

IN THE ZONE


**SKILLS
ACTIVE**^{ITO}
AOTEAROA

On-Job Qualifications
for Active Careers

Annual Report 2013





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Skills Active 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.

We will be accepted leaders in:

- Biculturalism
- Work skills development
- Service excellence.

Te Tiriti o Waitangi 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

E ngā rau rangatira mā, tēnā koutou

Tēnā koutou me wā tatou tini aitua ko hinga atu ra, ko hinga mai nei. I kiitia ai e wā tātou mātua tūpuna, "he rangai maomao ka taka ki tua o Nukutarua e kore muri e hokia". Nā reira, e mihi tonu atu ana ki a rātou mā, ngā mate o te tau me ngā rā e pahure tataake nei. Nā, ko Sam Jackson tetahi, koia rā te tino Kaumātua nā mātou nā Skills Active, nāna mātou i awhi, i poipoi, nā reira ka tuku atu te mihi aroha ki a ia, ki a rātou katoa ko wheturangatia. Haere, haere, haere atu rā.

Ki a tātou ngā kanohi ora o rātou mā, tēnā koutou, tēnā koutou, tēnā tātou katoa.

On behalf of the Board, I am pleased to again present our annual report. This year, we have exceeded our TEC targets for credit achievement and programme completions. The Board extends its appreciation to Grant and his team for their hard work in bringing about this result. We also extend our congratulations to our trainees who have achieved successful outcomes.

Industry Training Review

In January 2013, the Government announced changes in light of the review of industry training carried out by the Ministry of Education during 2012. The major impacts can be summarised in four main areas. These are: the removal of the leadership role for ITOs from mandatory functions; changes to the apprenticeship scheme; new funding rates for both trainees and apprentices; and opening the Industry Training Fund to employers for direct access.

Although I shan't, in this report, elaborate on these changes, I do want to acknowledge the manner in which Grant and our staff have responded to them. It is fair to say that, from the Board's perspective, the detail of some of these changes came out of left field; Grant and our staff have kept the Board's activities on an even keel throughout this time of change and uncertainty. The result is, we have successfully weathered the storms of uncertainty and we are now stronger for having done so.

Sport NZ

The year commenced with a fruitful discussion with Sport NZ around collaboration and matters of mutual interest. Grant and I visited with Sport NZ's Chief Executive in January, at which meeting it was agreed that our organisations would work together to achieve a skilled and sustainable workforce in the sport and recreation sector in which 62,000 people are employed.

Skills Active's contribution to this objective includes our qualification structures and pathways as well as our field team and ability to service workplaces, including volunteers. In October we signed an MoU with Sport NZ and are cooperatively pursuing that objective.

Collaboration and mergers

As reported last year, the Board is open to exploring all reasonably available opportunities to improve training outcomes within our industries. This includes the consideration of collaborative arrangements, including mergers; albeit that we have always been clear that we will not merge for merger's sake alone. During the year, this exploration led to continuing discussions with EMQUAL. In the end, however, whilst we mutually remain open to continued collaboration, our Board's active consideration of possible mergers has now run its course. We now turn our focus to continuing improvement and consolidation, with a view to further pursuing increases in good training outcomes.

European Observatoire of Sport and Employment (EOSE)

Our search for value-adding collaboration is not limited to our shores. We are part of a larger European project led by the EOSE to look at how the sport economy can be developed through training interventions that fill the gap in identified labour market needs. This year, Skills Active hosted delegations from Europe and Australia, during which time we coordinated visits to key stakeholder groups in the sport, fitness and recreation sectors, as well as visiting workplaces that use our training/assessment material. As I write this report, Grant and Leona have recently returned from an international conference in London where they delivered a presentation on the NZ experience. This was paid for by EOSE as part of our arrangements with them.

Targeted Review of Qualifications (TROQ)

During the year, we completed our Stage 1 submission for approval to develop the range of qualifications represented within our scope. Continuation of this review involves developing the detailed content of each qualification, in consultation with expert working groups.

Mareikura

Following the last AGM, Māori shareholders gave their support for a workplace initiative that is designed to improve training outcomes for Māori. In December, a more detailed project plan was brought to the Board for its consideration. The Board subsequently approved

a scaled-back pilot project, based on the original initiative. In expressing its support for the project's aims and the kaupapa on which they are founded, the Board noted that it wished to see the pilot successfully implemented, and thereafter to build on that success. The Board considered it appropriate to resource the project on a reduced scale and scope. This will allow Skills Active to best focus our resources to ensure a successful outcome of the pilot. Setting up the pilot to succeed is vitally important to enabling us to grow the project in the future. As I write this report, Skills Active staff are working with workplace representatives to implement this pilot programme.

At the same time as seeking to improve, it's important to acknowledge the training outcomes for Māori that we are achieving; in the 2013 year we exceeded enrolments of Māori trainees (14%) against the industry demographic of Māori (12%). Also, Māori programme completions were 70%, which exceeded the completion rate for all trainees (64%).

That ends my report to you of some of our year's highlights. In closing, I again express my appreciation to Grant and our dedicated staff at Skills Active.

I also wish to acknowledge the election of two new Board members at the last AGM, Wendy Sweet and Des Ratima, and thank them for the way they have worked hard to come up to speed with our business. I thank each of our Board members who, without exception, are diligent directors who bring their talents and energies to the table, having always the best interests of Skills Active at heart.

We have had a year of challenges, learnings and success. And we look forward to continuing our work in 2014.

Nā reira, koinei taku ripoata ki a koutou mō tēnei tau. Ko te tumanako, ka tau mai ngā manaakitanga o Te Runga Rawa ki a tātou katoa.

Mauri ora



Sam Napia
Chair

Chief Executive's Report Grant Davidson

Kia ora tātou

It is with great pleasure that I report again to our stakeholders on behalf of the Skills Active management team.

As Sam has commented in his Chair's report, the recent political environment has focused on changes to the Industry Training Act and Apprenticeship Bills. These discussions raised doubt and questions about Skills Active's future in the minds of many of our stakeholders.

It is pleasing to be able to report that, by concentrating on serving our workplaces and trainees, we have been able to strengthen our educational achievements over the past year and have emerged from the process of ITO rationalisation even stronger. We are now one of only 12 ITOs remaining that have a two-year funding commitment from the Tertiary Education Commission (TEC).

Our business plan objectives for 2013 centred around producing higher-quality outcomes before any growth in volume. This is what is expected of us by our funders TEC, and our staff have been ensuring that this expectation is communicated to our workplaces and trainees. Our job is to enrol and then support trainees to complete national qualifications.

The process of working towards a qualification develops skills, knowledge and competence in the trainee. The workplace gets value through increased productivity while the trainee gains a National Certificate as acknowledgement for their skills, which is transferable to other jobs and workplaces.

The statistical section of this report shows that our educational results are the strongest in Skills Active's history, with a programme completion rate of 64% and a credit completion rate of 66%. Our medium-term goal is to move towards results in the 70% range. The consistent message we are giving our workplaces and trainees is that we are here to help them move through and complete their qualifications in a timely manner – and we are expecting the same commitment from those workplaces and trainees.

Key to meeting the needs of our industries in the future is a set of qualifications that matches workforce skill sets. For this reason we have taken a leadership role for our industry sectors in the NZQA Targeted Review of Qualifications (TROQ). Through the TROQ process we are reducing the number of qualifications on the NZQF, in the industries we represent, from 175 to 47.

There has been an incredible collaborative effort between our industry partners, workplaces and

providers to get to this point. A landmark event was realised late in 2013 when NZQA approved our application to develop all of the qualifications we had submitted up to that time, leaving only snowsports and some pan-sector qualifications yet to complete, due to special circumstances. This is an amazing achievement from our Learning Solutions team and sets us up for detailed development of the qualifications' content during 2014 and 2015.

We have also been participating in the TROQ process for the performing arts, which currently do not have an ITO. Our participation has been so valued by all involved that we have been asked by the group to facilitate the next stage of development of the qualifications, and been named as qualification developer for some.

Because of this identified need for skills leadership within the performing arts sector, the Skills Active Board will be investigating industry support for us to take a more official role in this area. If the industry support exists we will make an application to extend our scope in 2014.

As part of our compliance checks with government stakeholders, NZQA carried out an external evaluation and review (EER) process during the year. The report showed Skills Active was operating very effectively and had effective and efficient systems in place to meet our statutory functions as a qualification and standard-setting body. The first paragraph of the EER team's summary report is worth quoting here:

'The Skills Active Aotearoa board, chief executive, senior management team and field and support staff demonstrated a strong and coherent understanding of the organisation's goals, objectives, policies and procedures. The organisation has made a dramatic turnaround in the last few years, from a low-performing industry training organisation to one with a strong sense of community, open communication and clearly documented flow of information, resulting in ongoing improvements. Skills Active has a strong focus on biculturalism, with a 50% shareholding by Māori organisations and a strategy for lifting Māori attainment. There have been

improvements to Māori trainee achievement in 2012, with their credit achievement rate now 12% above that of "all trainees" and their programme achievement rate now 5% above that of "all trainees".'

One of the important drivers in our increased performance has been our investment in innovative information and communication technologies (ICT) that are now producing results. Our cloud-based trainee management system, quality management system and document filing system enable all of our team to gain real-time access to critical information and trends. We also introduced assessor and workplace portals for our clients in 2013, allowing these online tools to reduce workloads and improve outcomes for our workplaces.

We also continued to refine the NZRRP and ActiveCV websites to better meet industry needs, with strong support and endorsement from our industry peak bodies.

Skills Active prides itself on having close and productive relationships with industry peak bodies. To this end we try to attend and support regional and national conferences and forums wherever possible. These events provide great opportunities to explain what Skills Active can do to help the industry sectors succeed and become more productive. It also allows us to network and form stronger bonds with individuals within those sectors.

