

**Seriously Active**

# Annual Report

2016



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# Who we are

## Our Purpose

To build a highly qualified workforce in the sport, exercise, recreation, performing arts 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' first choice as a partner for workforce development.

## Our Approach

We will be leaders and role models of:

**BICULTURALISM**

**SERVICE  
EXCELLENCE**

**CONTINUOUS  
IMPROVEMENT**

## Our Values

Our actions will be driven by our core values:

**TIKA**

we do  
what is right

**PONO**

we are true  
to ourselves

**AROHA**

we demonstrate  
respect and care



# Chair's Report

**Sam Napia**

Tuatahi, me tuku atu te reo hakawhetai ki tō tātou Mātua-Nui-Te-Rangi mō ana manaakitanga māha kua uhia mai ki runga ki tēnā, ki tēnā o tātou puta noa, puta noa. Tuarua iho, ka huri ngā hakaaro aroha ki te hunga kua riro i te ringa kaha o aituā. Te kōrero mō rātou, haere ki te kāinga tūturu mō tātou mō tēnei mea te tangata; haere, haere, haere atu rā. Nā, kua ea te wāhanga ki a rātou; ka hoki mai ngā rārangi kōrero ki a tātou, ngā mahuetanga iho o rātou, e ngā reo, e ngāmana, e ngā tini kārangaranga maha, tēnā koutou, tēnā koutou, tēnā koutou katoa.

The theme of this year's Skills Active annual report, Seriously Active, reflects the lively and enterprising atmosphere of the team as we go about delivering the programmes our industries have so enthusiastically waited for. The Alpine Resort Operations (ARO) qualification for our snowsport operators, and the Sport, Exercise and Leisure Operations (SELO) qualification for our community recreation clients, are some of the high-use programmes first to go out to industry.

### Key roles

Early in the year, we welcomed Kelvin Trumper and Maren Frerichs, as General Manager Trainee Support and General Manager Industry Engagement respectively. These roles are critical to achieving our TEC targets and to

building and growing relationships with our stakeholders. Jason Hare was also appointed as Manager Safety, Auditing and Accreditation, OutdoorsMark – another key position. Much is riding on the success of these managers and their teams, and as a Board we aim to provide Jason, Kelvin and Maren with the support they need to drive great results.

### Launch of Workforce Scan

In February, having finalised the workforce research we conducted with industry partners in 2015, we launched our workforce action plan. This action plan was aligned to our strategic and business plans for the 2016 year. In December, the Workforce Scan document was refreshed with updated data and a detailed action plan to take us through to 2018.

### Extension of scope

This year too, we applied to extend our gazetted scope to include performing arts. We acknowledge the support we received from the Industry Training Federation and all of the other ten ITOs, who actively supported this extension. The year closed without the extension having concluded.

### Governance review

The last five years has seen significant rationalisation in the industry training

sector – going from a total of 39 ITOs down to 11. Skills Active Aotearoa remains as one of the 11, but it is one of the smallest in the group. The Board recognises this as a risk, which is best managed by having a strong organisation, with robust links to industry from governance-level down. With this in mind, the Board considered it was timely to consider our current shareholding structure and composition, and whether it could be improved in order to better position us for the future. Adding to the impetus for a review has been the loss of a number of shareholders in the last few years, generally through non-attendance at consecutive AGMs, indicating potential disengagement.

To assist its thinking on this issue, the Board last year commissioned the Tuia Group to undertake a review of shareholders. The review sought an objective assessment of whether the current shareholding structure is presently fit for purpose, and matches the current and emerging industry training environment.

The Tuia Report identified four key themes. These are:

- Bicultural governance: whether the current 50:50 shareholding structure remains appropriate
- Shareholder criteria: whether the current criteria are fit for purpose
- Share allocation: whether the current scheme of allocation of shares remains appropriate
- Director appointments: whether the current processes for appointing directors are fit for purpose.

In an effort to address the perceived problem with shareholder engagement, the Board has focused on the theme of shareholder criteria. The shareholder forum preceding the AGM will be the Board's opportunity to share some thoughts on the matter.

### At Your Service Aotearoa

We have been working with our colleagues in the service ITOs to develop an advocacy plan to promote the value of our workforces, and government investment in them, prior to the 2017 general election. Under the group brand At Your Service Aotearoa, our aim is make government officials and other decision-makers aware of the importance of the service industries, as a balance to the current high level of promotion of science, technology, engineering and mathematics (STEM).

Although all of the service ITOs secured good funding levels from TEC in 2016, with our three partner service ITOs, we have decided to continue with plans to develop a strategy advocating for the industries we serve, and raise their profile alongside the STEM industries. We have developed an advocacy and communications plan for the 2017 year, which includes a report on the combined positive impact of the service industries on 'NZ Inc'.

### Overall performance

In summary, 2016 has been a very successful year in all areas. Of particular note are our results for credit and programme completion. These are: 85% credit completion (TEC target of 70%) and 80% programme completion (TEC target of 70%).

Me kapi āku kōrero pērā anō i te āhuaranga o tōna tuwheratanga: Me tuku atu te hakamoemiti ki te Atua, me te hakaaro pai ki ngā tāngata katoa. Ka hoki ngā mahara ki ngā karaipiture. I tētahi wā, ka hui katoa mai ngā Parihi kia whakamātautau i te Karaiti; ā ka mea atu tētahi "E te Kaiwhakaako, ko tēhea te kupu nui o te ture?" Ka mea a te Karaiti ki a ia "Kia whakapaua tōu ngākau, tōu wairua, tōu hinegaro ki te aroha ki te Atua; ko te tuatahi tēnei ko te kupu nui. He rite anō te tuarua ki tēnei, kia aroha koe ki tō hoa tata, anō ko koe."

Nā, ko te pūtake o ngā tikanga o te rōpū nei a Skills Active ko rite anō te hanga: Ko te Tika, me te Pono, me te Aroha tētahi ki tētahi.

Mauri ora

Sam Napia  
Chair



# Chief Executive's Report

## Grant Davidson

It gives me great pleasure to report on an amazingly successful 2016 year for Skills Active. Our talented team achieved an incredible amount, supported by our workplaces, assessors and of course trainees, who believe in the benefits of workplace training and development.

A standout among the many successes in the past year has got to be the continued high level of educational outcomes of our training. With programme completions now sitting above 80%, credit achievement over 85% and active trainees at over 85%, these are our best results yet. For a workforce that is predominantly young, mobile and in many industries seasonal, these results are about as good as we could hope for. The results are indicative of the work our staff do in developing qualifications, programmes and resources that are hitting the mark with workplaces. We have a team of regional support staff that helps trainees and organisations as they work towards completions; an Industry Engagement team that understands what the industry and workplaces need to grow their businesses; and a team in the office that services all of these groups tirelessly and to high operational standards.

I will highlight some of the important aspects that have contributed to this success below.

We performed to a high level in 2016 while also embedding a number of

personnel changes. This included regional learning support staff, industry advisors, qualification developers and three members of our senior team. The latter appointees, Jason Hare, Maren Frerichs and Kelvin Trumper, deserve special mention for rapidly getting up to speed and delivering outstanding results. At the same time, all of our existing staff and senior managers get a big thumbs up for smoothly managing the workload during the transition, and helping to induct the new members of staff to become fully functioning. The collegiality and support of our team is the underpinning strength of Skills Active.

As signalled in the 2015 annual report, we expected to knock the 'hump' off the remaining work and complete the TROQ review of qualifications this year. Leona van der Heyden and her exceptional Learning Solutions team managed to do the bulk of this work, with just a few qualifications to complete listing with NZQA in 2017. I can't speak highly enough of this small group of dedicated staff who worked unstintingly, in consultation with passionate industry partners, to sort through the issues and competing requirements in order to develop a suite of great qualifications to roll out in the years ahead.

One of the first of this new suite of qualifications was the NZ Certificate in Alpine Resort Operations, which was ready to go in time for the snowsport

season. Working with snowsport operators, we knew one of the biggest challenges to successful completion of the qualification was that over 90% of staff are seasonal and 50% are international. After a short induction period at the start of the season, staff are fully involved with performing their duties to ensure the companies they work for provide a high level of service and are profitable. Fitting in on-job training and assessment needed to be targeted and customised around their existing business practices and culture. We co-designed an online module that staff could complete anywhere in the world, gaining knowledge about the industry they were entering, prior to turning up at their workplaces. This was augmented by customised assessment resources for each snow resort that allowed for the efficient appraisal of staff competence. We had very positive feedback from both workplaces and trainees about the value and relevance of the new qualification.

We look forward to 2017, where we will be rolling out a series of these new and highly anticipated qualifications to our industries and workplaces throughout the year. We hope there is as much excitement when these become available, as our staff have, in finally being able to release them.

Another positive achievement is the penetration we are getting with the enrolment of Māori and Pasifika trainees. The percentage of Māori trainees in our industries is 11.3% and we have enrolments of 14.24%. Similarly, Pasifika people make up 4.2% of our workplaces, and we can report 4.88% of our trainees identify as Pasifika. Unfortunately, there is still a gap in the achievement of Māori and Pasifika trainees compared to the results of all trainees we service, and this is something our Board and management team are committed to rectifying. We have developed a number of pastoral care and mentoring strategies that we believe will lead to improved outcomes from 2017 on.

Our Industry Engagement team have produced some very powerful resources in the past year. Leading this is our revised *Workforce Scan 2017*, which is a comprehensive overview of the workforce in our industries; where there are skill gaps; and what the development needs look to be over the next few years. From this information, we have crafted an action plan to guide our work and, the work we do with our partners in workforce development.

Flowing from the *Workforce Scan* was the imperative from our industry groups for the need to promote our industries as viable and rewarding career options. We need to attract and retain talented people to our industries. Even when young people have a passion for sport and recreation, it can be difficult for them and their families to source comprehensive information on careers and job prospects. Unfortunately, the Careers NZ website has little information to assist decision-making.

Many school careers advisors can only give advice about university pathways to employment – but doing a degree in sport science or physical education is not appropriate in many cases. We took it upon ourselves to gather information on over 70 job roles within the greater

sport and recreation industries, the skills required, and pathways to train for those roles. We have produced career pathways posters outlining all of these opportunities and distributed these to every secondary school in New Zealand. There are online versions of these posters available on our website, and we have also developed job role cards, giving details of each identified job. We hope these measures help young people to make good choices, and encourage them to bring their talents into our industries upon leaving school.

I would also like to commend our OutdoorsMark audit team. 2016 saw a real focus on improving our systems and customer service delivery. The result has seen increased engagement with our operators, new audit products developed with a range of partners, and a positive result from JAS-ANZ, the accreditation body that audits our systems.

I think you all may have noticed an increase in the breadth and content of our communication channels over the past year. We are very proud of the improved products and services we can now offer, but this is pointless if we don't let people know about them! Our communication team has been strengthened, and they are doing a tremendous job across social media platforms and traditional media, in spreading our messages. We always welcome feedback on how communication can be further improved.

The final achievement I would like to highlight is our back office support structures. When I started at Skills Active in 2010, the customer feedback on our administrative support was atrocious. In 2016, the feedback we have received reflects an efficient and well-oiled business support team. In addition, the information technology improvements have been immense. We now have a leading edge trainee management system that, over the past year, has been further developed to include a multitude of dashboard reports that help drive trainee

completions and enhance Māori and Pasifika performance. Along with our e-learning platform, we have made leaps and bounds to stay in touch with a rapidly evolving electronic and information-hungry world.

The future is bright for Skills Active. With our high level of educational performance, exceeding all targets set for us, TEC have provided higher levels of funding for 2017. Get ready for the launch of a plethora of new qualifications and programmes in the coming year, delivering exactly what our industry has been working towards and waiting for. We plan to further develop our e-learning offerings, provide online portals for trainees and workplaces to closely track their progress, and move to online training agreements. We also will have completed the extension of our scope to include a whole new industry – performing arts. It is an exciting time!

So, once again, thanks to all of those who support our work. This includes our funders at TEC, our quality assurers at NZQA, our industry associations, and most importantly our workplaces, assessors and trainees who are committed to workforce development, and believe in the on-job delivery of learning as a great mechanism for realising this development.

Grant Davidson  
Chief Executive

# Our Strategic Outcomes

# Our Strategic Themes



Our strategic outcomes will be achieved through our actions targeting the following themes:



**SKILLS ACTIVE**

Is seen as the one-stop-shop for planning, developing and supporting careers in our industries.

Continues to grow as a strong organisation; relevant and valued by our industries and supported by all our stakeholders.

Leads and innovates workforce development in our industries.

Workforce solutions are developed that are led and endorsed by industry.



## Strategic Outcome 1

### Skills Active is seen as the one-stop-shop for planning, developing and supporting careers in our industries

Our people work in diverse, challenging and rewarding industries. Career pathways in our industries flow in multiple, mobile channels and support a diverse and often unique range of skillsets and experiences.

However, these sport and recreation career pathways are poorly defined and understood. They are not widely promoted as viable and desirable career options, in contrast to those of the science, technical, engineering and maths-based professions and trades.

That's why Skills Active endeavours to serve as the one-stop-shop for planning, developing and supporting careers for our industries. This objective is a vital part of our work programme.

We are committed to:

- Providing industry with tools to plan, develop and support careers
- Communicating, driving and implementing opportunities to develop on-job career pathways, including on going professional development
- Identifying and promoting the roles, skillsets and career opportunities within our industries, including the connections with other industries
- Promoting our industries' career pathways in ways that encourage ongoing participation by Māori and Pasifika

- Supporting industries to provide high standards of operation and quality delivery
- Promoting international recognition for qualifications to improve portability for our workforce.

