<b>Fitness</b>	Fitness New Zealand
<b>Ngā Mahi a te Rēhia</b>	Aotearoa Māori Netball Oranga Healthy Lifestyles Trust
	Aotearoa Māori Providers of Training Education and Employment (AMPTEE)
	Aotearoa Māori Tennis Association
	Handball New Zealand - Māori
	Hauraki Māori Trust Board
	*Māori Women's Welfare League
	National Māori Sports Awards
	National Māori Touch NZ
	NZ Māori Rugby Board
	Te Arawa Lakes Trust
	Te Kaunihera Haupoi Māori o Aotearoa
	Te Roopu o te Pātaka
	Whakaruruhau Ngā Mahi ā Te Rēhia
<b>Outdoor Recreation</b>	Christian Camping NZ
	EONZ
	Mountain Safety Council
	NZMGA
	NZOIA
	Outdoors New Zealand
	Sport Northland - Northland Outdoors Charitable Trust
	The Outdoor Safety Institute
	The Sir Edmund Hillary Outdoor Pursuits Centre of New Zealand
<b>Snowsports</b>	New Zealand Snowsport Instructors Alliance
	NZ Snow Industries Federation
	NZ Snowsports Council
	Ski Areas Association NZ
<b>Sport</b>	Sport and Exercise Science New Zealand

\* No longer a shareholder as of 29 June 2012 due to shareholder default (as per the Skills Active Shareholder Agreement)



# Auditor's Report



## Independent Auditor's Report

**Audit**  
**Grant Thornton New Zealand Audit Partnership**  
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 215 Lambton Quay  
 PO Box 10712  
 Wellington 6143  
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 www.grantthornton.co.nz

**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 14, which comprise the statement of financial position as at 31 December 2012, and the statement of comprehensive income, 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.

Chartered Accountants  
 Member of Grant Thornton International Ltd



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 auditors, we have no relationship with or interests in Skills Active Aotearoa Limited

### Opinion

In our opinion, the financial statements on pages 2 to 14:

- 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 2012 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  
 24 May 2013

Chartered Accountants  
 Member of Grant Thornton International Ltd

# Financial statements

## Statement of Financial Performance For the year ended 31 December 2012

	Note	2012 (\$)	2011 (\$)
<b>Revenue</b>			
<b>Tertiary Education Commission</b>	4		
Industry Training Fund (ITF)		4,614,316	4,213,542
Sector Leadership Fund		97,000	194,673
		<b>4,711,316</b>	<b>4,408,215</b>
<b>Industry Contributions</b>			
Workplace fees and registration fees		348,091	247,973
NZQA moderation rebate		142,458	149,544
Other income	5	38,906	-
		<b>529,455</b>	<b>397,517</b>
<b>Total revenue</b>		<b>5,240,770</b>	<b>4,805,732</b>
<b>Less Cost of Sales</b>	6	510,992	-
<b>Gross Surplus</b>		<b>4,729,778</b>	<b>4,805,732</b>
<b>Expenses</b>			
Employee benefits expense	7	2,712,206	3,007,145
Other operating costs	8	1,361,868	1,540,949
Client servicing and training resources	9	494,386	587,887
<b>Total expenses</b>		<b>4,568,460</b>	<b>5,135,981</b>
<b>Surplus/(Deficit) before financing income</b>		<b>161,321</b>	<b>(330,249)</b>
Interest income		116,945	131,193
<b>Surplus/(Deficit) for the year</b>		<b>278,265</b>	<b>(199,056)</b>
<b>Total Comprehensive Income</b>		<b>278,265</b>	<b>(199,056)</b>

## Statement of Changes in Equity For the year ended 31 December 2012

	Note	2012 (\$)	2011 (\$)
<b>Equity at the beginning of the year</b>		2,928,442	3,127,498
Surplus/(Deficit) for the year		278,265	(199,056)
<b>Other Comprehensive Income for the year</b>		-	-
<b>Total Comprehensive Income for the year</b>		<b>278,265</b>	<b>(199,056)</b>
<b>Equity at the end of the year</b>	10	<b>3,206,707</b>	<b>2,928,442</b>