We are also pleased to recognise outstanding performance in training and skills acquisition through the presentation of Skills Active awards and scholarships at many of these events. It has been particularly pleasing to monitor the progress of past recipients. Two examples are the recipient of our 2011 Māori Sports Award, Kayla Imrie, going from strength to strength, winning numerous surf lifesaving competitions and, more recently, the national 500m K2 canoeing title, teamed with Lisa Carrington.

Our 2012 recipient, Tyla Nathan-Wong, has continued her impressive build-up to the 2016 Summer Olympics by being chosen again for the NZ Women's Rugby Sevens team. Tyla was recently named as one of the 18 athletes in SKY's new athlete programme called SKYNEXT.

I hope that many of you will have noticed the increased professionalism in our learning and assessment resources, communications, web presence and social media during the year. Our resource developers and our communications and marketing team have been pulling out all stops to make these more relevant and attractive. I think the results are tremendous and will continue to improve in an organic process as we receive continual feedback on what will work best for you, our customers.

Special mention must be made of some important initiatives with our stakeholders this year. The collaborative work with SportNZ and NZRA to gather data as a basis for workforce development plans has not been done before in New Zealand. This data will enable us to proactively plan and prepare for future workforce needs in the sport and recreation sectors so that the sectors are set up to continue contributing to society 'wellness' moving forward.

The signing of an MOU between SportNZ and Skills Active is indicative of a desire to continue this collaborative work into the future.

Our work with SportNZ and Outdoors New Zealand (ONZ) to help establish the economic and social value of the outdoors is another example of growing maturity in our sectors, where we are working to quantify and measure our impacts so that we can collectively work at growing that impact.

The relationship with Education Outdoors NZ (EONZ) to develop and implement a qualification for teachers working with young people in educational sessions outdoors has been very well received, along with a consortium approach to allow schools to access Skills Active resources to help deliver programmes in schools.

Finally, a recent initiative mentioned in the Chair's report, Mareikura, whereby we are piloting a programme for Māori trainees involved in sport, fitness and recreation delivery in Māori workplace contexts, has potential to be taken to a larger audience. These are only a small sample of the initiatives across all of our sectors that have occurred in 2013.

None of the results and improvements mentioned in this report would have been possible without a skilled, dedicated and motivated staff, management team and Board. It is rewarding to see all of the various parts of the Skills Active organisation working positively to a shared vision that we all understand. I would like to personally thank everyone at Skills Active, along with the workplaces and trainees who are engaging so enthusiastically with us, for making 2013 such a positive year.




Grant Davidson
Chief Executive



Our Strategic Themes

1. A strong organisation with skilled and motivated staff that is able to deliver to industry
2. Successful outcomes for vocational training for our industry
3. Desired qualifications and pathways that reflect industry need and add value
4. Service excellence: Services to industry that help progress trainees to timely completion of qualifications
5. Relationships that are based on open communication and partnering to meet shared outcomes
6. 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’

2013 Kenexa Best Workplaces Survey (BWPS) summary

For the fifth consecutive year Skills Active ran the Kenexa Best Workplaces Survey for its staff in August 2013. We had a very good 93% participation rate, up 4% on 2012.

The survey covers the following areas:

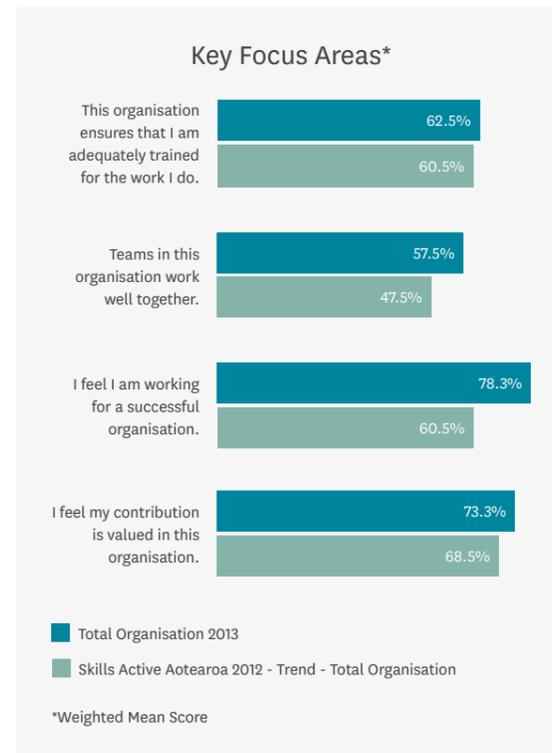
- Quality & Performance Focus
- Communication and Cooperation
- Wellbeing
- The Person I Report To
- My Team
- My Job
- Learning and Development
- Reward and Recognition
- Overall Perception (this section determines employee engagement)
- Taking Action
- Final Thoughts.

As shown in the results below, our level of engaged staff rose significantly, by 13.9%, with the majority moving up from ambivalent, which decreased by 10.9%. Disengaged also went down by 3%, to now sit at 6.7%.



Organisational wellness

Skills Active has put in place an internal team called the Organisational Wellness Team, which identifies and works to improve key areas identified through the BWPS survey. The four key areas identified in 2013 are shown below:



This organisation ensures that I am adequately trained for the work I do.

We increased 2% from the 2012 survey, to sit at 62.5% for this statement. Ongoing initiatives for 2013 included:

- Skills Active induction – resulting in the National Certificate in Recreation and Sport (Core Skills) Level 2
- Increased awareness of the professional development budget and promotion to individuals to use this.

Teams in this organisation work well together.

This statement still scored low, on 57.5%, but improved significantly by 10% from the 2012 survey. Ongoing initiatives for 2013 included:

- The ‘Are we having fun yet’ social group coordinating social activities when all staff are in town
- Project team membership representing all teams within the organisation.

I feel I am working for a successful organisation.

This statement increased positively by a massive 17.8%! It is now scored fairly high, at 78.3%. Ongoing initiatives for 2013 included:

- 6-weekly full staff meetings to ensure all staff are up to date with business activity
- Regular internal newsletters (called BORIS) celebrating client activity and achievements.

I feel my contribution is valued in this organisation.

This statement increased by 4.8% and is at a good level of 73.3%. Ongoing initiatives for 2013 included:

- Staff reward and recognition in place regularly with all teams
- Regular 6-monthly performance reviews with all staff.

Skills Active new staff induction

A review of the Skills Active induction programme in 2012 resulted in the development of a brand new programme, launched in 2013. On successful completion of this induction programme staff achieve the National Certificate in Recreation and Sport (Core Skills) Level 2.

Benefits of completing this programme are:

- assurance that all staff are receiving adequate training and information to enable them to succeed in their role at Skills Active
- they are introduced to the values and purpose of Skills Active, and the role of Industry Training Organisations (ITOs) in workplaces
- Skills Active staff get an experience that is similar to those of our trainees: workplace training (both formal and informal) that enables staff to achieve a nationally recognised qualification.

The Skills Active induction programme content includes important information such as:

- Skills Active’s purpose, goals, values and vision
- Our customer commitment statement
- Key clients, stakeholders and industries we engage with
- Work processes within Skills Active
- Biculturalism within Skills Active
- Engaging with our customers and stakeholder groups.

Through 2013, 11 new staff completed the Skills Active induction. This achievement has seen an increased commitment in staff engagement, with staff having a thorough understanding of who Skills Active is and the important contribution their role makes within the Skills Active whānau.