Skills Active continued to make great strides in 2016 to deliver on this objective in a number of key areas.

#### Career Pathways

Working with our industry stakeholders, we identified and defined over 70 unique job roles in our industries in 2015. For each role, we defined the key characteristics of the role, pay rates, skillsets, number of jobs available, etc. We also indicated what training options exist to develop the skills required for those roles.

In 2016, we used this information to produce career pathway posters for school students, reflecting career paths in each of our industries. These posters received positive feedback from stakeholders and partners. Skills Active committed to sending out free copies of these posters to every secondary school in New Zealand in early 2017.

The next phase of this piece of work is to develop an interactive web portal that will enable people to research and plan their sport and recreation careers, as well as link the job roles with the skills,

competencies and attributes needed to successfully transition between roles.

This tool will align with existing resources from Careers NZ, the Ministry of Education and MBIE, which presently touch on, but do not sufficiently represent, our industry careers.

#### School awards

We continued to focus on initiatives that support and encourage entry into professional career pathways in our industries. In 2016, we launched two new Skills Active Youth Awards, in sport coaching and outdoor/adventure recreation. These deliver industry-approved programmes that foster connections between schools and employers, and build work-ready skills for young people who will shortly embark on working life.

The awards scheme has developed three levels of engagement with youth: experience and participation; leadership; and work experience.

Further Youth Awards will be developed in 2017 across these three levels.

### Simplifying the qualification landscape

As well as our ongoing work through the Targeted Review of Qualifications (covered in Strategic Outcome 4 of this report), we continued to simplify the qualification landscape, by aligning existing award schemes offered by industry associations, to NZQF qualifications.

In 2016, we saw New Zealand Outdoor Instructors Association (NZOIA) graduates being awarded NZ Certificates in Leadership, and having this recognised on their official records of achievement with NZQA.

We continued to work with the NZ Ski Instructors' Alliance to develop qualifications that will see qualified ski and snowboard instructors gain NZQA recognition for their skills, while still recognising the industry awards conferred by the NZSIA.

With the completion of TROQ and the rollout of new qualifications and programmes in 2017, we will continue to work with stakeholders to align existing industry awards and programmes to the NZQF, where possible.

### Enhancing the experience

Skills Active has worked on supporting trainees and workplaces by enhancing the learning experience. SkillsActivator, our online Learning Management System, was successfully expanded in 2016 (this is covered on page 24 of this report). In 2017, an online learning element will be added to all new programmes developed, and we will explore further provider collaborations around the online delivery of certain qualifications.

We also undertook work to develop trainee, assessor and workplace portals. Stakeholders will be able to log into these portals and access information about the training they (or their trainees) are undertaking. The trainee portal will be the first to launch in 2017.

### Industry awards

In 2016, we supported numerous industry awards recognising individuals and workplaces. This included sponsoring workplace and council awards, and national events such as the Exercise Awards and Māori Sports Awards. Skills Active trainees were also represented at Mayoral Taskforce graduation events, which represent all ITO trainees, and are run through the Industry Training Federation.

We also launched the inaugural Apprentice of the Year award at the NZRA National Conference. The winning apprentice was an individual from one of Skills Active's first apprenticeship cohorts, Shirlene Spencer, who completed an apprenticeship in swim education.

In addition to formal awards, we captured more than 10 Skills Active trainee and workplace success stories, and promoted them through various media, including the Skills Active blog, which was set up in 2016. And three new World of Opportunity videos were produced, showcasing individual careers in our industries.

### Registration scheme

Over a number of years, Skills Active has invested in developing the tools needed to operate as a "hub" for

industry registration schemes, and providing tools to promote standards, career pathways and access to employment.

In 2016, we continued to develop our online portfolio tool (ActiveCV) and online registration portal (NZRRP), both of which recognise qualified individuals in our industries who maintain the currency of their skillsets. Work began with the Mountain Safety Council to transfer the register of avalanche professionals to the NZRRP. We also worked with the NZ Register of Exercise Professionals to align their register with the portal.

Further development will continue in 2017 in order to roll these two initiatives out.

### International partnerships

Throughout 2016, Skills Active continued to maintain good relationships with international stakeholders. In 2017, we will continue to take advantage of and promote opportunities to increase the portability of qualifications. We will also work with international bodies and NZQA to promote equivalency arrangements for graduates.

### Moving forward

Skills Active continues to move towards our aim of becoming a one-stop-shop for careers in our industries. 2016 saw us build significantly on the gains we achieved in the year before. With the continued support of our industries, we will take yet another step toward this objective, and in doing so, build on the support that we can offer to those making their own career journeys through our growing industries.

## Greg McIntyre

Greg McIntyre is the owner/operator of Fat Tyre Adventures, Queenstown.



When I started mountain bike guiding 15 years ago, I had a Land Rover and three bikes and away we went. My accountant had told me it was ridiculous and not to do it, but I don't have an accountant's brain. Being outside riding my bike in the mountains of central Otago and doing something I'm passionate about – that's what ticks my boxes.

The targeted review process was my first introduction into how slow things move! It takes time, and I understand that, because it's an education thing.

Now that we're at the stage of creating Level 4, 5 and 6 qualifications, you want to get it right, because if you have to go and change something it's going to take time. That's what I've learnt - you've got to look around the corner.

The new qualifications will legitimise our industry and what we do. If I can get staff going through that process of learning, then it's not just me as a manager banging on about what they should do. And at the end of all that training – health and safety, customer experience, and more – the employee becomes the student and they come out with something real, and internationally recognised.



# Strategic Outcome 2

## Skills Active continues to grow as a strong organisation; relevant and valued by our industries and supported by all our stakeholders

### A skilled management team

2016 saw some changes to the Skills Active Senior Management Team, with new appointees in the roles of General Manager Industry Engagement, General Manager Trainee Support and Manager Safety, Auditing and Accreditation, OutdoorsMark. These appointees brought with them skillsets that were complementary to those of the existing team members, with the overall result being a cohesive, highly skilled management team, capable of achieving the organisation's strategy and business objectives.

### Valued, motivated and committed staff, 2016 Kenexa Best Workplaces Survey (BWP) summary

For the eighth consecutive year, Skills Active ran the IBM Kenexa Best Workplaces survey in May 2016. Traditionally we have conducted this survey in August, but for 2016 and future years, we have decided to survey staff in May, to better feed into planning for the upcoming year. Our participation rate for this survey was 95.3%, which is unchanged from 2015.

Staff are asked to score the organisation across a number of areas. Our level of engaged staff continues to rise, while our level of disengaged staff has remained constant.

### IBM Kenexa Best Workplaces Survey 2016

Performance Index



1. Common Purpose



2. Quality and Performance Focus



3. Communication and Cooperation



4. Wellbeing



5. The Person I Report to



6. My Team



It should be noted that any staff member who does not complete the survey is treated as disengaged, and the 4.9% disengaged in 2016 represents the two staff members who did not complete.

7. My Job



8. Learning and Development



9. Performance and Feedback



10. Reward and Recognition



11. Overall Perceptions



12. Taking Action



13. Final Thoughts



Overall, the survey recorded improved scores in all areas. However, we continue to strive to lift our level of staff engagement. Some of the existing measures in place to make coming to work a positive experience for everyone at Skills Active include:

- A strong emphasis placed on work/life balance, endorsed by all senior managers and team leaders, and promoted in practice
- Regular events that bring regional staff into head office, both to maintain a sense of esprit de corps, and to give all staff opportunities for face-to-face interaction, as a complement to our strong internal communication systems
- A regular programme of catered events run by our staff social club this includes: our annual Christmas party, at which staff are recognised through a range of awards, and are invited to bring their partners
- Access to a counselling service through our Employee Assistance Provider
- The provision of free fruit. Free eye testing, and a cash contribution towards physical wellness activities (e.g. gym memberships), for staff of one year's tenure and above.

Alongside these permanent processes, each year an internal team analyses the results of the Best Workplaces survey, and works alongside the Senior Management Team in order to improve the results of one to two key focus areas.

For 2016, our chosen key focus area was the feedback and coaching received by staff, and the following actions were taken:

- A new section was added to our online performance management system, allowing staff to comment on the effectiveness of the coaching and feedback they receive from their manager
- All team leaders embarked on a 12-month team leader development programme, which includes training in providing coaching and feedback. This is ongoing.

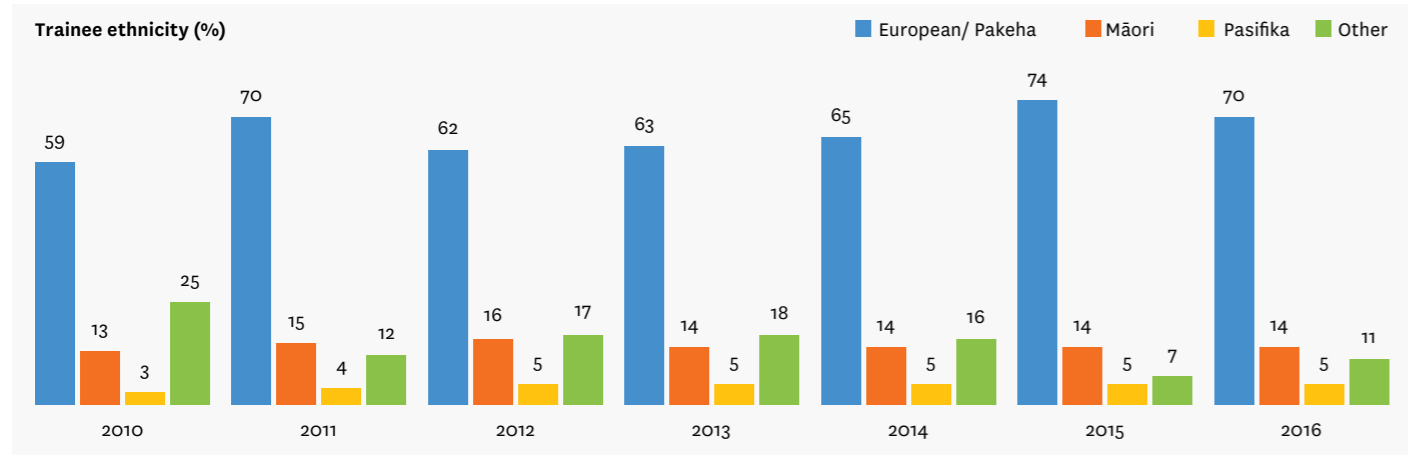
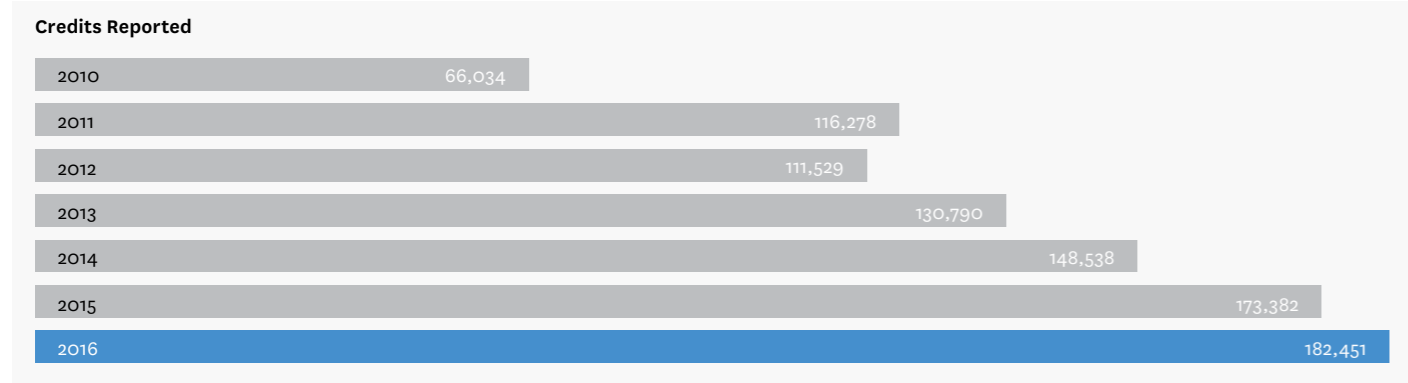
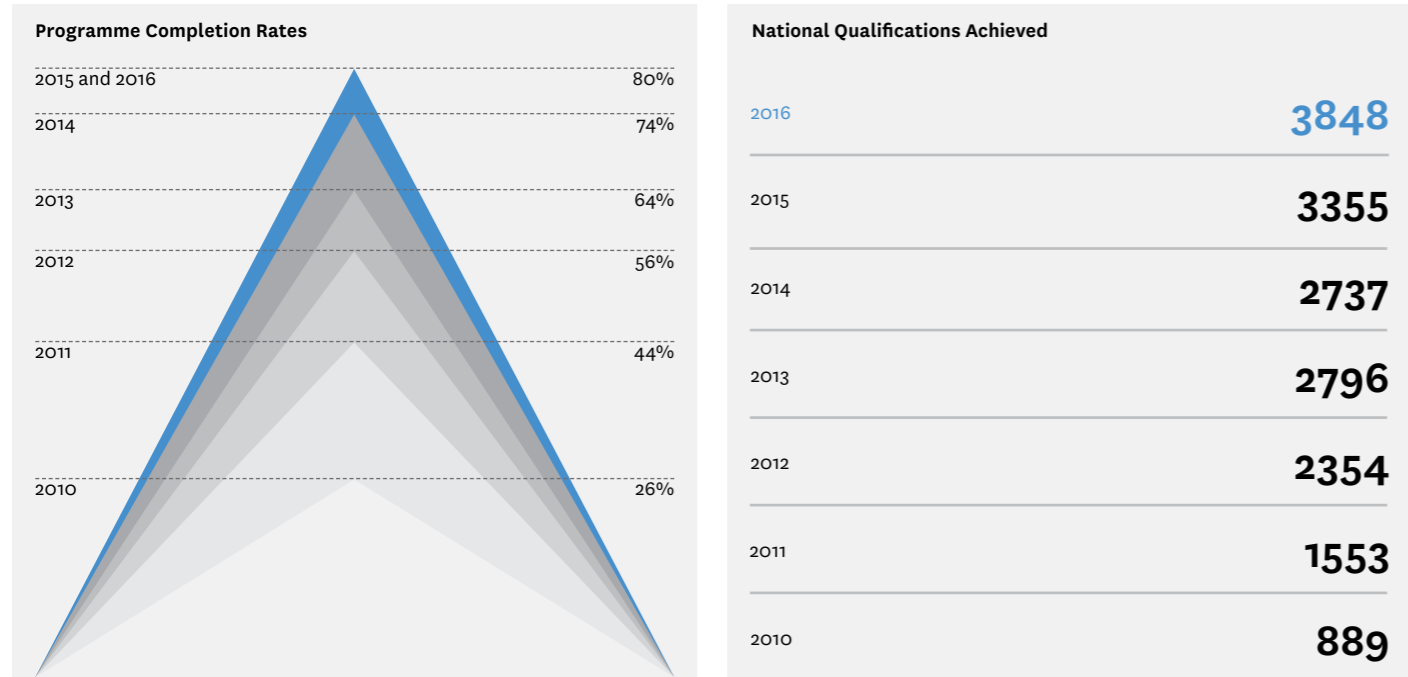
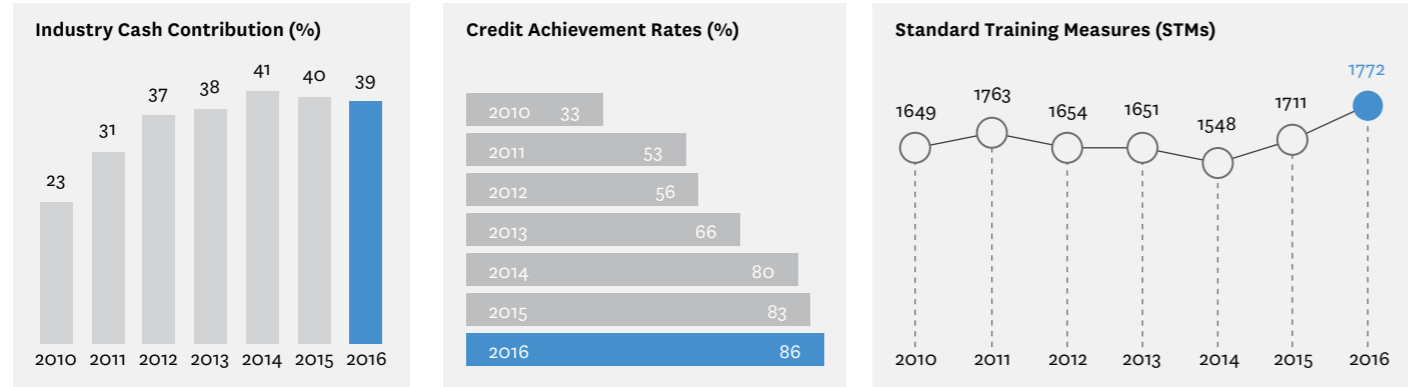
### Effective tools and resources