## Statement of Financial Position For the year ended 31 December 2012

	Note	2012 (\$)	2011 (\$)
<b>Current Assets</b>			
Cash and cash equivalents	11	860,926	700,340
Short term deposits	12	2,250,845	2,061,344
Receivables	13	277,510	289,262
Prepayments		33,453	60,036
		<b>3,422,734</b>	<b>3,110,982</b>
<b>Non-Current assets</b>			
Property, plant and equipment	14	447,019	482,376
Intangible assets	15	326,035	147,145
		<b>773,054</b>	<b>629,521</b>
<b>Total Assets</b>		<b>4,195,788</b>	<b>3,740,503</b>
<b>Current liabilities</b>			
Trade payables		184,092	402,712
Employee benefits payable		158,063	151,638
Goods & services tax payable		49,880	11,981
Provision for TEC payback	16	597,047	178,816
PAYE payable		-	66,914
		<b>989,082</b>	<b>812,061</b>
<b>Nett Assets</b>		<b>3,206,707</b>	<b>2,928,442</b>
<b>Equity</b>			
Shared capital		-	-
Retained earnings	10	3,206,707	2,928,442
<b>TOTAL EQUITY</b>		<b>3,206,707</b>	<b>2,928,442</b>

For and on behalf  
of the Board

Sam Napia **Chairman Director**  
24 May 2013

Stephen Gacsal **Director**  
24 May 2013

### 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 2012. The financial statements were authorised for issue by the directors on 25 May 2013.

### 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 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.

Apart from the separate identification of Cost of Sales there have been no changes in accounting policy since the previous reporting period.

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 2011-2013.

### 3. Specific accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements apart from the treatment of cost of sales.

#### 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.

Revenue from the TEC is recognised as it accrues according to Standard Training Measures (STMs) achieved. Any unearned portion of income 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) Net financing costs

Net financing costs comprise interest payable on borrowings, and interest receivable on funds invested. Interest income is recognised in the Statement of Comprehensive Income as it accrues. All borrowing costs are expensed.

#### h) Income tax

The Company was registered with the Charities Commission in under the Charities Act 200, and is therefore exempt from tax.

#### i) Goods and services tax

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

#### j) 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.

#### k) 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.

#### l) 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.

#### m) 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.

#### n) Rounding

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

### 4. Tertiary Education Commission Revenue

Approximately 93% 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 on 26th June 2014).

A contract has been established with the TEC for the three year period 2011 to 2013. Funding received within this contract is for three fiscal years negotiated annually. The terms of the contract to provide services does not guarantee any further contracts with the TEC.

In 2011 a provision was made for a repayment to the TEC of \$178,816. In November 2012 Skills Active was advised by the TEC that this repayment was not necessary due to the 2011 performance measures being achieved.

Notes to and forming part of the financial statements  
For the year ended 31 December 2012



	Note	2012 (\$)	2011 (\$)
<b>Industry Training Fund (ITF)</b>			
<b>TEC Contract</b>			
ITF Funding		4,264,600	4,348,808
MA Funding		143,031	-
LLN Funding		537,032	43,550
MA Co-ordination		266,700	-
Less TEC Offset Provision	16	(597,047)	(178,816)
<b>Nett TEC Income</b>		<b>4,614,316</b>	<b>4,213,542</b>
<b>Sector Leadership Fund</b>			
Developing a strategy to incorporate e Rautaki Toi (Māori Artists)		-	79,404
Strategic Training Plan		-	115,269
TROQ		97,000	-
		<b>97,000</b>	<b>194,673</b>
<b>5. Other income</b>			
TROQ Income		17,500	-
Other Revenue		21,406	26,048
		<b>38,906</b>	<b>26,048</b>
<b>6. Cost of Sales</b>			
Assessment Fee		7,212	-
Certificate and Card Printing		25,597	-
NZQA Credit Reporting		215,429	-
NZRA Fees		15,600	-
Professional Fees - Direct Cost		29,238	-
Resource Courier Costs		28,369	-
Resource Printing		187,256	-
Other Cost of Sales		2,291	-
		<b>510,992</b>	<b>0</b>
As advised in note 3 this represents a change in accounting policy in that direct costs are now identified and reported.			
<b>7. Employee benefits Expense</b>			
Wages and Salaries		2,541,387	2,682,084
Termination Benefits		-	(-1,376)
Contract Staff		31,809	61,725
Employee Entitlements		2,573,196	2,742,433
Training		26,088	55,529
Other Costs		112,922	209,183
		<b>2,712,206</b>	<b>3,007,145</b>