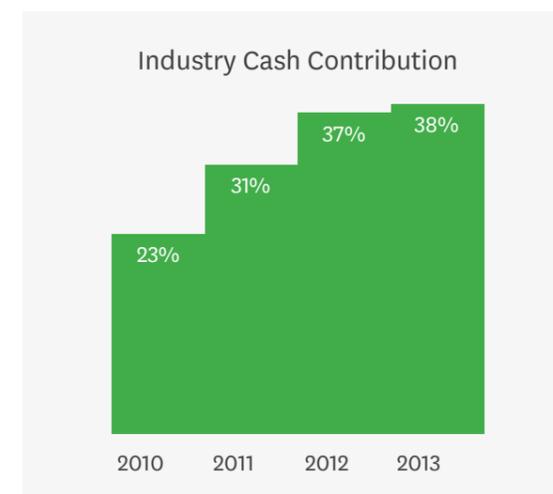
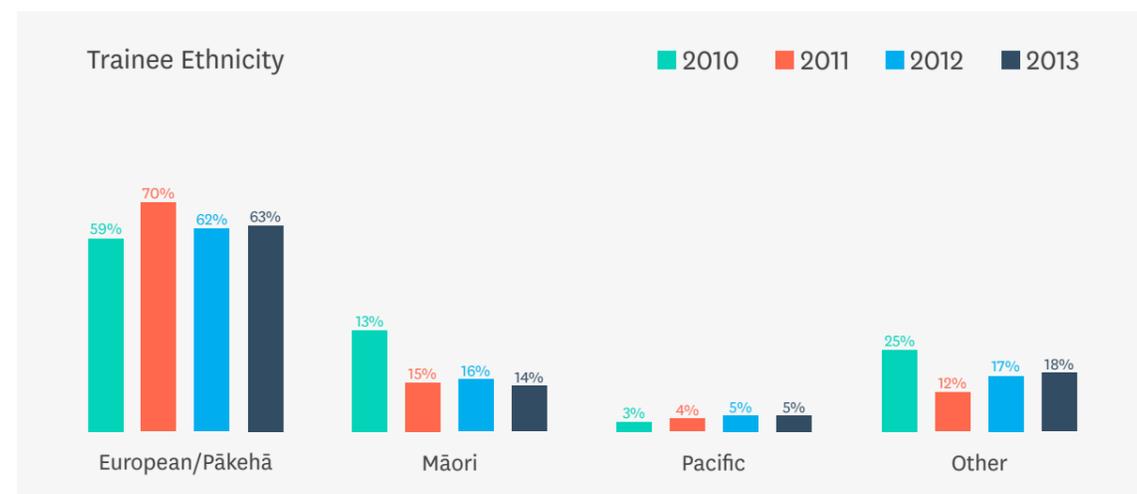
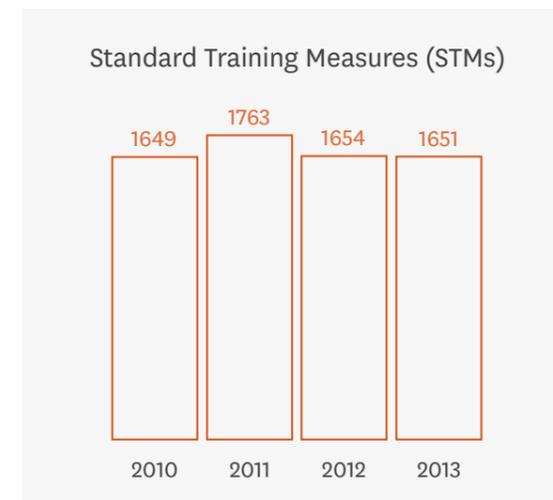
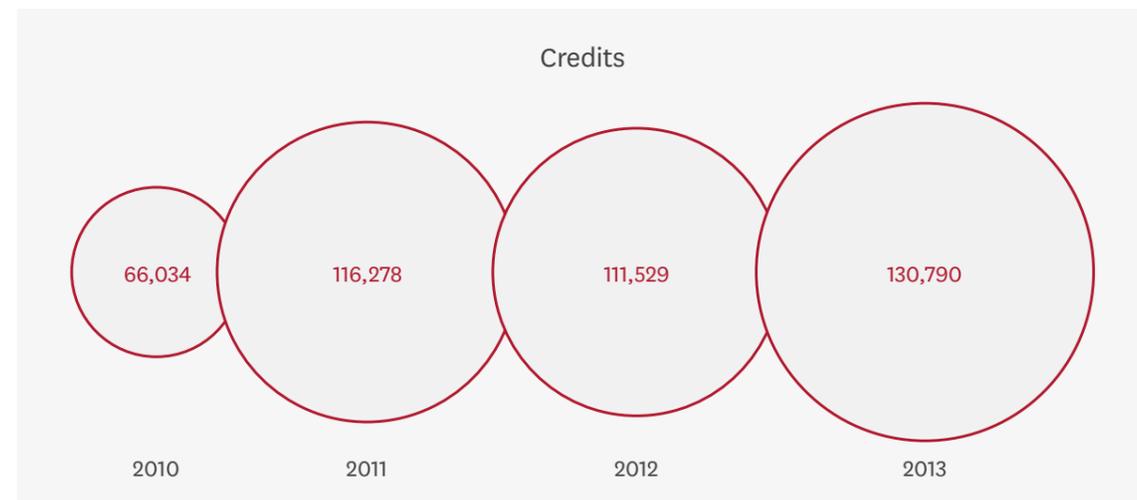
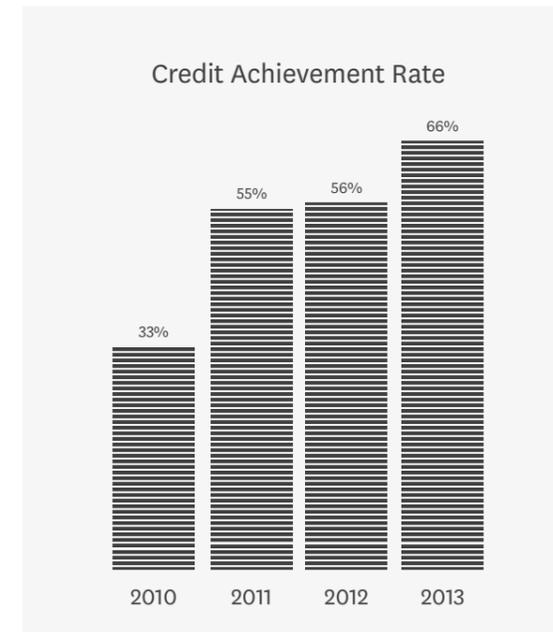
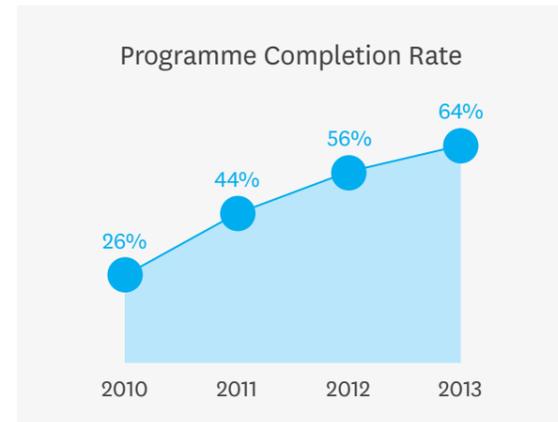
The Skills Active induction programme model is a learning and development pathway that is also promoted to our clients.



Strategic Theme 2: Vocational Training Success

‘Successful outcomes for vocational training for our industry’

2013 Key Performance Indicators





Our clients in action

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



Skills Active has been working with Zumba® FITNESS from 2013 to identify how to best assist New Zealand Zumba Fitness Instructors to gain the National Certificate in Fitness (Group Fitness Instruction).

Working with Steve Seth, a Skills Active registered assessor and Zumba Fitness Instructor, an assessment pathway was developed for all Zumba Fitness Instructors nationwide. This pathway covers all the requirements for meeting the qualification requirements while allowing the instructors to use their Zumba class skills as the main practical component of the qualification.

This programme is beginning to gain interest across the country, particularly in Auckland, where specific workshop training days will be rolled out in 2014 for Zumba Fitness Instructors wanting additional support in completing the National Certificate.

'We are pleased that our Zumba Fitness Instructors can now complete a nationally recognised qualification, through Skills Active. This collaborative approach means that our instructors can now bring the fun of Zumba classes to even more people in New Zealand.'

Carolina Arias
Zumba Fitness



Over the last year, Safe Kids in Daily Supervision (sKids) and Skills Active have partnered to create a professional development strategy that has since come to be known as 'The sKids Career Path'. Established in 1996, sKids is New Zealand's largest private out-of-school care provider. The organisation specialises in before-school, after-school and holiday programmes each day for over 4,000 children at primary schools around New Zealand.

The sKids Programme Assistant programme was launched in September 2013. SKids has 40 graduates already and a further 90 trainees currently enrolled working towards completion of this programme. The programme enables the trainees to achieve the National Certificate in Recreation and Sport (Core Skills) Level 2.

Following this is the development of a Programme Manager qualification, due to be launched in May 2014. The Programme Manager qualification will enable the completion of the National Certificate in Recreation and Sport - Out of School Care, Level 3.

'sKids Head Office has truly appreciated the manner in which Skills Active has "championed" our vision to provide national qualifications for our staff. The expertise, encouragement and ongoing support of the Skills Active team have been invaluable in creating "The sKids Career Path" - an initiative which has substantially enhanced our ability to recruit, develop and retain quality people within our network right around New Zealand.'

Both our Executive and Management teams, and our franchisees around the country, have been thoroughly impressed at the depth of the programme content and the standardisation it has brought to the training of our employees.

It has been amazing to witness the transformation of our staff as they complete their courses - the new skills, knowledge and sense of achievement gives them incredible self-belief that will fuel their careers for years to come. Thank you Skills Active!'

David Steyler
General Manager - Safe Kids in Daily Supervision Ltd





Christian Camping New Zealand (CCNZ) is an association of people committed to sharing the Christian message and encouraging a holistic approach to life through 65 independently operated camping and conference facilities. Camping offers unquestionable benefits to the personal and social development of those participating in its programmes. 'Challenge by choice' is always encouraged as these experiences build into the character of a child for life.

In 2013 Skills Active, in conjunction with CCNZ and the Mountain Safety Council, established a project to offer camp staff across the country the National Certificate in Outdoor Activity Supervision Level 3. This qualification forms part of a wider project offering qualification pathways from initial induction to working at a camp to wider outdoor leadership and instructor qualifications in the longer term. Participants attend a 2-day workshop and then complete a programme of self-directed study and a practical activity based on their specific roles.

CCNZ is looking to upskill staff across their camps, and to offer a pathway that will encourage people to see career opportunities around the country. To date more than 50 people have attended the workshops and are working through the completion of their qualification. Further workshops are planned for 2014 and Skills Active is also working on the induction and higher level qualifications pathways.

'The upskilling of staff is imperative as we endeavour to give those participating in the outdoors a quality and safe experience. A clear career pathway encourages those starting out to look towards their future.'

Recently, on a site visit, staff commented how the confidence of people participating in these courses/qualifications had increased, and was extremely noticeable in the preparations of overnight camping tramps.

CCNZ values the relationship with Skills Active and the commitment of the staff to support those in training. The future pathways being established across our sector will ensure that there are many more people committed to a career in camping.'

Jenni Davies
CEO – CCNZ



In 2013 the Professional Golfers' Association (PGA) approached Skills Active to benchmark their education programme against national qualifications. To become fully qualified, PGA members must train over 3 years on the job at a golf club or driving range, while following a comprehensive syllabus, studying coaching, small business management, game development and playing.

Skills Active has successfully benchmarked the following qualifications from PGA's education programme:

- National Certificate in Recreation and Sport – Coaching and Instruction (Developing Coach) Level 3
- National Certificate in Sales Level 3
- National Certificate in Recreation and Sport Level 4.

'Skills Active supports our Education team in the delivery and development of our content and training resources, as well as providing support to our trainee PGA members in their workplaces. The ongoing assistance and alignment with Skills Actives guidelines and qualifications gives us national verification.'

Dominic Sainsbury
PGA Education Manager

'Being a PGA member to me is proudly being a part of an organisation that has not only been in existence for 100 years, but has developed itself over those years to become world leading edge in member and coach education.'