2016 saw the further use of Kaizen tools throughout the organisation, particularly visual management display boards, which have become an integral part of the day-to-day reporting of the organisation.

The fleet of new vehicles that was rolled out in 2015 continues to meet the needs of the particular areas in which they are situated. All computer equipment is current and fit for purpose, with an effective replacement schedule in place for all hardware. This aligns closely with the continuing development of both internal and external systems, detailed in the approved three-year ICT roadmap. This ongoing commitment to development and new technology means that the organisation will always have equipment and systems that work hand-in-hand, rather than one being hampered by the restrictions of the other.



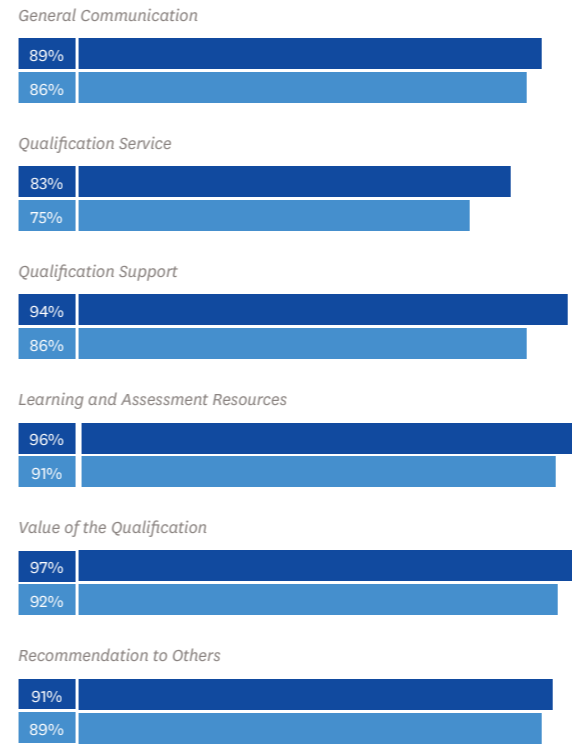
## Summary of Key Performance Indicators



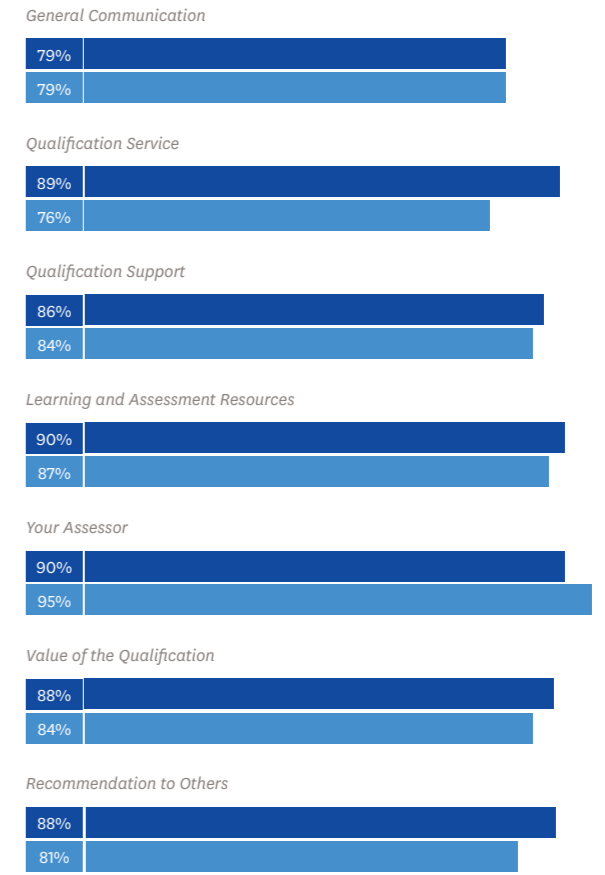
## Customer Satisfaction Survey

Every year Skills Active undertakes surveys of workplaces, trainees, assessors and stakeholders to get feedback on their levels of satisfaction with our services and products. The summary of results for the 2016 survey show good levels of satisfaction across all areas. Of particular note is the increased level of satisfaction across our workplaces compared to 2015.

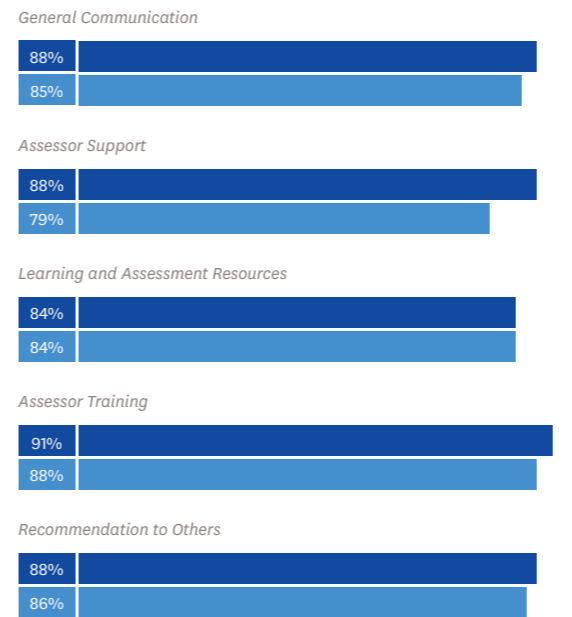
### Workplace Survey Summary



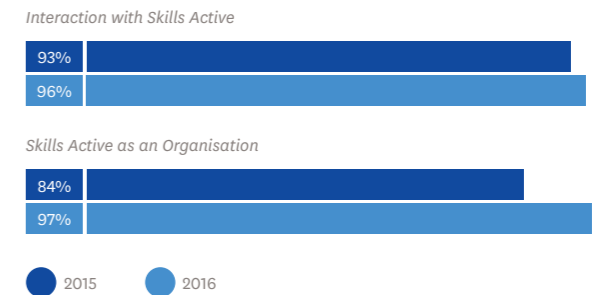
### Trainee Survey Summary



### Assessor Survey Summary



### Stakeholder Survey Summary



## Craig Goodall

Craig Goodall is deputy director of the Auckland Art Gallery/Toi o Tāmaki.

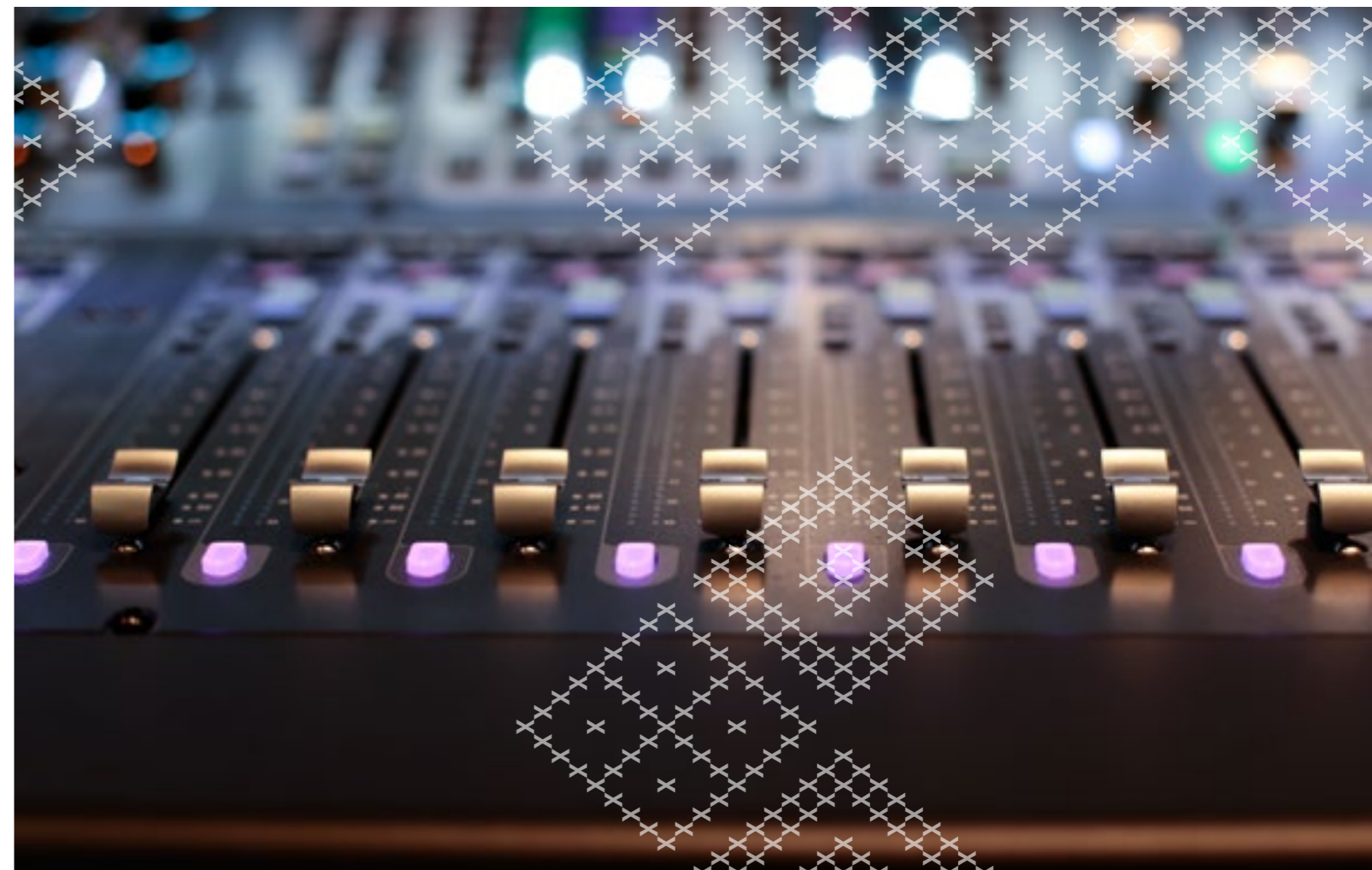


My background was in hospitality management, and subsequently I have been a GM/CEO of large venues including the Wellington Regional Aquatic Centre, the St James Theatre and Opera House, and North Harbour Stadium.