Notes to and forming part of the financial statements  
For the year ended 31 December 2012



	Note	2012 (\$)	2011 (\$)
<b>8. Other operating costs</b>			
Depreciation and Amortisation		289,670	75,176
Net Loss on Disposal of Assets		49,783	17,536
Impairment of Trade Receivables		26,824	13,049
Rental and Operating Expenses		722,685	476,827
Auditor Fees		18,431	(11,683)
Directors Fees		103,562	89,458
Other		150,913	880,586
		<b>1,361,868</b>	<b>1,540,949</b>
<b>9. Client Servicing and Training Resources</b>			
Client Servicing		364,183	379,763
Conferences and Events		9,990	-
External Surveys		7,732	-
Partnership Agreements		43,435	-
Sponsorship		10,685	-
TROQ		18,952	-
Ngati Porou Joint Venture		8,700	-
Other		30,709	208,124
		<b>494,386</b>	<b>587,887</b>

**10. Equity and Reserves**

The Company has a policy of maintaining equity reserves (retained earnings) at a minimum of three months of the Company's total expenses for the year. At times between four to six months equity reserves will be retained to allow for such items as future capital expenditure, 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 2012, share capital comprised 1,000 ordinary shares (2011: 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.

	Note	2012 (\$)	2011 (\$)
<b>Total Issued and Paid Up Capital</b>			
Retained Earnings			
Balance at Beginning of Year		2,928,442	3,127,498
Net Surplus/(Deficit) after Financing Income		278,265	(199,056)
<b>Retained Earnings at end of year</b>		<b>3,206,707</b>	<b>2,928,442</b>
<b>Total Equity</b>		<b>3,206,707</b>	<b>2,928,442</b>



**Notes to and forming part of the financial statements**  
For the year ended 31 December 2012



Note	2012 (\$)	2011 (\$)
<b>11. Cash and Cash Equivalents</b>		
ANZ Bank - Short term deposits less than 90 days	324,829	14,608
ANZ Bank Current Account	132,677	112,946
ASB - Short term deposits less than 90 days	37,178	36,068
Westpac - Short term deposits less than 90 days	338,629	496,864
Westpac Current Account	27,063	39,304
Cash on Hand	550	550
	<b>860,926</b>	<b>700,340</b>
<b>12. Short Term Deposits</b>		
ANZ Bank - Short term deposit greater than 90 days	112,170	-
ASB - Short term deposit greater than 90 days	783,842	750,000
Kiwibank - Short term deposit greater than 90 days	904,833	861,344
Westpac - Short term deposit greater than 90 days	450,000	450,000
	<b>2,250,845</b>	<b>2,061,344</b>
<b>13. Receivables</b>		
Accrued Revenue	198,432	191,908
Trade Receivables	91,815	110,400
Impairment of Trade Receivables	(12,737)	(13,047)
	<b>277,510</b>	<b>289,262</b>

	Cost (\$)	Depreciation Charge (\$)	Accumulated Depreciation (\$)	Book Value(\$)
<b>14. Receivables</b>				
<b>2011</b>				
Computer Equipment	261,539	34,342	222,521	39,018
Leasehold Improvements	149,835	6,841	77,088	72,747
Motor Vehicles	60,889	3,555	54,569	6,320
Office Equipment	94,717	14,660	68,396	26,321
Office Furniture	151,831	9,575	102,559	49,272
Sages Lane Development	288,698	-	-	288,698
	<b>1,007,509</b>	<b>68,973</b>	<b>525,133</b>	<b>482,376</b>
<b>2012</b>				
Computer Equipment	293,838	20,881	243,436	50,402
Leasehold Improvements	30,794	7,643	12,663	18,131
Motor Vehicles	60,889	2,275	56,844	4,045
Office Equipment	146,199	22,753	91,148	55,051
Office Furniture	164,066	10,209	112,768	51,298
Sages Lane Development	315,250	47,158	47,158	268,092
	<b>1,011,036</b>	<b>110,919</b>	<b>564,017</b>	<b>447,019</b>