Murray Macklin
PGA Coach Development Manager (CDM)



Skills Active has had a relationship with Swimming New Zealand since 2006 and has recently worked with the organisation to align their Assistant Swim Teacher Award (ASTA) qualification to the National Certificate in Recreation and Sport (Swim Education) Level 3. During

2013 an initiative was launched to enable ASTA holders from 2011 to achieve the national qualification, which has resulted in over 250 completions.

'Skills Active has been great to work with. This initiative was a whole team effort from both Swimming New Zealand and Skills Active – from dealing with the Workforce Development Team working with industry and project management of this initiative, through to the Quality Team in regards to moderation and resource development. The Skills Active Business Support Team worked with us on administration of the training agreements and credit reporting right through to printing of the certificates. The uptake was phenomenal and, since we have changed to enable national qualification completions, our courses have been fully booked.'

Chris Morgan
National Education Manager – Swimming New Zealand



In 2013 Wellington City Council's Parks, Sport and Recreation business unit started working with Skills Active to develop a framework that aligns staff roles with national qualifications. A key feature is the development of a customised induction programme for new part-time and full-time facility staff, and an on-job facilitated assessment process for existing and more experienced staff to gain national qualifications.

Over the last 12 months Wellington City Council has considerably increased the number of trainees and apprentices signed into national qualifications and expanded the range of qualifications from mainly aquatics-based qualifications to include adult education, first-line management, fitness and further national certificates in recreation and sport. With five new assessors having just been trained and an evidence verifiers' course planned for key team leaders and senior staff, this programme has great potential to produce a well-qualified team.

'Research has shown that new recruits decide within their first 6 months whether they see a future with their organisation. Creating a great induction programme is a crucial

priority for Wellington City Council and we are determined to create it. Over the past year we've been reviewing our professional development pathway, competency assessment system, role descriptions and pay scales and are now in the process of linking these things together.

It was important that we developed a clear and transparent system so that each staff member knows where they stand and what opportunities they have to develop in their career with us. Working with Skills Active has helped us to develop a visible learning pathway which will synchronise with our new remuneration scale and also sit nicely alongside the competency and performance systems. Our new recruits will now have a clear induction process, which is professional and consistent across the city and will reward them as they achieve the desired level of competence. An important part of this is that, as they complete the process, they are awarded national qualifications that recognise their ability and start them on a pathway towards further qualifications and learning opportunities. We believe that this is important for setting them up for success and will play a strong part in reducing staff turnover.'

Bevan Smith
H&S and Learning Development Advisor
Parks, Sport and Recreation – Wellington City Council



Cardrona Alpine Resort is a seasonal employer, with 450 - 500 employees during peak season. Staff are trained or retrained annually. Skills Active started working with Cardrona in 2012 to help them achieve their aim of leading and supporting their management and supervisory team to implement processes focused on improving overall employee and company performance. This resulted in the integration and development of the Cardrona induction and training programme, which aligns with the National Certificate in Tourism – Core Skills, Level 3.

This more defined and professional approach enables Cardrona to engage with all of their employees and



provide them with the knowledge and skills to deliver a safe, truly outstanding and unique guest experience.

This initiative has developed into what is now known as Cardrona 'Onboard' for new hires and Cardrona 'Reboard' for returning employees. A career pathway has been established for specific skill development within mountain positions, such as snow grooming; ticketing and guest service; aerial and surface lift operation; and snowsports equipment, as well as first-line management opportunities for employees interested in leadership roles.

'We have found the Skills Active team to be passionate and dedicated to working closely with us as we align the National Certificate in Tourism – Core Skills (Level 3) specifically to meet the unique training requirements of our staff on the ski field. Our induction and training processes have become more modern and streamlined, and the whole process allows us to actively engage with our employees to help them achieve any goals and aspirations they have for the season.'

Rebecca Lewis

People and Performance – Cardrona Alpine Resort

Strategy for Māori success

Skills Active's strategy for Māori success, since its inception in 2011, has focused on supporting Māori working within our sectors.

To re-cap on the strategy, within each sector there are two categories of involvement:

1. Māori who work in 'mainstream' organisations such as local councils, fitness centres etc. and in specific kaupapa Māori organisations focusing on mainstream activities (such as Māori Hockey, Māori Touch, etc.)

and

2. Māori in work environments involving traditional Māori activities, such as those working on marae, those participating in taonga taakaro, those working for Iwi/hapu, Rūnanga, Hauora Māori etc.

That means providing Iwi organisations, employers and business owners with solutions for qualifying their staff by recognising the training and experience provided on the job. These solutions provide value to businesses and a competitive edge in the marketplace.

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, such as taonga taakaro.

Through a number of key projects in 2013 Skills Active Aotearoa engaged with Iwi, hapū and marae to provide a supportive model for increasing Māori involvement in training while remaining conscious of a kaupapa Māori approach. Below is an overview of some of these projects:

Mareikura

This project was proposed by the Wellington cluster of Māori shareholders, led by NZ Handball (Vern Winitana) and Aotearoa Māori Providers of Training Education and Employment (AMPTEE) (Martin Stirling).

Māori shareholders gave their support for the project, whose goals and objectives included: capacity building for Māori communities, alignment with Skills Active objectives and participation by a 'willing Māori partner'. Subsequently the Skills Active Board approved a pilot, on a reduced scale and scope. The pilot started with assessor training for 9 candidate assessors, whose scope would cover mixed Martial Arts, Performing Arts, Marae Catering and Rugby League.

Other key elements as the project progresses include the appointment of Senior Assessor Mentors (SAMs) where appropriate; research/evaluation of the programme; and the formation of a Whakaruruhau Ngā mahi a Te Rēhia, to act in an advisory capacity.

Taonga Taakaro Qualification Development

In 2011 Skills Active began working on the Taonga Taakaro project with a technical advisory group from a range of organisations, including He Oranga Poutama (Waitakere Sports), Te Papa Tākaro o Te Arawa, Te Wananga Takiura o Nga Kura Kaupapa Māori o Aotearoa, Te Pae o te Maramatanga, and Rangatahi Tū Rangatira.

A subsequent hui in April 2012 decided that a long-term goal was to explore the development of a unique qualification for taakaro based on kaupapa Māori, with the following considerations: a Kaupapa framework – similar to Te Aho Matua; that it be based on Kaupapa values and principles and that it include whakapapa, reo and tikanga. The project was then moved into the Targeted Review of Qualifications (TRoQ) at which point three qualifications were identified – Ākonga, Kaitākaro and Kaiako – with the graduate outcomes for each built on four pou: Kaitiakitanga, Uaratanga, Whakaponono and Whanaungatanga.

'Kia mau ki ngā taonga taakaro hei ara ki te Ao Māori hei taura here ki te oranga tangata, oranga iwi, oranga hapū'

The project was given this kōrero by Wharepāroa Nepe, (senior lecturer, Te Wananga Takiura O Nga Kura Kaupapa Māori O Aotearoa) as an overarching strategic purpose statement to guide the development of these qualifications. It was translated as:

'Look after it (taonga tākaro), the pathway to te Ao Māori, the connection to the health of the people, of the community.'

In late 2013 NZQA granted 'Approval to Develop – stage 1' for the Ngā Taonga Tākaro qualifications. Most pleasing was receiving the rating He pounamu kahurangi (excellent) in response to the questions: 'What is the value of the qualification for key stakeholders including whanau, hapū, Iwi, hāpori and learners?' and 'To what extent does the qualification contribute towards the preservation, promotion and advancement of te reo me ngā tikanga Māori?' The qualifications will be developed for Stage 2 approval in 2014.

Capital and Coast District Health Board (CCDHB)

The health sector is large, and provides the opportunity to establish a robust training infrastructure to reinforce the DHB's long-term training vision in the areas of health disparities, the Treaty of Waitangi, cultural competence, tikanga and whānau ora. Until now it has been the practice for each DHB to develop



their training independently, which has led to some inconsistency. This highlights the benefits of aligning organisation-wide training programmes to the New Zealand Qualifications Framework (NZQF), thus ensuring consistency and portability.

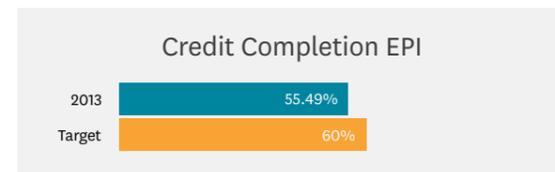
Skills Active and the Capital and Coast District Health Board (CCDHB) started working in 2013 to collaboratively develop and implement a training programme which aligns to the NZQF and allows staff to work confidently with Māori in the health sector, reinforcing the DHB's long-term training vision. The partnership will result in the development and implementation of a standardised and sustainable entry level training programme which aligns to the National Certificate in Māori Management (Level 3) and is contextualised and tailored to include specific skills and knowledge applicable to the health sector.

A pilot programme will commence in mid-2014 for between 20 – 40 employees from the Capital and Coast District Health Board.

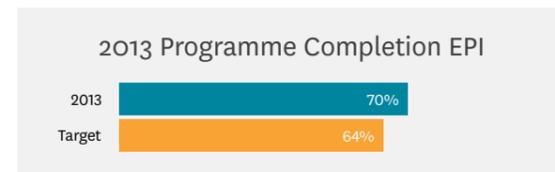
Overall progress towards goals

Skills Active's strategy for Māori success outlined three key goals to be achieved by 2013:

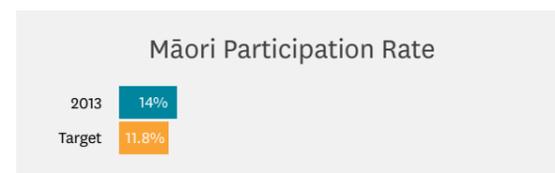
1. Increase the credit achievement rate of Māori to 50% in 2011 to 60% in 2013



2. Achievement rate of Māori meets or exceeds non-Māori in 2013.



3. The percentage of Māori participating with Skills Active from 2011 to 2013 will remain above 11.8%, which is the percentage of Māori employed in the Recreation, Sport and Fitness sectors.