For the past three and a half years I've been the Deputy Director of the Auckland Art Gallery. I look after venue operations, governance, legal, finance, security, health and safety and marketing.

I've been a longtime member, including President of EVANZ and I was on the SFRITO advisory group that helped develop the original Facility Managers Diploma, 12 years ago. Then about five years ago, we started the process to develop the qualifications that we are getting signed off now.

These new qualifications represent a huge opportunity for our industry. We will have people throughout New Zealand in roles with access to on-the-job qualifications that can complement whatever tertiary education they already have under their belt. These new qualifications bring in real-time experience – and it's that practical experience that is so important in our industry, particularly with the new health and safety legislation.



# Strategic Outcome 3

## Skills Active leads and innovates workforce development in our industries

Skills Active continued to champion workforce development in 2016, for our sport, recreation, outdoor, exercise and snowsport employers.

The foundation of our workforce planning efforts was laid in 2015, when we worked with Sport NZ and the New Zealand Recreation Association (NZRA) to develop a Workforce Planning Framework, which aids organisations in thinking and planning for their current and future workforce needs.

From this framework, we identified a number of projects to take forward in 2016. These reflected the following workforce framework priority areas: Planning; Engagement and Recruitment; Support and Development; and Reward and Recognition.

### New resources for planning the sport and recreation workforce

One of our key 2016 initiatives was the workforce planning toolkit, aimed at empowering industry organisations to analyse the skill and capacity they have on hand, and plan for the workforce they will need in the coming years. The toolkit was tested and refined throughout 2016 with a number of stakeholders, with the intention of delivering it online in early 2017.

In both 2015 and 2016, we worked with industry stakeholders and research

firm Infometrics to profile each Skills Active industry – its contribution to the economy, workforce characteristics, industry-specific trends, and issues in workforce development. We published this information in the inaugural *Skills Active Workforce Scan 2016*, and updated this publication in late 2016 with the *Skills Active Workforce Scan 2017*. We were able to include the performing arts industry in the 2017 report, thanks to ongoing support from our industry stakeholders and partners.

Alongside the *Scan*, we published a detailed three-year action plan to address workforce development issues identified in each industry, in the areas within Skills Active's influence. One of the key activities coming out of this action plan is the establishment of industry advisory groups in 2017, to identify, champion and deliver on the workforce needs of their respective industries.

Both *Scan* and action plan have been very well received. We intend to update these documents in late 2017 to maintain the currency of information presented.

### Enhancing our delivery options

In 2016, we introduced a new delivery approach, blended learning solutions – that is, delivering on-job training through a combination of e-learning and traditional workbooks. We have also continued to work with key clients to

deliver qualifications via our successful benchmarking method, which aligns internal training procedures to match NZQF requirements, and fills any gaps.

PGA New Zealand is one organisation with whom we have collaborated, in order to deploy benchmarked apprenticeship programmes, via their PGA Academy. Twelve new apprentices were signed into apprenticeships in 2016, further strengthening the relationship between our two organisations. PGA New Zealand is committed to the ongoing enrolment of trainees, while also actively anticipating new qualification releases. They have signalled to us that they will be engaging with new Skills Active programmes as they become available.

For those clients that are not in a position to implement a customised or benchmarked programme, we have continued to explore new ways to achieve our off-the-shelf products, which give all learners the chance to fully engage in the on-job training experience.

With the aim of increasing our engagement with small and medium workplaces in particular, we are developing an all-inclusive service offering – the full service model. This model will make the process of achieving qualifications a little easier for those companies that may not have the internal capacity to actively manage the learner experience.



## Stephen Gascal

Stephen Gascal is registrar of the New Zealand Register of Exercise Professionals.



REPs is the quality mark for exercise professionals and facilities in New Zealand. In our role as the registration body, we were one of the parties giving input into the Targeted Review of Qualifications.

We are in daily contact with a large number of facilities, exercise professionals and students, which means we have a good feel for what people are saying out there in industry, and what aspects of the current qualifications haven't quite been sufficient to meet the needs of industry.

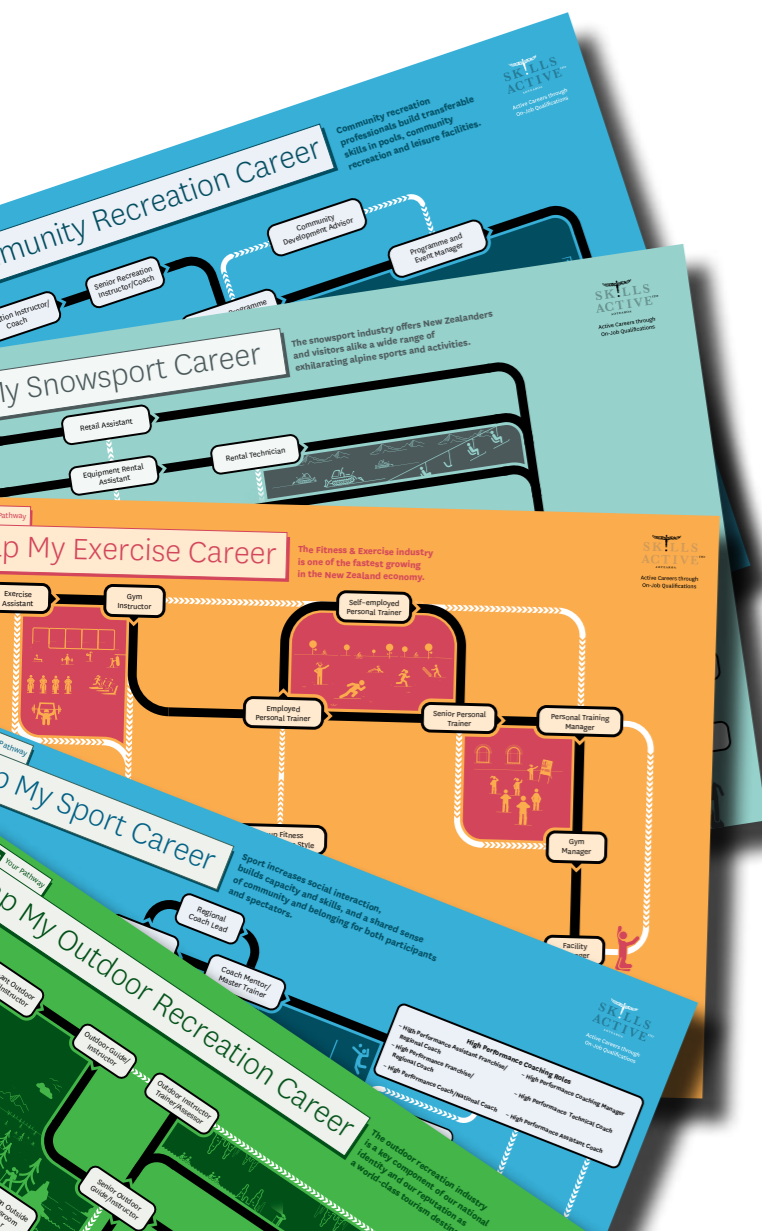
I believe the new suite of qualifications will expand the market opportunities available to the exercise profession – for instance with the inclusion of a new educational focus on nutrition and special populations.

I also feel confident that we have sufficiently future-proofed the qualification needs for the next few years ahead. Some of the specialisations we're talking about haven't been widespread, but they will become more common once people hold these new qualifications, and can provide these new services.

And that's particularly the case around nutritional support, which is one of the key parts of successful exercise prescription for New Zealanders.

# Strategic Outcome 4

## Skills Active workforce solutions are developed that are led and endorsed by industry



### Targeted Review of Qualifications (TROQ)

Skills Active made significant progress in 2016 towards completing the TROQ projects to review 175 sport, exercise, recreation qualifications and 75 performing arts qualifications. The majority of the new qualifications were developed, signalling the end of a major piece of work for Skills Active and the industry stakeholders that have been involved, since these projects kicked off in 2011. The end result is 53 New Zealand Qualifications for the recreation, sport and exercise industries and 25 New Zealand Qualifications for the performing arts industry.

With the majority of new qualifications listed, or submitted for listing with NZQA, the focus in 2017 will shift into programme development, so that the new qualifications become available to industry, workplaces and trainees.



Our thanks go out to all our industry stakeholders for their involvement in the hundreds of technical and strategic advisory group meetings and consultation processes, and for their general support of this mammoth project. Your contributions have ensured that these new New Zealand qualifications are industry-driven, and have the needs of industry embedded within.

### Qualifications for new areas

While TROQ was focused on the review of existing qualifications, the process also created an opportunity to identify new areas where qualifications were needed. The exciting outcome of this is that we have now developed qualifications in areas which previously have not had a national qualification, including:

- Senior Pool Lifeguard Level 4
- Specialised Swim and Water Safety Teacher Level 4
- Facility Operations Level 4
- Outdoor Experiences Level 3 and Level 4
- Outdoor Leadership – specialising in activity areas not previously available (Alpine, Caving, Education Outside the Classroom, Highwire, Hunting and Fishing)
- Avalanche Risk Management Level 4 and Level 5
- Alpine Resort Operations Level 3
- Sport, Recreation and Community Programme Delivery Level 3
- Sport, Recreation and Community Programme Development and Programme Management Level 4
- Ngā Taonga Tākaro Level 3, Level 4 and Level 5
- Pre-designed Exercise Instruction Level 3
- Entertainment and Event Technology Level 4 and Level 6
- Entertainment Venue Operations Level 3
- Performing Arts Instruction Level 4 and 5

# Dominic Sainsbury

Dominic Sainsbury is general manager of PGA New Zealand.



I have been a golf professional, a university lecturer, and I've run a golf business. I am now the general manager of PGA New Zealand, having previously been the education manager. I still oversee the education programme along with the other aspects of the business.

At PGA New Zealand we can offer our students the internationally-recognised PGA qualification. But through the benchmarking we've done with Skills Active, we are now also giving our apprentices nationally recognised qualifications that are not just relevant to the golf industry, but transferable across the entire sport and recreation sector in New Zealand.

Through the benchmarked apprenticeships we also have access to an external review of what we do.

It can be easy to get stuck in what you yourself are doing, so it's good hearing what's happening in other parts of the sector, and having external oversight from industry.

We are very interested in the facility management qualification that is coming out of the TROQ review. There are 400 golf clubs throughout New Zealand and they are all businesses. They normally have a shop and a restaurant as well as a golf course. You really need good facility management skills to be able to work effectively in positions of management in this industry.

## New programmes and resources

Skills Active developed and launched a number of new programmes and resources in 2016 to support qualification achievement. Some highlights for 2016:

### New programme for alpine resort operations

A major highlight in 2016 was the launch of the New Zealand Certificate in Alpine Resort Operations (ARO) Level 3, with 1,088 graduates at the end of the snowsport season.

This qualification, designed specifically for the alpine resort industry, was one of the first new qualifications to come through the Targeted Review of Qualifications process, and our first snowsport qualification across the line. It covers the skills required to work at an alpine resort, including understanding the organisation one is working for, the wider industry, how to work safely, and how to provide exceptional service. Once completed, trainees can go on to complete technical qualifications specifically related to their job role on the mountain.

The programme was partially delivered and assessed online through the Skills Active e-learning system, SkillsActivator, with the rest of the programme delivered and assessed internally through each snowsport organisation.

Our alpine resort trainees are the face of the snowsport industry, responsible for making sure domestic and international tourists have a great time on the mountain. The graduates of the new Skills Active ARO qualification will be able to deliver safe and awesome experiences that have visitors and guests returning for more.



## New Youth Awards

Skills Active launched two Youth Award programmes this year - the Growing Coaches<sup>PLUS</sup> Programme and the Tramping and Camping Programme.

These award programmes have been developed as part of our workforce development strategy to attract young people to enter and develop careers in our exciting industries. The awards will be developed over time, and offered at three levels:



Unit standards achieved through the Youth Awards can be used to achieve relevant Vocational Pathways as well as for NCEA credits. They will also lead into New Zealand qualifications, so learners are on the journey to achieving an industry qualification.



### SportSafe

Skills Active teamed up with Sport NZ to create an online course, SportSafe, outlining the rights and responsibilities of workers under the new Health and Safety at Work legislation.

SportSafe was designed especially for people in sport and recreation organisations, whether paid or volunteer. The course is also aligned to a unit standard, so on completion, the learner has achieved Unit 497. More than 700 people have enrolled in the course, with over 400 completions to date.

### Supporting our assessors

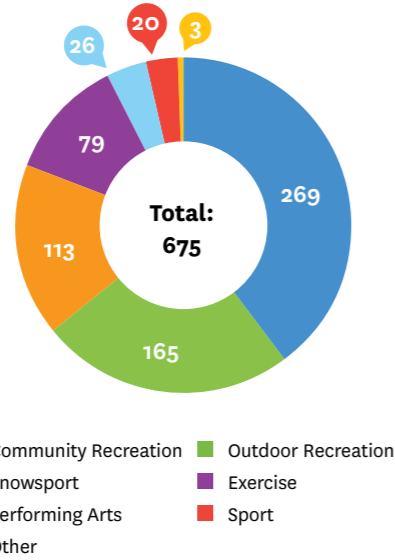
Assessors play a vital role in ensuring the quality and consistency of workplace skills and knowledge. The role of an assessor is to evaluate and make objective decisions regarding trainee competency.