**Notes to and forming part of the financial statements**  
For the year ended 31 December 2012



15. Intangible Assets	Cost (\$)	Depreciation Charge (\$)	Accumulated Depreciation (\$)	Book Value(\$)
<b>2011</b>				
Computer Software	392,411	6,231	245,266	147,145
	<b>392,411</b>	<b>6,231</b>	<b>245,266</b>	<b>147,145</b>
<b>2012</b>				
Computer Software (Purchased)	256,837	3,271	247,201	9,636
Computer Software (Developed)	493,212	170,756	176,813	316,399
	<b>750,049</b>	<b>174,027</b>	<b>424,014</b>	<b>326,035</b>

16. Provision for TEC Payback	2012 (\$)	2011 (\$)
ITF Funding	-	178,816
MA Funding	18,917	-
MA Co-ordination	257,369	-
LLN Funding	320,760	-
	<b>597,047</b>	<b>178,816</b>

The TEC provision is calculated from the final delivery for the 2012 year and confirmed in the letter from the TEC dated 23 May 2013.

17. Operating Lease Commitments	2012 (\$)	2011 (\$)
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	288,681	253,630
Between one and five years	207,731	355,964
More than five years	-	-
	<b>496,412</b>	<b>609,594</b>

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

**Notes to and forming part of the financial statements**  
For the year ended 31 December 2012

**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	Organisation	2012 \$ Paid to the Company	2012 \$ Paid by the Company	2011 \$ Paid to the Company	2011 \$ Paid by the Company
Richard Beddie	<b>FITNESS NZ INC</b>				
	Support for Business Grow				10,000
	Get NZ Active Conference				10,000
	Fitness Industry Awards				10,000
	Payment for development of the Sector Strategic Training Plan for Fitness				5,000
	Support for Business Grow, FitEx Conference and Fitness Industry Awards		15,000		
Stephen Gacsal	<b>FITNESS NZ INC</b>				
	Support for Business Grow				10,000
	Get NZ Active Conference				10,000
	Fitness Industry Awards				10,000
	Payment for development of the Sector Strategic Training Plan for Fitness				5,000
	Support for Business Grow, FitEx Conference and Fitness Industry Awards		15,000		
Alex Brunt	<b>Outdoors New Zealand</b>		10,000		
	Support for Outdoor Forum				
	<b>New Zealand Recreation Association</b>		15,000		
	Support for Thinking Recreation, Just Add Water Seminar and National Conference				
	Annual Payment for Aquatics Completions		15,600		

Richard Beddie is currently the CEO and a board member of Fitness New Zealand Inc; and Chair, International Confederation of Registers for Exercise Professionals (ICREPs).

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

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

	2012 (\$)	2011 (\$)
<b>Total Compensation of key management personnel including Directors</b>	<b>783,796</b>	<b>662,407</b>

**Notes to and forming part of the financial statements**  
For the year ended 31 December 2012

**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 2012, the amount of industry contribution was \$2,439,838 (2011: \$1,938,168) This is an achievement of 37% (2011 31%) of total funding and contribution received against a TEC target of 30%.

	2012 (\$)	2011 (\$)
Industry contribution received by Skills Active and recorded in the audited accounts	347,355	253,734
Payments by industry to third parties in pursuit of achieving Skills Active qualifications	2,085,888	1,684,434
	<b>2,433,243</b>	<b>1,938,168</b>

**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**

	2012 (\$)	2011 (\$)
Cash and cash equivalents	860,926	700,340
Short term deposits	2,248,674	2,061,344
Receivables	477,031	150,399
	<b>3,586,631</b>	<b>2,912,083</b>

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