Strategic Theme 3: Desired Qualifications

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

Targeted Review of Qualifications (TROQ)

TROQ continued to be a major project for Skills Active in 2013. TROQ was established by the government (through NZQA) to focus on reducing the duplication and proliferation of Level 1 – 6 qualifications, with the overall aim to ensure the qualification system is easy to understand and navigate.

Skills Active started the review of 175 Sport, Fitness and Recreation qualifications in 2012. The diagram on the next page shows the review timeline, with significant development work, consultation and NZQA submission work completed in 2013.

The outcome of the review is a reduction of qualifications from 175 to 47 and a clear and coherent qualification map for our sectors (See Proposed Qualification Diagram on the next page).

There is still significant work to be completed in 2014, with the second stage of development to be completed for each proposed qualification. All going well, we expect some high-need qualifications to be available for use in 2014, with the remainder being listed and available from 2015.

Review Timeline



Proposed Qualifications - TROQ Review 2012/2013

	Exercise	Sport and Recreation				Outdoor Recreation			Dive		Snowsport		
L6	NZC in Recreation Safety Auditing (C55) (approved to list)												
L5	NZC in Sport, Recreation and Fitness (C120)												
L4	NZC in Sport, Recreation and Fitness (C120)												
L3	NZC in Recreation (Safety Management) (C60)												
L2	NZC in Recreation, Sport and Fitness (Core Skills) (C60)												
L1	NZC in Service Skills (Pre-Entry) (C40)												

Proposed Qualifications - Recreation, Sport and Fitness TROQ, V19

NZC - New Zealand Certificate NZD - New Zealand Diploma



New programmes and resources

Skills Active also developed and launched a number of new programmes and resources in 2013 to support qualification achievement. These included:

Outdoor Activity Supervisor: A new programme and resources for those who supervise activities in low-risk (front country) outdoor environments. Completion of the programme results in the achievement of the National Certificate in Recreation and Sport Level 3.



Education Outside the Classroom

(EOTC): A new programme and resources for teachers planning and running EOTC activities. This programme was launched alongside a series of Education Outdoor NZ (EONZ) and Ministry and Education (MOE) workshops, which resulted in good interest and enrolments into the programme through 2013.



Entertainment and Event Venues:

A new foundation programme for those working in the events and venues industry on a full-time, part-time or casual basis — front-of-house roles such as ushers, ticketing and customer service, and back-of-house operations, stage management and technical roles. This programme

was developed and piloted in partnership with EVANZ, the Entertainment Venues Association of NZ.

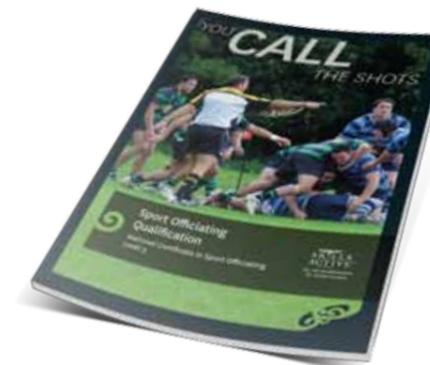


Sport Coaching and Instruction – Developing Coach:

A new qualification for those involved in coaching individuals or teams below elite level, indoors or outdoors, whether in a paid role or as a volunteer. This was developed to align with the Sport New Zealand national coaching strategy and framework.



Sport Officiating: A new qualification for those who officiate below elite level at sporting events/ games/ competitions, whether in a paid role or as a volunteer. This was developed to align with Sport New Zealand’s ‘Calling the Game: Developing Quality Officiating’ framework.



Aquatics Facility Induction and Core Skills Programme:

This programme was developed to support aquatics facilities to ensure all staff receive a thorough and consistent introduction. The programme has been endorsed by the New Zealand Recreation Association (NZRA) as meeting the PoolSafe induction requirements for facilities.



Get engaged with workplace literacy: This booklet was developed for workplaces to engage them on why literacy matters, how the government and Skills Active are involved, and where assistance is available.



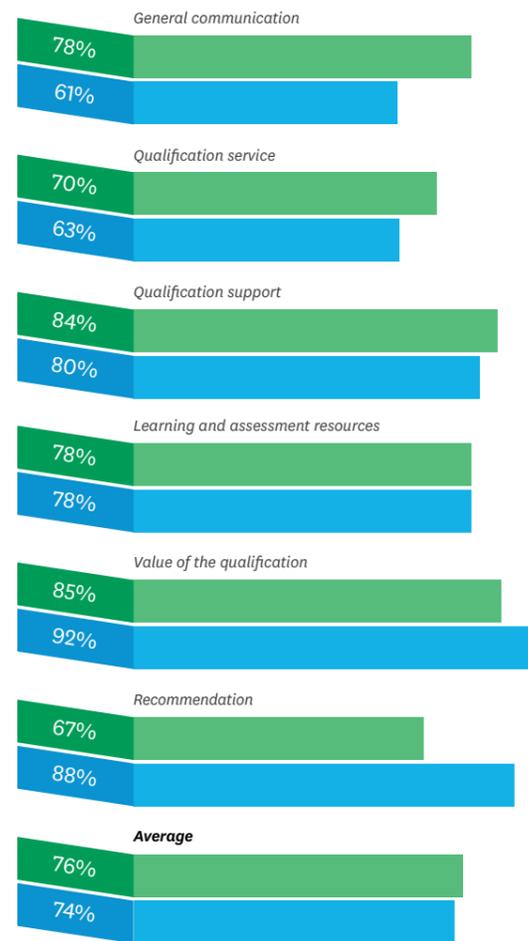
Strategic Theme 4: Service Excellence

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

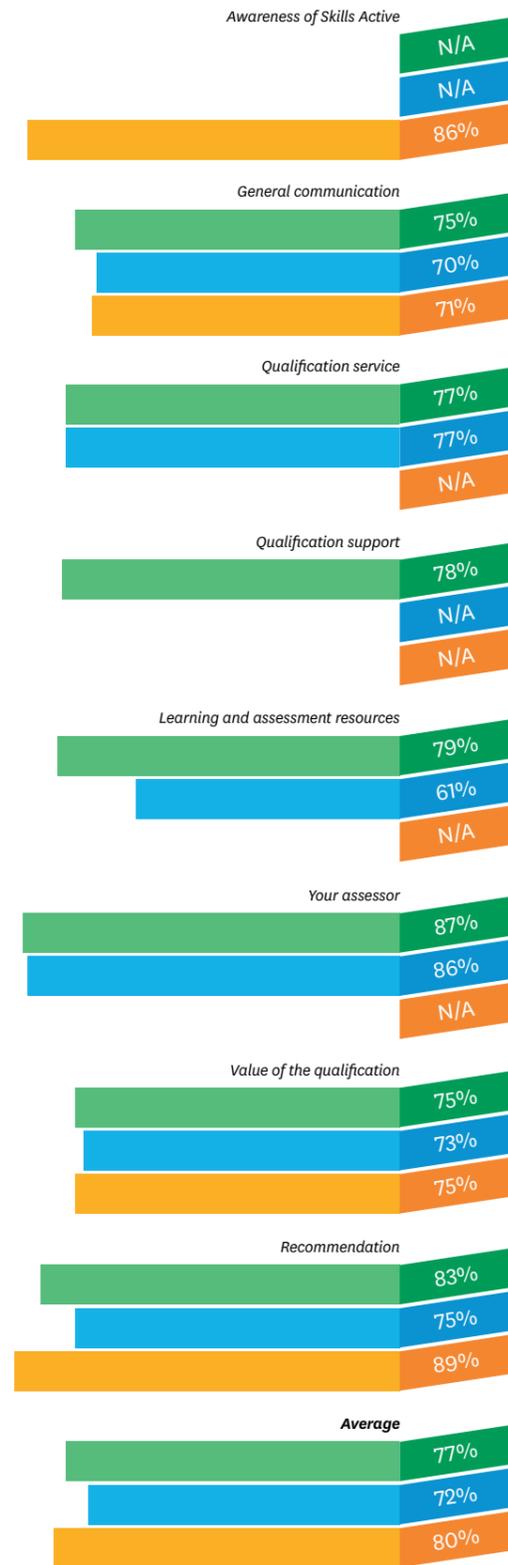
Satisfaction Surveys

Every year Skills Active undertakes surveys of workplaces, trainees, assessors and stakeholders to get on feedback on their levels of satisfaction with our services and products. In 2013, the surveys were changed to include the growing number of workplaces and trainees using a customised resource and assessment model. The result of this was a significant increase in responses, particularly in the Trainee survey, where over 300 more responses were received than in previous years.