Skills Active uses a workplace assessor model, i.e. assessment is normally carried out by Registered Assessors employed in the workplace. Other assessment options, such as the use of roving assessors, are available if this model is not appropriate for a particular workplace.

The types of assessors are:

- Workplace Assessor
- Roving Assessor: a Registered Skills Active Assessor who can assess across different enterprises outside of their own workplace
- Senior Assessor Mentor (SAM): A more experienced Skills Active Registered Assessor who has been approved to assist in the training, registration and support of other assessors.

In 2016, the number of Skills Active Assessors continued to climb, peaking at 675 as show in the graph.



Community Recreation  
Snowsport  
Performing Arts  
Other  
Outdoor Recreation  
Exercise  
Sport

While the high number of assessors reflects huge support and engagement with Skills Active qualifications, there is also a need to ensure assessors are currently assessing, and that there is need for them within their workplace. In 2017, we will be looking at our assessor models and determining the most appropriate model for each of our industries.

Given the large pool of assessors, in 2016 we identified the need for a dedicated Quality Assurance/Support role within the Learning Solutions team. The new Moderator/Assessor Support role was filled in mid-2016, and this staff member is supporting our assessors face-to-face, alongside our Learning Support Advisors.



# OutdoorsMark

OutdoorsMark continues to grow and develop under the Skills Active umbrella. During 2016, we've crossed many milestones. The most outstanding of these were the completion of the JAS-ANZ certification, bringing in new staff members, and the introduction of new audit products including a tailored programme for Education Outside the Classroom in schools.

JAS-ANZ – the Joint Accreditation System of Australia and New Zealand – is the accreditation requirement for audit providers (also known as conformance assessment bodies or CABs) such as OutdoorsMark. We must hold this accreditation, in order to be recognised by WorkSafe to audit against the Health and Safety at Work (Adventure Activities) Regulations 2016.

OutdoorsMark successfully completed the JAS-ANZ audit in August 2016. This achievement reflects the high performance of the OutdoorsMark team and its systems. For our clients, what this means is the guarantee of a consistent and thorough audit process, and a robust report. The JAS-ANZ logo will feature on the certification of all OutdoorsMark adventure activity operators from 2017.



Jason Hare

## A growing team

OutdoorsMark restructured its staffing during the early part of 2016. We took this step to ensure the business was sustainable moving into the future. The restructure resulted in two new members of the OutdoorsMark team. Jason Hare was appointed as the Manager, Safety Auditing and Accreditation. Jason has a strong background in quality management systems over a number of years, working both nationally and internationally. His drive for consistent and transparent processes will ensure OutdoorsMark delivers a quality product to its clients.



Dave Watkinson

Dave Watkinson was appointed as Audit Coordinator in June. Originally from the UK, Dave has an extensive background in the outdoor sector and safety auditing, and brings a wealth of skills and knowledge to the role. Dave has an understanding of and affinity with adventure activity operators. This compatibility ensures he can achieve the best fit of operator and auditor, meaning a cleaner audit process.

## Auditor consolidation

Along with the staffing changes, OutdoorsMark has consolidated its pool of contracted auditors. Cutting back from 12 to five adventure activity auditors has enabled us to deliver better consistency and quality to our operators. Refining the audit team has aided our JAS-ANZ accreditation, by ensuring that all audits are completed to standard, and within the strict time requirements. The current team of OutdoorsMark auditors are highly skilled and respected in the adventure sector.

The Tourist Industry Association NZ, together with the Rental Vehicle Association NZ, have developed a Code of Practice for Informing Overseas Drivers, with a view to helping to reduce motor vehicle accidents involving overseas drivers in rental cars. OutdoorsMark has worked together with TIANZ to develop an audit product that ensures rental car operators are complying with this code. Compliance includes providing correct information to international drivers in New Zealand, and correctly evaluating drivers' abilities to drive safely. We are now in the second year of implementation, and 25 rental car companies have been certified through this product.

The Premium audit product, as the name suggests, gives the highest level of confidence to operators and their clients that high-quality safety management systems are in use. This product is designed for operators who want to have all of their outdoor activities audited, whether or not they are covered by the Adventure Activity Regulations. The audit involves both a document review and onsite visit, and delivers an in-depth compliance report. This is a voluntary audit for activities not covered by the regulations, and we commend those operators willing to put their whole operation through this independent review process.

OutdoorsMark is looking forward to growth in the products above and the development of new products, both domestically and abroad.

## Re-certification

2016 marks the second surveillance activity for most adventure activity operators, which means that 2017 will be a full re-certification. This is a major event for operators, as well as for OutdoorsMark.

Therefore, we have been working to provide as much information to our

clients as possible. Since the previous certification in 2014, major changes have occurred in health and safety legislation and regulations. In turn, the Adventure Activities Safety Audit Standard has also been updated. Ensuring operators remain compliant amid the transition has meant constant changes required to their safety management systems. At OutdoorsMark, we are committed to making sure operators fully understand the changed requirements well in advance of their 2017 re-certification audits.

## Engaging with industry into the future

OutdoorsMark has a range of training and moderation planned for our new and existing auditors, and those currently in training. We also intend to deepen our engagement with operators, through regional roadshows, newsletters, and more phone and Skype conversations. This will help to ensure OutdoorsMark continues to meet the needs of its clients, and understand any issues of concern to them.

With the changes over the last two years settling in, and the consolidation of contractors, we believe OutdoorsMark is positioned to grow and strengthen.



## Kyle Barnes

Kyle Barnes is the owner/operator of Caveworld, Waitomo.



Caveworld is a small, family-owned and operated business, and I've been part of the business since its inception 26 years ago.

Although we were consulted in developing the new legislative requirements and the good intention was clear, the regime itself seemed daunting. Not because of the safety aspect, but because of the amount of time, paperwork, and culture change required.

To implement the changes, we split it into two parts: paperwork and practice. Increasing our documentation to the level an auditor needs to see, took a lot of time and caused some stress, but we now have a living document that we are continually working on. In terms of practice, we are proud of our great work culture, we have very low staff turnover, and we are 'get it done' people. We have had to gently bring in the changes, in order to move towards a culture of 'record, discuss, review, get it done, review, report'. It's a work in progress.

It has been difficult going from having autonomy and operating safely, to needing to pass an external audit to continue feeding your family. It's a vulnerable feeling. But it has increased our focus on safety, and it has added to the safety of our customers and guides.



## Jamie Obern

Jamie Obern is an **OutdoorsMark** auditor and the owner/operator of **Tech Dive, Auckland**.

I started scuba diving when I was sixteen. I've previously owned a dive shop, and I've run diving operations in a range of countries. Since 2009, I've run my own operation, Tech Dive New Zealand.

I also have an accounting and auditing background, and in 2014 I sat on the Activity Safety Guidelines committee for diving. Some of the other operators approached me then and suggested I become an auditor.

At first, as an auditor, I noticed that some operators would just try to throw paperwork at the problem, without a very strong link between the paperwork and the actual practice. Over time, the good operators have realised that used properly, paperwork contributes to better safety. And they've streamlined the process so they are no longer drowning in paperwork.

I am an operator and I get audited too, so I know what it's like. My advice for others is, please don't get angry with your auditor. We are there to help you, and the process is so much smoother when a good relationship is in place.

If you are new, or you don't understand something, seek advice early on to get your processes right, and you'll save a whole lot of time and money in the long run.



## Rebecca Abbott

Rebecca Abbott is EOTC coordinator and social science teacher at Diocesan School for Girls, Auckland.

I've been teaching for 25 years, and at Diocesan School for Girls (Dio) for 21 of those. I taught Health and PE at first, and after having my two children, I returned, taking up the role of EOTC Coordinator, with some teaching responsibilities. My role has now evolved to the point that EOTC and health and safety take up most of my time.

At Dio, our EOTC programme runs from Year 4 through to Year 13. With a focus on all-round excellence, Dio recognises the importance of developing the whole girl. Our programme provides students with opportunities that link classroom learning to the outdoors, building and developing the student's skills of communication, resilience, leadership and cooperative learning. Making ethical decisions about being in the outdoors and managing risk in a safe way are all important components of our EOTC programme.

Dio previously underwent the OutdoorsMark audit when it was part of Outdoors New Zealand. We participated in this audit because we believed our programme would benefit from some robust feedback about our current practice. When OutdoorsMark transitioned to being part of Skills Active, it was a fantastic step forward when they introduced the specific EOTC audit programme for schools.

Going through the process now, we can see the differences between the two audits. The first time we participated, it was very commercially-oriented, and there were a lot of elements that didn't align with our school. The new programme is tailored to education.

The latest audit provided us with some valuable new initiatives and a framework to continually move forward and improve. It also reassured us that our current practice is robust and effective. It's all very well having lots of paperwork, but it needs to actually work as well. It's been invaluable having a review and an external perspective on our programme. One of the challenges is that it is a time-consuming process. I am lucky in that my role as an EOTC coordinator is almost full-time now, but realise that this is not the reality for many other schools.

Another challenge for us was that there is a lot more interlinking between occupational/workplace health and safety, and EOTC guidelines that are set by the Ministry of Education. So a key focus for us was on connecting the dots between these two areas. This has resulted in an increase in the level of compliance and the need to upskill significantly in the area of health and safety, resulting in a very robust health and safety programme that is more closely aligned to Dio.

The audit process is a fantastic initiative for schools to get on board with and it would be great if it was mandatory. Having been a teacher for a long time, I know that schools can't always invest in this area but the legislation is such that we do have a responsibility for the students we teach, as well as our colleagues when they are involved in EOTC programmes. By going through a process like this, that's how we know our practices are robust enough to stand up to current requirements.



# Success for Māori

## Strategic objective:

**Skills Active workforce solutions are developed that are led and endorsed by whanau, hapū, iwi.**

**All material is reviewed for cultural appropriateness, using a Wānanga Kaupapa Māori approach.**

**Promotion of Māori and Pasifika success in our industries.**

### Te Runanganui o Ngāti Porou and Skills Active Aotearoa work together to deliver Marae Catering qualification

It has often been said a true understanding of the present can only be obtained through considering the past. Whakataukī (Māori proverbs) can help us look into the past, offering insights that still hold true in contemporary society. One such whakataukī states:

*Ka pū te ruha ka hao te rangatahi.  
As an old net withers, another is remade.*

When an elder is no longer able to lead, another leader will stand in their place. Therefore, we should be future-focused and support emerging leaders, while honouring our current leaders and those who have gone before.

*“Ka pu te ruha ka hao te rangatahi,” is a well-known proverb which has truly come to pass. As we look around today, few are the grannies left for us to look to; they have truly made way for the younger generation to carry on, just as the proverb implies. Even those who remain have not the same influence as of old, when one kaumatua could speak for a whole hapū, or perhaps several.*

- Rora Paki, Māori author

### Mai te tīmatatanga

In 2011/12, Te Runanganui o Ngāti Porou and Skills Active Aotearoa developed a partnership to deliver the National Certificate in Marae Catering Level 2. This was to be the first time the programme would be offered in a marae setting on this scale.

Skills Active’s Marae Catering programme recognises the long-held experience of ringawera (marae workers), and also drives new learning. Foremost, it provides a succession plan for rangatahi (young people) to learn from experienced ringawera, and gain a qualification in a marae setting which can lead to further work and training in the hospitality industry.

Over the past five years, over 100 whānau members from Ngāti Porou marae (including Rauru Marae, Rāhui Marae and Taharora Marae) have successfully completed the programme and graduated with the National Certificate in Marae Catering.

A further cohort from Te Tini o Porou, Kaiti in Gisborne has enrolled to complete in 2017.

Tāmati Reid, Kaumātua of Ruawaiapu/ Ngāti Porou says: “It’s very important for our rangatahi to be on a marae, we need to encourage them so when we, our pakeke (elders), pass, they are the ones who are going to be left with the legacy to be strong themselves.”

Josie Tangaere, Kaiārahi Service Manager at Te Runanganui o Ngāti Porou, adds: “Furthermore, the benefits of working with our marae and getting our marae people qualified, not only gives them opportunities to expand their horizons, but it gives back to our marae the mana of learning.”

Taharora Marae, Waipiro Bay Graduation January 2017.

Nanni Dot Te Oraiti Manuel presenting the National Certificate in Marae Catering to Rita Rickard-Hīnaki. Nanni Dot was a recipient herself of the National Certificate in Marae Catering at the inaugural graduation at Raurunui a Toi marae, Ruatōria, 2011.



2016 Marae Catering Programme graduates at Taharora Marae, Waipiro Bay, East Coast



**Continuing success in the health sector**

Skills Active and the Capital and Coast District Health Board (CCDHB) have worked to develop and implement an NZQF-aligned training programme, allowing staff to work confidently with Māori in the health sector, and reinforcing the DHB's long-term training vision for its workforce.

After the initial success of the qualification in 2015, CCDHB enrolled a further 30 staff into the Te Tohu Whakawaiaora (National Certificate in Māori Management Level 3.) At a ceremony in February 2017, chief executive Debbie Chin presented graduates with National Certificates in Māori Management.

Guest speakers at the graduation ceremony included CCDHB Kaumātua Peter Jackson and Director of Māori Health Services Arawhetu Grey.

**Counties Manukau DHB and Te Roopu Waiora**

The Te Roopu Waiora Trust is a unique advocacy group based within the Counties Manukau DHB catchment, which provides services to whānau hauā (people with disabilities) and their families. These disabilities may include kapo, turi, wakatūrū, hinengaro (blindness, deafness, wheelchair-bound, brain injury).

Te Roopu Waiora won the 2016 Health Minister's National Award for Volunteering in the Māori and Pasifika Ambassadors and Advocacy category. Some 10 trainees from this group have completed the National Certificate in Māori Management. Five of those trainees went on to complete further training which will allow them to assess others undertaking the programme.

Skills Active and Te Roopu Waiora worked together to deliver a unique workshop to facilitate the assessor training, which had a kaupapa Māori focus, and included a number of participants with physical disabilities, as well as their respective support people.

The workshop facilitator and participants conversed in and out of Te Reo and English, and used Te Ao Māori concepts to help new assessors learn the principles of assessment within a hauora (health and wellbeing) context.

Through the collective efforts of Te Roopua Waiora and Counties Manukau DHB, and with help from Skills Active, the group's whānau hauā and their carers have been able to lead this project and take 'the direction of life back into the hands of whānau'.

**Taitokerau Rugby League**

Taitokerau Rugby League (TRL) operates within the iwi rohe of Muriwhenua and Ngāpuhi – the Far North District. TRL was born out of community action and a desire to grow the game of league locally, making the competition more accessible.

TRL views rugby league as a vehicle for improving whanau, hāpu and iwi hauora. To this end, TRL is uniquely and proudly Māori. Its underpinning value is tinorangatiratanga, bound by whakapapa connections.

In 2016, TRL committed to sign up 15 trainees to undertake the National Certificate in Recreation and Sport (Coaching and Instruction) Developing Coach Level 3, and the National Certificate in Recreation and Sport (Officiating) Level 3.

Together, TRL and Skills Active committed to two weekend wānanga in early 2017 to

support trainees through their learning. TRL identified suitably qualified assessors and wānanga facilitators, and TRL chair Dave Bristow made qualifying the league's coaches and referees through Skills Active a priority for 2017.

**Projects and engagements underway in 2017**

- Ngāi Tahu engagement
- Te Whānau o Hine Paaka, Hakatere Marae, Marae Catering
- Ngāti Waewae, Hokitika, National Certificate in Māori Management
- Māori and Pasifika ITO Network
- Engagement with Waikato Tainui

**Targeted Review of Qualifications**

Māori Management Level 3 and Business Levels 3 and 4:

- Now listed with NZQA, the qualifications gained the overall rating of He Pounamu Kahurangi – the highest rating under the Mātauranga Māori Evaluative Quality Assurance programme.

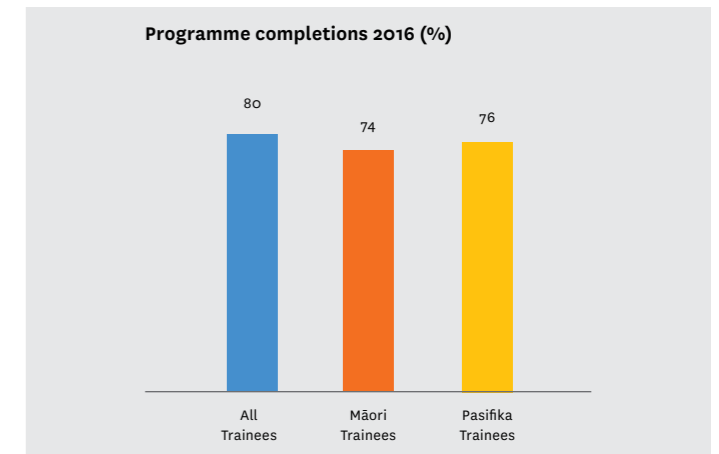
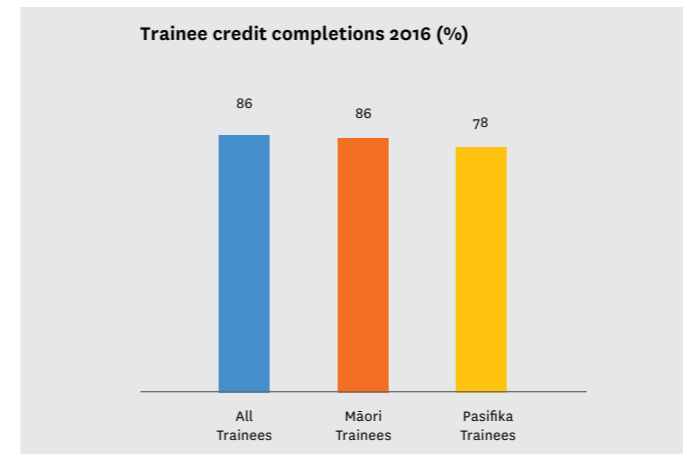
Ngā Taonga Tākaro Levels 3, 4 and 5:

- These qualifications have been distributed for final consultation.

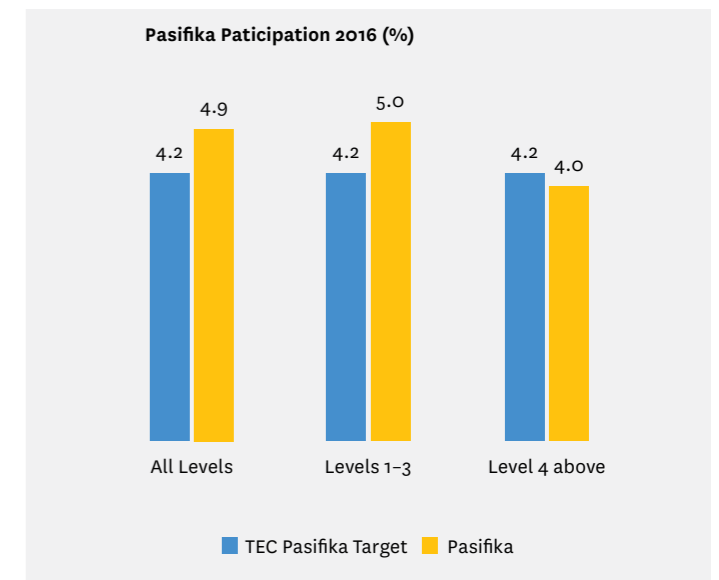
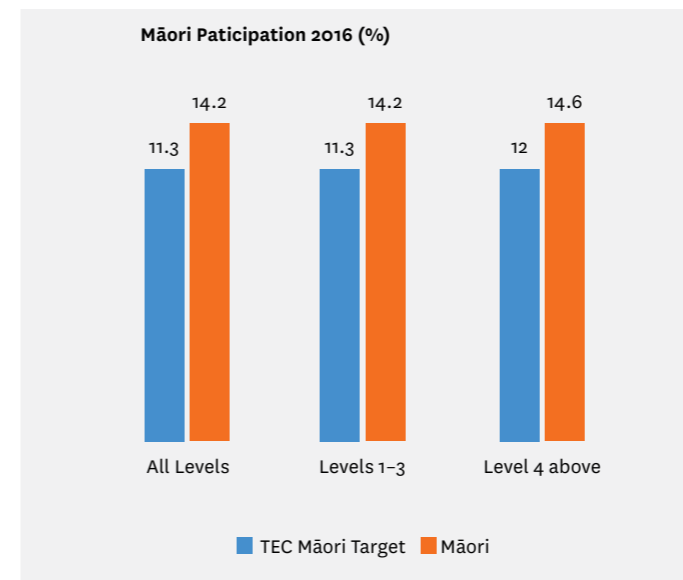
Manaaki Marae Levels 3 and 4:

- Now listed with NZQA.

*Strategic objective: Māori/Pasifika achieving at least the same or higher than non-Maori/Pasifika for credit and programme completion rates (75% +)*



*Strategic objective: 12% Māori and 4% Pasifika trainee participation*





Skills Active board member Des Ratima presents Ronin with his award

**Ronin Ihaka Ainsley - Skills Active Māori Sports Award recipient for 2016**

In partnership with the Te Tohu Taakaro o Aotearoa Charitable Trust, Skills Active offers an annual educational grant of \$5,000 to an exceptional young sportsperson of Māori descent.

Eligible candidates are aged between 17 and 20, and have achieved outstanding sporting results at regional, national or international level, while also being enrolled or enrolling in tertiary or university education, or signed into an apprenticeship or similar vocational study.

The recipient of the Skills Active Māori Sports Award for 2016 was Ronin Ihaka Ainsley (Iwi - Ngāi Te Rangī, Ngāti Rangiwewehi, Hapū - Ngāi Tama Whareiuā, Marae - Te rere a Tukahia/ Awahou).

“My goals are to go to the 2018 Commonwealth Games and then the 2020 Olympics, to compete in wrestling,” Ronin says.

“My first qualification tournament for the Commonwealth Games is in Tahiti in 2017. Another goal of mine is to become a professional rugby player. I plan to attend Otago University in 2017 as an entrance student, studying towards a bachelor’s degree of Physical Education (BPhEd). I hope to continue my sports down there at a high level.”

**National Achievements 2016 Freestyle Wrestling and Greco Roman Wrestling:**

- New Zealand age 17-20 Greco Roman and Freestyle Wrestling Champion
- North Island age 17-20 Freestyle Wrestling champion.

**International Achievements 2016 Freestyle Wrestling and Greco Roman Wrestling:**

- Oceania age 17-20 Greco Roman and Freestyle Wrestling champion, Staged in New Zealand
- Qualified for the Cadet World Champs, Staged in Georgia
- Qualified for the 2014 Youth Olympics, Staged in Nanjing.

**Rugby Achievements 2016:**

- NZ Māori U18 Squad
- North Region Māori U18 Squad
- Bay of Plenty U18 Squad.



# Directors' Disclosure

Board Member	Interest	Meetings attended
<b>Des Ratima</b> (re-elected 24 June 2015)	Whakatū Kōhanga Reo - Chair	3/5 Board meetings, AGM, strategic planning meeting, Kaupapa Māori Advisory Committee meeting
	Ahuriri District Health Trust - Chair	
	Te Whanautahi Charitable Trust - Chair	
	Te Roopu Kaitiaki O Te Wai Māori - Company Manager	
<b>Butch Bradley</b>	Ngāti Apa ki te Rā Tō – CEO	2/5 Board meetings, AGM
	Challenger Scallop Enhancement Company – Director	
	PauaMac 7 – Committee Member	
	Te Ara a Māui Inc (Māori Regional Tourism Board) – Chair, Director	
	Te Tau Iwi Forum – Member	
	Te Waka a Māui Iwi Forum – Member	
<b>Andrew Gunn</b>	Snake Point Lodge Limited - Director	4/5 Board meetings, 4/5 Audit and Risk Committee meetings, AGM, strategic planning meeting
	Professional IQ College – Director	
	Bertney #35 Limited – Director (from 25 February 2016)	
	Trafalga Nominees – Director (from 25 February 2016)	
	Kokoroa Farms – Director (from 25 February 2016)	

Board Member	Interest	Meetings attended
<b>Sam Napia</b>	Thames-Coromandel District Council - Director Strategic Relationships and Projects	4/5 Board meetings, 4/5 Audit and Risk Committee meetings, AGM, strategic planning meeting, CE Performance Appraisal Committee meeting
<b>Alexander Brunt</b>	Royal Australia and New Zealand College of Radiologists - General Manager	4.5/5 Board meetings, 3/5 Audit and Risk Committee meetings, AGM, strategic planning meeting
	New Zealand Radiology Education Trust – Executive Director	
<b>Stephen Gacsal</b>	Exercise NZ (until 25 November 2016) – Treasurer and Board Member	5/5 Board meetings, 5/5 Audit and Risk Committee meetings, AGM
	Register of Exercise Professionals – Registrar	
	ICREPs – Board member	
	TROQ working group – Fitness/Exercise Representative	
<b>Wendy Sweet</b>	Personal Training Company - Director	4/5 Board meetings, AGM, strategic planning meeting, CE Performance Appraisal Committee meeting
	Senior Assessor Mentor for Skills Active	