Workplace Survey Summary 2013

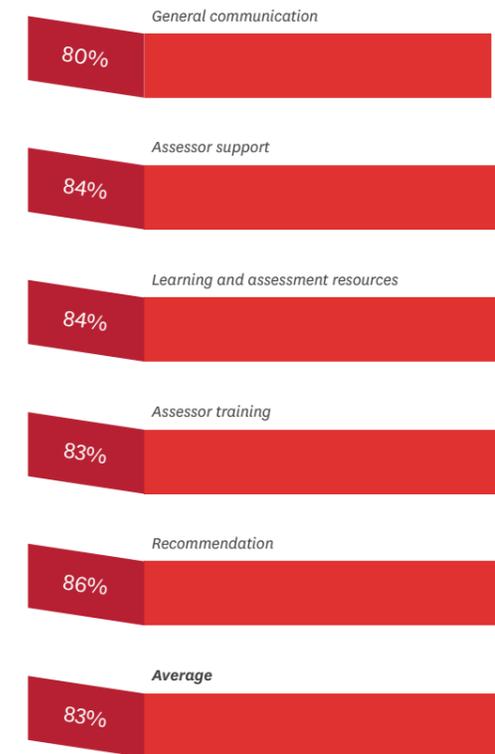


Trainee Survey Summary 2013

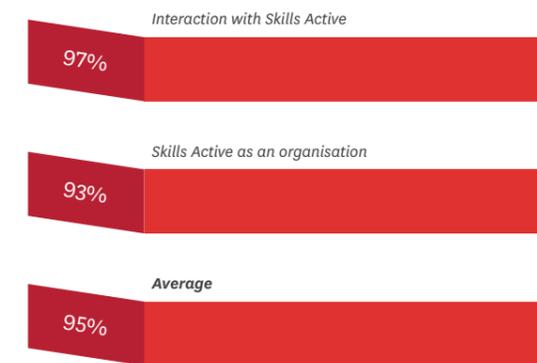


■ Off the shelf (2013) ■ Customised ■ Benchmarked

Assessor Survey Summary 2013



Stakeholder Survey Summary



■ 2013

Overall, the feedback is positive and suggests that Skills Active is providing a good level of service and support. However, as with all feedback, there are suggestions for improvements which Skills Active is working on to increase satisfaction levels in 2014.



Strategic Theme 5: Strong Relationships

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

Throughout the year Skills Active maintained, and further built on, the strong relationships we have within our sectors inside New Zealand. We also fostered our network with a range of international organisations to strengthen our understanding of global trends in workforce development.

As in previous years, we have formalised Memoranda of Understanding (MOU) with key sector peak bodies. We work with these groups and others throughout the year to further skills training and qualifications in those sectors. Some key outcomes achieved this year include:

MOU SportNZ

A signed MOU with SportNZ to clearly recognise the way our two organisations can and do work together to ensure a skilled and qualified workforce in the sport and recreation sectors. This was the first time that we have entered into such an arrangement and confirms the work that has been done recently by both organisations to collaborate to better serve the needs of our industry.

Supporting industry events

Once again this year we financially supported a wide range of national conferences and events across the sport, fitness and exercise, and recreation sectors, as well as attending many other regional forums with staff, trade stands and presentations.

Some notable events during the year included:

Outdoors New Zealand (ONZ) and NZ Recreation Association conference

The joint Outdoors New Zealand (ONZ) and NZ Recreation Association conference held in Rotorua was sponsored by Skills Active and well attended by over 300 delegates from New Zealand and overseas. ONZ released a draft report that both Skills Active and SportNZ contributed to, which provided some early indications of the value of the outdoors to the New Zealand economy and the support needed to ensure the outdoors could provide more to society. This document was well received and held special interest for a panel of MPs across a number of political parties who addressed the conference on policy changes at government level.

At the gala dinner held during the conference our own Chief Executive, Grant Davidson, was awarded the SportNZ Supreme Award for his contribution to the outdoors.

The judges said that his enthusiasm, commitment, insight, experience and professionalism made a significant contribution to the New Zealand outdoors.

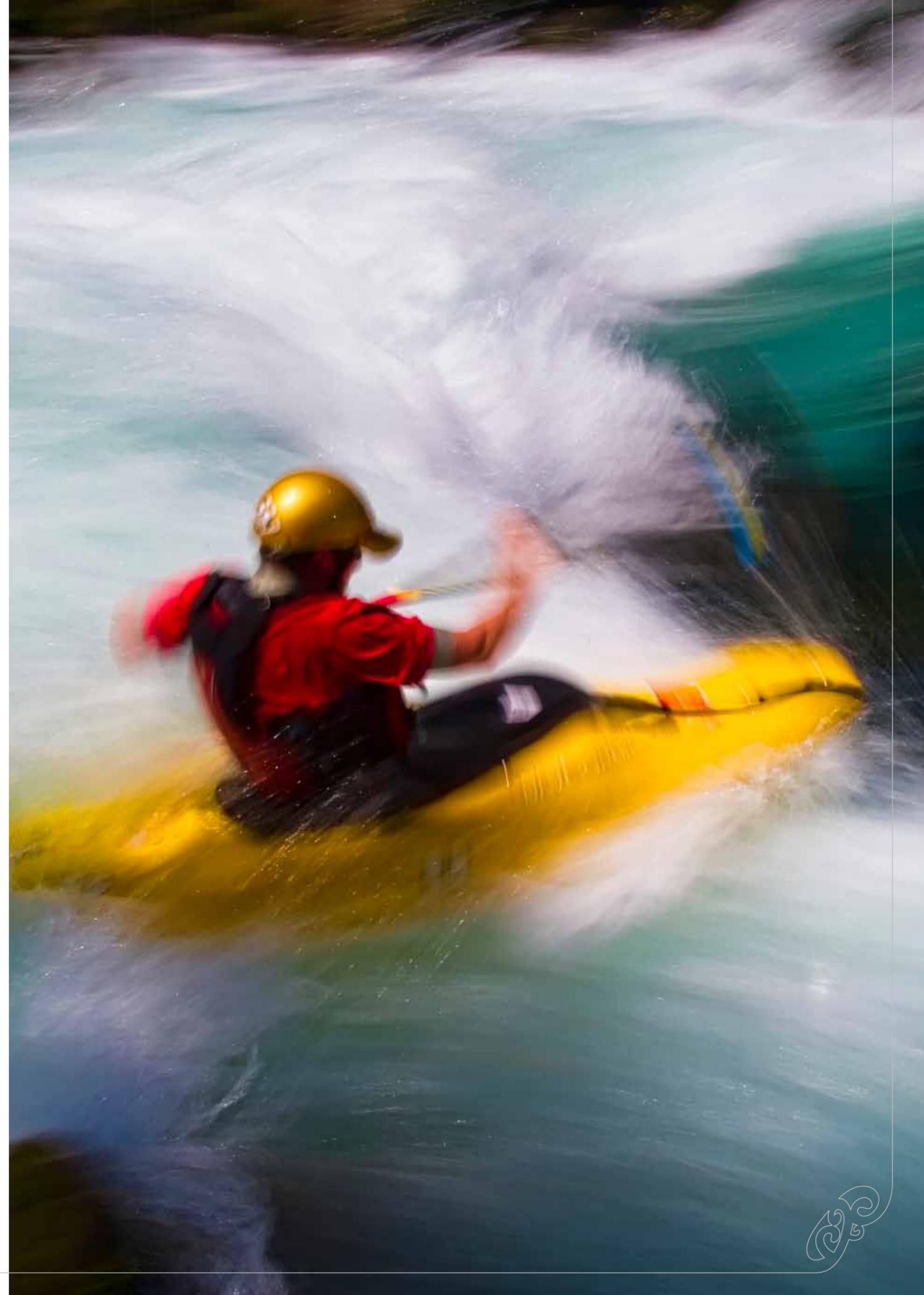
Other major events

Skills Active also supported our partners in the following industry conferences and events:

- **Filex** – Alan Reynolds, Learning and Development Advisor, Fitness, attended this three-day conference in Australia. Filex is where the industry comes alive and where leaders come together to share their ideas and experiences.
- **NZRA Thinking Recreation** – the NZ Recreation Association hosted this seminar in Hawkes Bay for recreation planners and those involved with recreation policy and decision-making.
- **JAWS** – The Just Add Water Seminar (JAWS) is New Zealand’s annual Aquatics conference and one of the events most looked forward to on the NZRA professional development calendar. This year it was held at the Rutherford Hotel, Nelson.
- **International Water Safety and Aquatic Education** – for the first time two of Australasia’s leading water safety organisations, AUSTSWIM (Australasian Council for the Teaching of Swimming and Water Safety) and Water Safety New Zealand (WSNZ), united to present an international conference on water safety and aquatic education.
- **FitEx and the Fitness Industry Awards** – this annual conference is designed to enhance the knowledge of New Zealand’s exercise and wellness professionals. The Fitness Industry Awards were held alongside the conference, and Skills Active presented an award recognising exceptional commitment to on-job training and development of staff. The winner was Michelle Morris from Bodyworx, Hokitika.
- **The Entertainment Venues Association of New Zealand (EVANZ) conference** – Skills Active had a stand and a speaking slot to launch and promote the new foundation qualification that was piloted through 2013.



Peter Miskimmin (left) from Sport NZ and Grant Davidson signing a memorandum of understanding this year.



Strategic Theme 6: Leadership

‘Leadership that provides a positive and clear path for vocational training’



New Zealand Register of Recreation Practitioners (NZRRP.org.nz)

In our 2012 Annual Report we mentioned the launch of NZRRP, in association with many of the major industry peak bodies in sport and recreation in this country. This register allows individuals to have their qualifications and ongoing professional skills currency recognised through an industry-sanctioned process.

The peak bodies from each sector collectively agree on which NZQF qualification will be recognised as the minimum standard for operating within a stated scope of activities, as well as the minimum requirements in terms of continuing professional development to prove ongoing currency of those skills. Any individual meeting these requirements is able to have their name publicly listed and searchable on this register.

Since the 2012 report there has been continued development and consolidation of the NZRRP register, along with growing public and sector awareness of its presence. All swimming pools audited against the quality safety standard of Poolsafe have their staff checked for appropriate qualifications by the auditors on NZRRP. Similarly, Maritime NZ is now able to check on NZRRP for all qualified raft and whitewater boarding guides operating throughout New Zealand, which is required for compliance under legislation.

Until recently it has been difficult to tell whether swimming instructors taking classes with children or adults were suitably trained and qualified. All major stakeholders in the swim education industry met and decided to use the National Certificate in Aquatics (Swim Instruction) Level 3 as the base level of competence, with a 3-year re-registration period. The major providers of swim instruction qualifications have now all had their training and assessment measured against this National Certificate. Through this process, graduates of Austswim programmes, Swimming NZ programmes and many of the major swim schools and employers working with Skills Active are all able to have their qualifications recognised on NZRRP. This now makes it easy for a discerning member of the public to check whether their swim instructor has met the industry-accepted minimum standards.