# Skills Active Shareholder Share Allocation

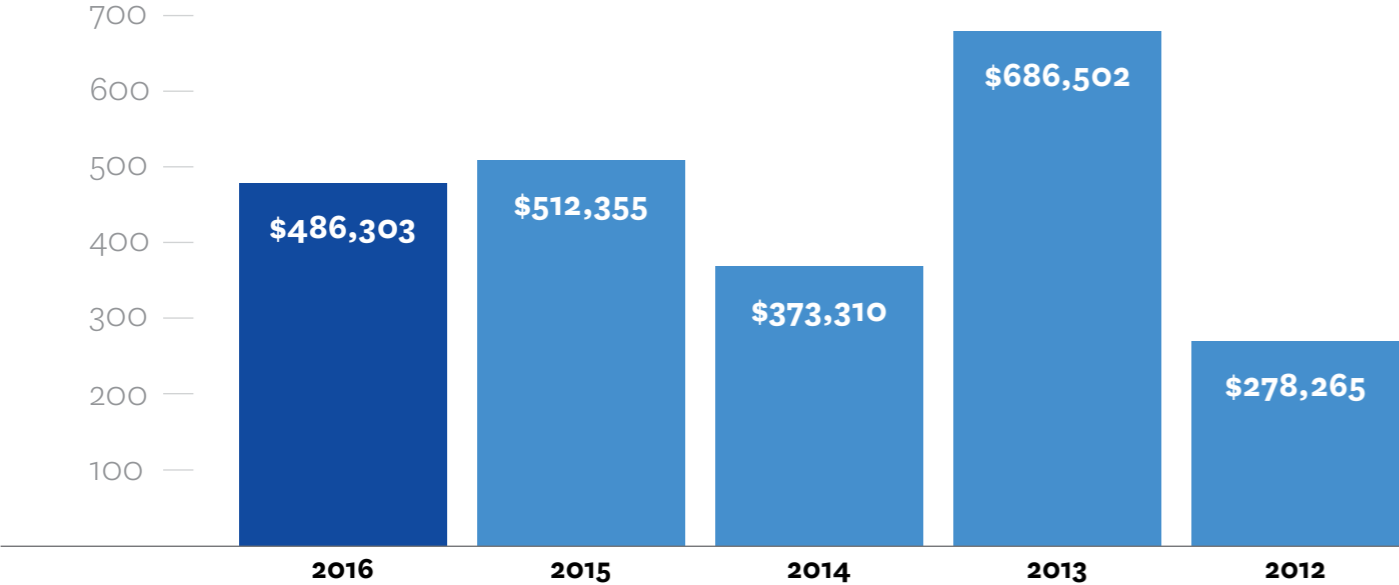
Sector	Formal Name of Organisation	Number of Shares
<b>Community Recreation</b>	Dance Aotearoa New Zealand Limited	20
	Entertainment Technology New Zealand	20
	New Zealand Recreation Association Incorporated	20
	Water Safety New Zealand Incorporated	20
	National Council of YMCAs of New Zealand Incorporated	20
<b>Fitness</b>	Exercise Association of New Zealand	100
<b>Ngā Mahi a te Rēhia</b>	Aotearoa Māori Providers of Training Education and Employment (AMPTEE)	50
	Aotearoa Māori Tennis Association Incorporated	50
	Handball New Zealand	50
	Hauraki Māori Trust Board	50
	Te Tohu Taakaro o Aotearoa Charitable Trust - National Māori Sports Awards	50
	New Zealand Māori Rugby Board	50
	Te Arawa Lakes Trust	50
	Te Kaunihera Haupoi Māori o Aotearoa	50
	Te Roopu o te Pātaka	50
Whakaruruhau Ngā Mahi ā Te Rēhia	50	
<b>Outdoor Recreation</b>	Christian Camping New Zealand Incorporated	20
	Education Outdoors New Zealand Incorporated	20
	New Zealand Mountain Safety Council Incorporated	20
	New Zealand Outdoor Instructors Association Incorporated	20
	Hillary Outdoors Education Centres	20

Sector	Formal Name of Organisation	Number of Shares
<b>Snowsport</b>	New Zealand Snowsport Instructors Alliance Incorporated	25
	NZ Snow Industries Federation Incorporated	25
	NZ Snowsports Council Incorporated	25
	Ski Areas Association (New Zealand) Incorporated	25
<b>Sport</b>	Sport and Exercise Science New Zealand Incorporated	100
<b>Total Shares</b>		<b>1000</b>

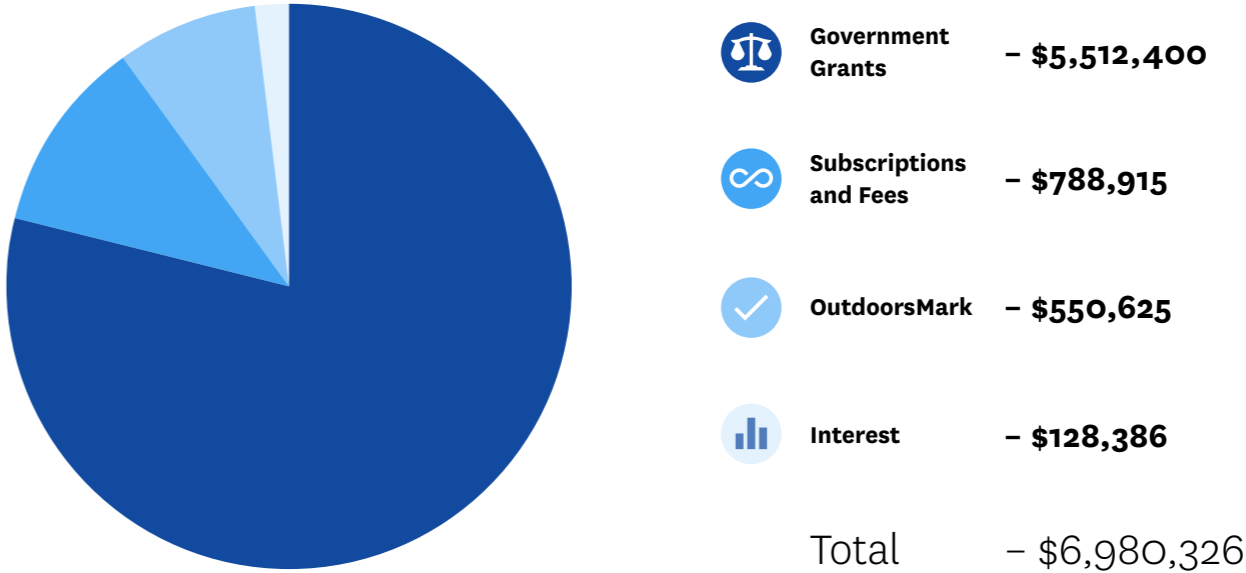


# Financial Snapshot

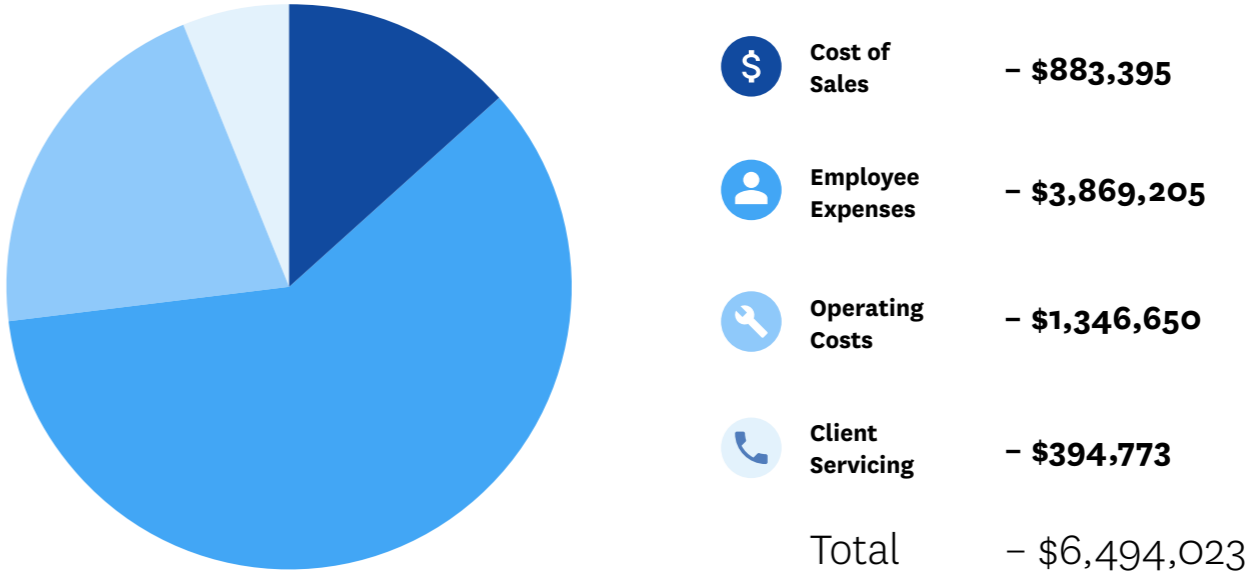
## Operating Surplus



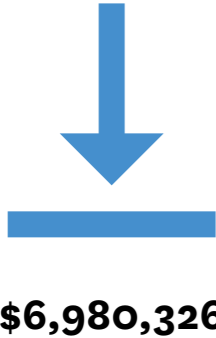
## Money In



## Money Out



### Total Operating Income



### Total Expenditure



### Operating Surplus





# Independent Auditor's Report



## To the Shareholders of Skills Active Aotearoa Limited

### Opinion

We have audited the financial statements of Skills Active Aotearoa Limited ("Skills Active"), which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive revenue and expense, statement of changes in net assets and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Skills Active as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR"), issued by the New Zealand Accounting Standards Board.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Skills Active in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

### Directors' Responsibilities for the Financial Statements

The directors are responsible on behalf of Skills Active for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, 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.

In preparing the financial statements, the directors are responsible on behalf of Skills Active for assessing Skills Active's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the directors either intend to liquidate Skills Active or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Skills Active's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Skills Active's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Skills Active to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Who we report to

This report is made solely to the shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Skills Active and Skills Active's directors, as a body, for our audit work, for this report or for the opinions we have formed.

**BDO Wellington**  
**Wellington**  
**New Zealand**  
**12 May 2017**

# Financial Statements

## Statement of Comprehensive Revenue and Expenses For the year ended 31 December 2016



Revenue	Note	2016 (\$)	2015 (\$)
<b>Tertiary Education Commission</b>			
Industry Training Fund (ITF)	4	5,462,400	5,536,000
Sector Leadership Fund		50,000	30,000
Other TEC Funding		0	206,000
		<b>5,512,400</b>	<b>5,772,000</b>
<b>Industry Contributions</b>			
Workplace fees and registration fees		584,267	561,495
NZQA moderation rebate		204,648	178,612
		<b>788,915</b>	<b>740,106</b>
<b>OutdoorsMark</b>			
	5	<b>550,625</b>	<b>258,706</b>
<b>Total revenue</b>		<b>6,851,940</b>	<b>6,770,812</b>
<b>Less Cost of Sales</b>	6	<b>883,395</b>	<b>943,221</b>
<b>Gross Surplus</b>		<b>5,968,545</b>	<b>5,827,591</b>
<b>Expenses -</b>			
Employee benefits expense	7	3,869,205	3,544,615
Other operating costs	8	1,346,650	1,422,200
Client servicing and training resources	9	394,773	497,161
<b>Total expenses -</b>		<b>5,610,628</b>	<b>5,463,976</b>
<b>Surplus/(Deficit) before financing income</b>		<b>357,917</b>	<b>363,612</b>
<b>Interest income</b>		128,386	148,743
<b>Surplus/(Deficit) for the year</b>		<b>486,303</b>	<b>512,355</b>
<b>Total Comprehensive Income</b>		<b>486,303</b>	<b>512,355</b>

## Statement of Changes in Equity For the year ended 31 December 2016



	Note	2016 (\$)	2015 (\$)
<b>Equity at the beginning of the year</b>		4,778,874	4,266,519
Surplus/(Deficit) for the year		486,303	512,355
Other Comprehensive Income for the year		-	-
<b>Total Comprehensive Income for the year</b>		<b>486,303</b>	<b>512,355</b>
<b>Equity at the end of the year</b>	10	<b>5,265,177</b>	<b>4,778,874</b>

## Statement of Cash Flows For the year ended 31 December 2016



	Note	2016 (\$)	2015 (\$)
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		6,546,343	6,873,834
Payments to suppliers and employees		(6,281,399)	(5,840,738)
Proceeds from Interest Income		128,386	148,743
		<b>393,330</b>	<b>1,181,839</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sale of property, plant and equipment		0	0
Payment for property, plant and equipment		(85,455)	(373,643)
Other cash items from investing activities		(102,396)	(97,059)
		<b>(187,851)</b>	<b>(470,702)</b>
<b>Cash Flows from Financing Activities</b>			
Other cash items from financing activities		0	0
<b>Total Cash Flows from Financing Activities</b>		<b>0</b>	<b>0</b>
<b>Net Cash Flows</b>		<b>205,479</b>	<b>711,137</b>
<b>Cash Balances</b>			
Cash and cash equivalents at beginning of period		1,507,060	795,923
Cash and cash equivalents at end of period		1,712,539	1,507,060
<b>Net change in cash for period</b>		<b>205,479</b>	<b>711,137</b>



	Note	2016 (\$)	2015 (\$)
<b>Current Assets</b>			
Cash and cash equivalents	11	1,712,539	1,507,060
Short term deposits	12	3,000,894	2,898,498
Receivables	13	585,518	350,236
Prepayments		50,246	77,264
		<b>5,349,197</b>	<b>4,833,058</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	14	499,965	586,354
Intangible assets	15	51,116	51,972
		<b>551,081</b>	<b>638,327</b>
<b>Total Assets</b>		<b>5,900,278</b>	<b>5,471,385</b>
<b>Current Liabilities</b>			
Trade payables		302,889	303,719
Employee benefits payable		150,843	133,344
Goods & services tax payable		133,842	198,840
Income in Advance		47,525	56,607
		<b>635,100</b>	<b>692,510</b>
<b>Net Assets</b>		<b>5,265,177</b>	<b>4,778,874</b>
<b>Equity</b>			
Shared capital		-	-
Retained earnings	10	5,265,177	4,778,874
<b>TOTAL EQUITY</b>		<b>5,265,177</b>	<b>4,778,874</b>

**For and on behalf of the Board**

**Sam Napia**  
Chairman  
12 May 2017

**Andrew Gunn**  
Director  
12 May 2017

**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, exercise, community recreation, outdoor recreation, snowsport and performing arts 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 2016. The financial statements were authorised for issue by the directors on 11 May 2017.

**2. Statement of compliance and basis of presentation**

The financial statements have been prepared in accordance with International Public Accounting Standards adopting the New Zealand Framework for Public Benefits Entities Not-For-Profit Reduced Disclosure Regime which came into effect for all balance dates after 31 March 2016. The Company is a reporting entity for the purposes of the Companies Act 1993, the Financial Reporting Act 1993 and the Charities Act 2005.