Outdoor leading, guiding and instruction qualifications have been many and varied in the past. Similarly to the swim instructor qualifications discussed above, it has been hard for the public, employers and safety auditors to understand the value and scope of qualification holders. A group of outdoor peak bodies met and agreed on minimum standards and re-registration requirements for outdoor activities based on NZQF qualifications. Members of NZMSC, EONZ, MTBNZ, Scouts and CCNZ among others, are now working to these requirements and having their skills and experience recognised on NZRRP. Through the TROQ process all outdoor stakeholders are able to have input into the design of a new set of outdoor qualifications which will replace those already recognised on NZRRP. It is hoped that, through this process, we will encourage the few organisations that remain outside the NZRRP process to become involved.

Currently more than 8,000 individuals are recognised on NZRRP.

SportNZ research

One of Skills Active's key roles is providing leadership for our industry sectors in vocational training. This includes carrying out scans of our sectors to identify current and future skills gaps, and ensuring there are suitable standards and qualifications on the NZQF to enable the workforce to train towards and show competence in these skill areas.

We then work with government to ensure there are appropriately targeted funds to train the right people in the right skillsets, and with workplaces and providers to ensure that the training gets done so that our industries are productive.

Recently we produced sector strategic training plans that highlight the current state of sector workforces and the skill sets that our workplaces will require to meet their future needs. This was followed up in 2013 with a joint project between SportNZ, NZRA and ourselves to contract leading research, analysis and consultancy provider BERL to further define our industry sectors, their current workforce size, and how that workforce is likely to grow and change over the next 15 years.

This was a major collaborative effort and the results clearly show that our sectors have a real issue in ensuring there are enough skilled employees to replace those leaving our workforce each year, let alone coping adequately with the predicted growth. When the extremely large volunteer workforce required to run sport and recreation organisations is added to this scenario, the need for proactive workforce planning becomes a priority.

BERL Report - Key findings

BERL predicts:

- The sport and recreation sector paid workforce will need to grow from 62,000 to 72,000 by 2026.
- This workforce growth will require a combination of new entrants, as well as a significant number of replacements over the years for those retiring and leaving the sector.
- There will be a significant increase in competition for skilled workers from other sectors and other countries over the next 15 years, due to factors such as aging and migration.
- The pool of volunteers could also dwindle in the face of more competition from other sectors such as health, although this could be offset by more retirees volunteering.
- Key influences on the future workforce will include the changing nature of the demand for sport and recreation, coupled with technological advances.

The next stage in this project is to produce a workforce planning framework for the sport and recreation sectors. The framework will provide the various agencies and organisations involved in delivering sport and recreation nationally, regionally and/or locally with a platform on which to plan for and sustain a skilled and vibrant workforce (both paid and volunteer).

The framework will set out some key deliverables, and endeavour to clarify the roles the various agencies and organisations can play in workforce planning and implementation. The framework should foster greater collaboration within the sectors. Skills Active is working closely with SportNZ and other stakeholders to develop this framework and then we will work with enthusiasm to deliver our component of the plan.

European Observatoire Sport and Education (EOSE)

As mentioned in the Chair's report, Skills Active has been working as an Australasian partner in a European initiative to drive a more formalised workforce development methodology for the sport and recreation sector.

This is funded by the European Commission and is very timely considering the work we are doing with SportNZ mentioned above. Skills Active recently attended a forum at Wembley stadium in London where over 20 countries presented the status of their training and skill development processes.

Along with our Australian counterparts from Service Skills Australia, we presented very similar models based on our respective qualification frameworks that are competency based. We also discussed the initiatives we are carrying out with our industry partners in New Zealand in creating registration systems for qualified practitioners, to provide recognition for ongoing competency through continuing professional development.

It became clear that our work in New Zealand is actually equal to, and in many cases leading, the work being done in the most innovative European countries.



Grant Davison presenting at the EOSE Conference, at Wembley Stadium.

Leading Māori achiever

Skills Active Māori Sports Award Scholarship Recipient: Chapman Kutia

The names of Leilani Rorani (Joyce), former World No 1, and Shelley Kitchen (Worlds double champion) are synonymous with New Zealand squash, both having attained Māori Sportsperson of the Year and many other distinguished national and international squash accolades. Following this strong tradition of Māori representation around the squash courts nationally and internationally, there has emerged a bright new star out of Gisborne Boys High School. With strong Ngāti Porou and Te Aitanga a Mahaki iwi affiliations he is Chapman Kutia.

To acknowledge this young man's successes, Chapman was awarded the Skills Active Māori Sports Awards Scholarship at the Māori Sports Awards in December 2013. 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.

Chapman's sporting profile speaks volumes for his current success, but what it doesn't show is the lifelong support and commitment given from both parents and siblings. This is a family driven by success on the squash court.



He Mihi

*Ka tangi te tītī, ka tangi te kākā, ka tangi hoki ahau
Ko te mihi tuatahi ki te Atua, nānā nei ngā mea katoa
Kī a Rangī rāua ko Papatuanuku, tēnā kōrua
E ngā mate kua wheturangihia, haere, haere, haere
atu ki a rātou kua wehe atu ki te pō
Kī a tātou te hunga ora, tēnā tātou, tēnā tātou katoa
I te taha o tōku Pāpā, ko Hikurangi, ko Tītīrangī, ko
Pukehapopo ngā maunga;*

*Ko Waiapu, ko Hikuwai, ko Waiomoko ngā awa
Ko Te Aitanga a Hauiti, ko Ngāti Porou ngā iwi
I te taha o tōku Māmā, ko Hikurangi me Maungahaumi
ngā maunga
Ko Waiapu, ko Waipāoa ngā awa
Ko Ngāti Porou, ko te Aitanga a Mahaki ngā iwi
Ko Chapman Kutia awau
Tihei mauri ora!*

Passing of Kaumātua Sam Jackson

He poroporoaki

Taranaki whānui te mana
Taranaki whānui te reo
Taranaki whānui te whenua
Tihei mauri ora mauri mate

It was with great sadness that we learned on 21 November that our Kaumātua Sam Jackson had passed away. Sam and June Jackson have been integral to Skills Active's commitment to te reo me ona tikanga and kaupapa Māori.

Sam's approach to tikanga itself was a practical one, where he encouraged and applied the 'old ways' for their survival in a modern workplace context. Furthermore, and more importantly, it was through Sam and June that our association with Taranaki whānui/Te Ati Awa mana whenua was established, strengthened and cemented.

*Nā reira e te rangatira Sam, haere.
Haere ki ō mātua tīpuna, whakahuihui atu ki a rātau e
tatari mai ana ki a koe.
Waiho ra mātau ki muri nei, tangi hotuhotu ai.
Ko ō tohutohu ka noho tonu i a mātau i roto i ngā tau e
haere ake nei.
Nā reira e te rangatira, e te matua, haere, haere, haere
atu, oti atu.*



June Jackson and Sam Jackson.



Directors' Disclosures

Board Member	Interest	Meetings Attended
Richard Beddie (term ended 28 June 13)	<p>CEO, Fitness New Zealand Inc</p> <p>Chair, International Confederation of Registers for Exercises Professional (ICREPs)</p> <p>Representing Fitness NZ on the TROQ Governance group</p> <p>Board member Register for Exercise Professional United Arab Emirates (REPUAE) (from 24 May 2013)</p>	2/2 Board meetings, AGM
Butch Bradley	<p>SPS Ltd – Director (until October 2013)</p> <p>K1W1 Ltd – Director (until October 2013)</p> <p>Te Kotahitanga ki Whakatu Economic Committee – Chairman (until October 2013)</p> <p>Te Kotahitanga ki Whakatu Economic Committee – Advisor (from October 2013)</p> <p>Te Ara a Maui Regional Tourism Board – Director</p> <p>Māori Tourism – Director of Regions and Operations</p> <p>NMIT Tourism and Hospitality Advisory Committee – Member (until October 2013)</p> <p>Petmedz Ltd – Director (until October 2013)</p>	4.5/5 Board meetings, Strategic planning, CE Performance Appraisal Committee meeting, Kaupapa Māori Advisory Committee
Andrew Gunn	<p>Director, Snake Point Lodge Limited</p> <p>Director, Strike Holdings Limited</p> <p>Director, Industry Training Federation</p>	3.5/5 Board meetings, 3/4 Audit and Risk Committee meetings, AGM, Strategic planning meeting, Kaupapa Māori Advisory Committee
Robb Hogg (term ended 28 June 13)	Senior Lecturer, AUT University	1/2 Board meetings
Sam Napia (re-elected 28 June 13)	Director Strategic Relationships and Projects, Thames-Coromandel District Council	5/5 Board meetings, 2/4 Audit and Risk Committee meetings, AGM, Strategic planning meeting, CE Performance Appraisal Committee meeting, Kaupapa Māori Advisory Committee
Alexander Brunt	<p>General Manager, Water Safety NZ</p> <p>Chairperson, Outdoors NZ</p> <p>Trustee, Riverslea Trust Board (until 18 October 2013)</p> <p>Member and Pool Safe Auditor NZRA</p> <p>Trustee, Wellington Youth Oversight Office Board (until 18 October 2013)</p>	5/5 Board meetings, 4/4 Audit and Risk Committee meetings, AGM, Strategic planning

Board Member	Interest	Meetings Attended
Stephen Gacsal	<p>Treasurer and Board Member, Fitness NZ</p> <p>Registrar, Register of Exercise Professionals</p> <p>Board member of ICREPs</p> <p>Representing Fitness on the TROQ working group</p>	4/5 Board meetings, 4/4 Audit and Risk Committee meetings, AGM, CE Performance Appraisal Committee meeting
Wendy Sweet (elected 28 June 13)	<p>Director, Personal Training Company</p> <p>Senior Assessor Mentor for Skills Active</p>	2/3 Board meetings, CE Performance Appraisal Committee meeting
Des Ratima (elected 28 June 13)	<p>Chair, Whakatu Kohanga Reo</p> <p>Chair, Ahuriri District Health Trust</p> <p>Chair, Te Whanautahi Charitable Trust</p> <p>Company Manager, Te Roopu Kaitiaki O Te Wai Māori</p>	3/3 Board meetings, Strategic planning, Kaupapa Māori Advisory Committee





Skills Active Shareholders

Sector	Common Name of Organisation
Community Recreation	*Artmakers Community Artists Trust Incorporated
	Dance Aotearoa New Zealand Limited
	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 Netball Oranga Healthy Lifestyles Trust
	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
	*National Māori Touch NZ
	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 Outdoor Safety Institute Limited
	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
	*Currently in Default





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 14, which comprise the statement of financial position as at 31 December 2013 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.

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.

Our firm carries out other assignments for Skills Active Aotearoa Limited in the area of taxation advice. The firm has no other interest in the company

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 2013 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
2 May 2014

Chartered Accountants
Member of Grant Thornton International Ltd

Financial statements

Statement of Comprehensive Income For the year ended 31 December 2013

	Note	2013 (\$)	2012 (\$)
Revenue			
Tertiary Education Commission			
Industry Training Fund (ITF)	4	4,642,312	4,614,316
Sector Leadership Fund		24,999	97,000
Other TEC Funding		98,000	-
		4,765,311	4,711,316
Industry Contributions			
Workplace fees and registration fees		502,148	348,091
NZQA moderation rebate		148,169	142,458
Other income	5	24,239	38,906
		674,556	529,455
Total revenue		5,439,867	5,240,770
Less Cost of Sales	6	609,920	510,992
Gross Surplus		4,829,947	4,729,778
Expenses			
Employee benefits expense	7	2,729,361	2,712,206
Other operating costs	8	1,093,442	1,361,867
Client servicing and training resources	9	442,341	494,385
Total expenses		4,265,144	4,568,458
Surplus/(Deficit) before financing income		564,803	161,321
Interest income		121,699	116,945
Surplus/(Deficit) for the year		686,502	278,265

Statement of Changes in Equity For the year ended 31 December 2013

	Note	2013 (\$)	2012 (\$)
Equity at the beginning of the year		3,206,707	2,928,442
Surplus/(Deficit) for the year		686,502	278,265
Total Comprehensive Income for the year		686,502	278,265
Equity at the end of the year	10	3,893,209	3,206,707

Statement of Financial Position For the year ended 31 December 2013

	Note	2013 (\$)	2012 (\$)
Current Assets			
Cash and cash equivalents	11	575,078	860,926
Short term deposits	12	2,710,938	2,250,845
Receivables	13	229,369	277,511
Prepayments		66,212	33,452
		3,581,597	3,422,734
Non-Current Assets			
Property, plant and equipment	14	365,136	447,019
Intangible assets	15	265,162	326,036
		630,298	773,055
Total Assets		4,211,895	4,195,789
Current Liabilities			
Trade payables		146,410	184,092
Employee benefits payable		89,136	158,063
Goods & services tax payable		77,568	49,880
Provision for TEC Payback	16	5,573	597,047
		318,686	989,082
Nett Assets		3,893,209	3,206,707
Equity			
Retained earnings	10	3,893,209	3,206,707
Total Equity		3,893,209	3,206,707

For and on behalf
of the Board



Sam Napia **Chairman**
2 May 2014



Andrew Gunn **Director**
2 May 2014

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 2013. The financial statements were authorised for issue by the directors on 2 May 2014.

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.

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 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 2012 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 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 a further 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.



	Note	2013 (\$)	2012 (\$)
Industry Training Fund (ITF)			
TEC Contract			
ITF Funding		4,232,551	4,381,360
MA Funding		56,191	26,271
LLN Funding		252,463	537,032
MA Co-ordination		106,680	266,700
Less TEC Offset Provision		(5,573)	(597,047)
Nett TEC Income		4,642,312	4,614,316
Sector Leadership Fund			
TroQ		24,999	97,000
		24,999	97,000
Other TEC Funding			
Re Boot Initiative		98,000	-
		98,000	0
5. Other Income			
TroQ Income		(500)	17,500
Other Revenue		24,739	21,406
		24,239	38,906
6. Cost of Sales			
Assessment Fee		4,128	7,212
Certificate and Card Printing		21,525	25,597
NZQA Credit Reporting		252,608	215,429
NZRA Fees		12,000	15,600
Professional Fees - Direct Cost		-	29,238
Re Boot Initiative Payments		86,000	-
Resource Courier Costs		30,489	28,369
Resource Printing		140,958	187,256
SAMs		25,201	-
Workshop Costs		35,617	-
Other Cost of Sales		1,395	2,291
		609,920	510,992



	Note	2013 (\$)	2012 (\$)
7. Employee Benefit Expense			
Wages and Salaries		2,559,674	2,541,387
Contract Staff		45,162	31,809
Employee Entitlements		2,604,835	2,573,196
Training		23,807	26,088
Other Costs		100,719	112,922
		2,729,361	2,712,206
8. Other Operating Costs			
Depreciation and Amortisation		255,091	289,670
Net Loss on Disposal of Assets		4,630	49,783
Impairment of Trade Receivables		17,996	26,824
Rental and Operating Expenses		606,924	722,685
Auditor Fees		20,014	18,431
Directors Fees		107,592	103,562
Other		81,195	150,913
		1,093,442	1,361,867
9. Client Servicing and Training Resources			
Client Servicing		321,296	364,183
Conferences and Events		5,954	9,990
External Surveys		1,456	7,732
Partnership Agreements		57,090	43,435
Sponsorship		-	10,685
TroQ		4,243	18,952
Ngati Porou Joint Venture		-	8,700
Other		52,303	30,709
		442,341	494,385

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 2013 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 2013, share capital comprised 1,000 ordinary shares (2012: 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	2013 (\$)	2012 (\$)
11. Cash and Cash Equivalents		
ANZ Bank - Short term deposits less than 90 days	503,374	324,829
ANZ Bank Current Account	43,532	132,677
ASB - Short term deposits less than 90 days	23	37,178
Westpac - Short term deposits less than 90 days	13,328	338,629
Westpac Current Account	14,821	27,063
	575,078	860,376
12. Short Term Deposits		
ANZ Bank - Short term deposit greater than 90 days	116,521	112,170
ASB - Short term deposit greater than 90 days	854,282	783,842
Kiwibank - Short term deposit greater than 90 days	925,511	904,833
Westpac - Short term deposit greater than 90 days	814,623	450,000
	2,710,938	2,250,845
13. Receivables		
Accrued Revenue	145,379	198,432
Trade Receivables	105,223	91,815
Allowance for Doubtful Debts	(21,233)	(12,737)
	229,369	277,511

	Cost (\$)	Depreciation Charge (\$)	Accumulated Depreciation (\$)	Book Value(\$)
14. Receivables				
2012				
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
	1,011,035	110,919	564,016	447,019
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
	959,092	105,947	593,957	365,136



	Cost (\$)	Depreciation Charge (\$)	Accumulated Depreciation (\$)	Book Value(\$)
15. Intangible Assets				
2012				
Computer Software (Purchased)	256,837	7,992	247,201	9,637
Computer Software (Developed)	493,212	170,756	176,813	316,400
	750,049	178,748	424,013	326,036
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

	2013 (\$)	2012 (\$)
16. Provision for TEC Payback		
MA Funding	-	18,917
MA Co-ordination	(19,359)	257,369
LLN Funding	24,932	320,760
	5,573	597,047

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. At the signing date the balance of \$5,573 was the best estimate of the TEC payback based on 2013 recoveries received from the TEC.

	2013 (\$)	2012 (\$)
17. Operating Lease Commitments		
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	247,511	288,681
Between one and five years	30,696	207,731
More than five years		
	278,207	496,412

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	Organisation	2013 \$ Paid to the Company	2013 \$ Paid by the Company	2012 \$ Paid to the Company	2012 \$ Paid by the Company
Stephen Gacsal	Exercise Association of New Zealand				
	Support for Business Grow, FitEx Conference and Fitness Industry Awards		15,350		15,000
Alex Brunt	Outdoors New Zealand	20,000	12,000		10,000
	Support for Outdoor Forum				
	New Zealand Recreation Association		15,000		
	Support for Thinking Recreation, Just Add Water Seminar and National Conference				
	Annual Payment for Aquatics Completions		12,000		15,600
Wendy Sweet	Director Personal Training Company		1,200		

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 Chair of Outdoors New Zealand and 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.

	2013 (\$)	2012 (\$)
Total Compensation of key management personnel including Directors	757,733	783,796

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 2013, the amount of industry contribution was \$2,905,764 (2012: \$2,439,838) This is an achievement of 40% (2012 37%) of total funding and contribution received against a TEC target of 30%.

	2013 (\$)	2012 (\$)
Industry contribution received by Skills Active and recorded in the audited accounts	502,148	347,355
Payments by industry to third parties in pursuit of achieving Skills Active qualifications	2,403,616	2,085,888
	2,905,764	2,433,243

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

	2013 (\$)	2012 (\$)
Cash and cash equivalents	575,628	860,926
Short term deposits	2,710,938	2,248,674
Receivables	230,195	477,031
	3,516,761	3,586,631

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

Directory

Skills Active Board Members 2013

Sam Napia - Chair

Richard Beddie

Butch Bradley

Alexander Brunt

Stephen Gacsal

Andrew Gunn

Robb Hogg (term ended 28 June 13)

Des Ratima (elected 28 June 13)

Wendy Sweet (elected 28 June 13)

Registered Office

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