This is the first set of financial statements prepared in accordance with PBE IPSAS (NFP) RDR. The Company qualifies for PBE IPSAS (NFP) RDR status as it has no public accountability and total expenses of less than \$30m.

The basis of determining depreciation was changed in 2016 from diminishing value with the residual value and estimated useful life being calculated for all assets in line with the PBE IPSAS (NFP) RDR reporting standards.

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

The Directors have approved these financial statements on a going concern basis. The Directors have concluded the going concern basis is appropriate, as Skills Active Aotearoa Limited has obtained funding from the Tertiary Education Commission (TEC) for the period 2016-2017 and are currently in negotiations for a further funding contract for 2018 - 2019.

**3. Significant accounting policies**

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

**a) Revenue**

Revenue is identified as either exchange or non-exchange. A transaction is classified as an exchange transaction if it has all of the following three components otherwise it is classified as non-exchange:

- There are two parties that have agreed to enter into the transaction
- There is a direct exchange of economic benefits or service potential between the parties
- The exchange is of approximately equal value

**a) Revenue from non-exchange transactions**

**a. ITF and Apprenticeship Funding**

Skills Active receives funding from the Tertiary Education Commission based on Standard Training Measures (STMs). The income is recognised when received in accordance with contracted delivery and when conditions of the agreement are met. Any potential repayment of funding is an end of year clawback adjustment due to over-funding by TEC, and is recognised as a liability in the Balance Sheet. This revenue is considered non-exchange on the basis that TEC does not receive a direct benefit from the funding.

**b. Workplace and registration fees**

Workplace and registration fees are recognised in the year which the related programme commences. This revenue is considered non-exchange on the basis that the fees are significantly subsidised by TEC, so the transaction is not of approximately equal value.

**c. Sector Leadership Funding**

Revenue is provided from TEC as a contribution towards the cost of Skills Active's part of the Targeted Review of Qualifications Programme. There is no use-or-return requirement on this revenue and no liability is recognised for amounts not yet spent at balance date. This revenue is considered non-exchange on the basis that TEC does not receive a direct benefit from the funding.

**d. Other TEC Funding**

Other TEC funding is recognised in the year that the funding conditions are fulfilled. This revenue is considered non-exchange on the basis that TEC does not receive a direct benefit from the funding.



## b) Revenue from exchange transactions

### a. NZQA Moderation Rebate

NZQA moderation rebate is recognised when received, in the year which the related moderation occurs. This revenue is considered exchange on the basis that this is essentially a full-cost recovery subcontracting arrangement with NZQA, who holds ultimate responsibility for moderation of tertiary level qualifications.

### b. OutdoorsMark

OutdoorsMark revenue is received in exchange for the provision of audit services. Revenue is recognised at the point that the audit is completed and an audit certificate has been issued. This is consistent with PBE IPSAS 9 which requires that revenue is only recognised when the significant act is completed, that being the issuance of the audit certification. OutdoorsMark revenue is considered exchange on the basis that the audits are of direct benefit to those audited, and that the fees reflect an approximately equal exchange in value. OutdoorsMark cost of sales is recognised as work is performed and the invoice from the third party is received.

### c) Interest income

Interest income is recognised as it accrues, using the effective interest method.

### b) Property, plant and equipment

Property, plant and equipment are recognised at cost, less aggregate depreciation. All assets are depreciated using the straight-line method and with the following useful life parameters:

Asset Life	Expected Useful	Residual Value
Motor Vehicles	4 years	20%
Computer Equipment	3 – 4 years	–
Office Equipment	4 – 5 years	–
Office Furniture	10 years	–
Telecommunications Equipment	2 years	–
Leasehold Improvements	Length of the Lease	–

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. 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 straight-line method with a useful life of 2 years and no residual value. Where an intangible asset cannot be recognised, the expenditure is charged to profit or loss in the period in which it is incurred. The OutdoorsMark goodwill intangible has an indefinite life and is annually assessed for signs of impairment.

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

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) Short term deposits

Short term deposits are Bank held term deposits with maturities of 3 months or greater from inception. Short term deposits are recognised at the face value of the deposit plus any accrued interest.

### 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.

Liabilities at amortised cost, and loans and receivables 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.

### o) Changes in Accounting Policy

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

2016 (\$)

2015 (\$)

## Income

### 4. Tertiary Education Commission Revenue

Approximately 80% 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, exercise, community recreation, outdoor recreation, snowsport and performing arts industries (expiring 26 June 2019).

A contract has been established with the TEC for a two-year period 2016 to 2017. Funding received within this contract is for two fiscal years. A further funding contract for 2018 – 2019 is currently being negotiated with the TEC. The terms of the contract to provide services does not guarantee any further contracts with the TEC.

### Industry Training Fund (ITF)

TEC Contract		
ITF Funding	5,046,400	5,120,000
Apprenticeship Funding	416,000	416,000

### Net TEC Income

**5,462,400**      **5,536,000**

### 5. OutdoorsMark Revenue

Annual JASANZ Fee	18,910	1,578
Audit Fees	524,543	257,128
Worksafe	7,172	–

**550,625**      **258,706**



	2016 (\$)	2015 (\$)
<b>6. Cost of Sales</b>		
Apprentice Subsidy	11,780	-
Assessment Fee	48,853	32,998
Certificate and Card Printing	28,842	22,077
NZQA Credit Reporting	318,566	265,437
NZQA Other fees	16,880	-
NZRA Fees	19,980	17,230
Re Boot Initiative Payments	-	176,000
Resource Courier Costs	31,189	32,725
Resource Printing	145,122	150,748
SAMs	24,558	25,005
Workshop Costs	588	6,691
Other Cost of Sales	-	3,587
	<b>646,359</b>	<b>732,498</b>
<b>OutdoorsMark</b>		
ONZ Fees	-	1,018
Auditor Fees	-	1,018
Auditor Moderation	179,297	127,283
Auditor Training	10,033	2,674
Certificate Printing	4,215	2,362
Disbursements	281	122
Auditor Insurance	28,706	39,514
JASANZ Fees	4,538	5,788
Specialist Advice and Consultation	5,262	-
Technical Expert Fees	813	897
Worksafe Fees	-	31,065
	3,892	-
	<b>237,036</b>	<b>210,723</b>
<b>Total Cost of Sales</b>	<b>883,395</b>	<b>943,221</b>

## 8. Other Operating Costs

	2016 (\$)	2015 (\$)
Depreciation and Amortisation	171,674	198,122
Net Loss on Disposal of Assets	-9	118,906
Impairment of Trade Receivables	61,233	5,756
Rental and Operating Expenses	906,328	831,542
Auditor Fees	24,745	21,209
Directors Fees	95,220	109,046
Other	87,459	137,619
	<b>1,346,650</b>	<b>1,422,200</b>

## 9. Client Servicing and Training Resources

	2016 (\$)	2015 (\$)
Client Servicing	344,076	443,685
Conferences and Events	6,761	7,223
External Surveys	-	1,664
Partnership Agreements	43,935	44,589
	<b>394,773</b>	<b>497,161</b>

## 10. Equity and Reserves

The Company has a policy of maintaining equity reserves (retained earnings) between a minimum of \$3 million and a maximum of \$6 million based on the current Strategic and Operational Risk Analysis. This policy represents approximately 8 to 17 months of the Company's current total expenses for the year. Equity reserves as at 31 December 2016 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 2016, share capital comprised 1,000 ordinary shares (2015: 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.

	2016 (\$)	2015 (\$)
<b>7. Employee Benefit Expense</b>		
Wages and Salaries	3,493,056	3,252,692
Contract Staff	86,053	41,840
<b>Employee Entitlements</b>	<b>3,579,110</b>	<b>3,294,532</b>
Training	68,849	47,192
Other Costs	221,247	202,891
	<b>3,869,205</b>	<b>3,544,615</b>

	2016 (\$)	2015 (\$)
<b>11. Cash and Cash Equivalents</b>		
ANZ Bank - Call Account	1,130,340	1,374,573
ANZ Bank - Current Account	509,458	60,352
ASB - Current Account	435	472
Kiwibank Current Account	470	500
Westpac - Call Account	71,395	70,882
Westpac Current Account	440	281
	<b>1,712,539</b>	<b>1,507,060</b>



2016 (\$) 2015 (\$)

### 12. Short Term Deposits

ANZ Bank - Short term deposit	128,112	126,007
ASB - Short term deposit	969,286	926,982
Kiwibank - Short term deposit	1,042,445	1,006,153
Westpac - Short term deposit	861,051	839,356
	<b>3,000,894</b>	<b>2,898,498</b>

2016 (\$) 2015 (\$)

### 13. Receivables

Accrued Revenue	154,486	35,741
Trade Receivables	492,265	314,495
Allowance for Doubtful Debts	-61,233	
	<b>585,518</b>	<b>350,236</b>

### 14. Property, Plant and Equipment

Cost	Computer Equipment	Leasehold Improvements	Motor Vehicles	Office Equipment	Office Furniture	Sages Lane Development	Total
Opening	\$275,892	\$21,595	\$297,524	\$144,227	\$93,295	\$321,750	\$1,154,283
Additions	\$43,541		\$27,815	\$13,582	\$517		\$85,456
Disposals	\$0	\$0	\$0	\$0	\$1,035	\$0	\$1,035
Closing	\$319,433	\$21,595	\$325,339	\$157,809	\$92,777	\$321,750	\$1,238,704

#### Accumulated Depreciation

Opening	\$220,031	\$10,570	\$27,964	\$99,259	\$56,581	\$153,524	\$567,929
Additions	\$34,592	\$1,758	\$86,873	\$16,075	\$6,171	\$25,341	\$170,810
Disposals							
Depreciation write-back	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Closing	\$254,623	\$12,328	\$114,837	\$115,334	\$62,752	\$178,865	\$738,739

Net Book Value 2016	\$64,811	\$9,268	\$210,502	\$42,475	\$30,025	\$142,885	\$499,965
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Net Book Value 2015	\$55,861	\$11,026	\$269,560	\$44,968	\$36,713	\$168,226	\$586,354
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### 15. Intangible Assets

Cost	Computer Software (Purchased)	OutdoorsMark	Total
Opening	\$6,938	\$50,000	\$56,938
Additions			\$0
Disposals	\$0	\$0	\$0
Closing	\$6,938	\$50,000	\$56,938

#### Accumulated Depreciation

Opening	\$4,966		\$4,966
Disposals	\$857		\$857
Depreciation write-back	\$0	\$0	\$0
Closing	\$5,823	\$0	\$5,823

Net Book Value 2016	\$1,116	\$50,000	\$51,116
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Net Book Value 2015	\$1,972	\$50,000	\$51,972
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### 16. Provision for TEC Payback

The TEC provision is calculated with the information available at the time of production of Financial Statements and is subject to final confirmation from the TEC. Confirmation was received from TEC by letter dated 20 April 2017 that there would be no recoveries based on the 2016 data.

2016 (\$) 2015 (\$)

### 17. Operating Lease Commitments

Non-cancellable operating lease rentals are payable as follows:

Less than one year	107,001	185,585
Between one and five years	16,450	150,037
	<b>123,451</b>	<b>335,622</b>

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	Paid to the Company (Skills Active)	Paid by the Company (Skills Active)	Payable/Receivable at Balance Date
2016				
Stephen Gacsal	Exercise Association of NZ		15,000	15,000
Grant Davidson	Sausage Roll Ltd		345	
	Industry Training Federation		30,011	
2015				
Stephen Gacsal	Exercise Association of NZ		15,000	
Grant Davidson	Sausage Roll Ltd		990	
	Industry Training Federation		25,625	

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). Monies paid to Exercise Association of New Zealand represents sponsorship as detailed in the partnership agreement between the two parties.

Grant Davidson is a director of Sausage Roll Limited and a member of the Industry Training Federation Executive Committee. Monies paid to the Industry Training Federation represent membership fees. Monies paid to Sausage Roll Ltd represent payment for audits carried out on behalf of OutdoorsMark.

Des Ratima is a shareholder of Te Roopu o te Pataka which holds 50 Skills Active Shares. These shares were acquired as a part of the original shareholders' agreement dated 2001 and no consideration was paid for these shares.



## 19. Directors Remuneration Received

Name of Director	Board Fees	Audit & Risk Committee	Additional Days	Total Remuneration
2016				
Sam Napia (Chair)	\$32,000			\$32,000
Andrew Gunn	\$11,790	\$980		\$12,770
Wendy Sweet	\$11,790			\$11,790
Butch Bradley	\$10,808		\$983	\$11,790
Alex Brunt	\$11,790	\$980	\$1,960	\$14,730
Stephen Gacsal	\$11,790	\$980		\$12,770
Des Ratima	\$11,790			\$11,790
<b>Total</b>	<b>\$101,758</b>	<b>\$2,940</b>	<b>\$2,943</b>	<b>\$107,640</b>
2015				
Sam Napia (Chair)	\$32,000			\$32,000
Andrew Gunn	\$11,790	\$980		\$12,770
Wendy Sweet	\$11,790			\$11,790
Butch Bradley	\$11,790			\$11,790
Alex Brunt	\$11,790			\$11,790
Stephen Gacsal	\$11,790	\$980		\$12,770
Des Ratima	\$11,790			\$11,790
<b>Total</b>	<b>\$102,740</b>	<b>\$1,960</b>	<b>\$0</b>	<b>\$104,700</b>

## 20. Remuneration Paid to Key Management Personnel

There are 4 (2015: 5) staff members paid \$100,000 or more for a total of \$532,065 (2015: \$634,515). There are two staff members paid \$100,000-\$110,000, two staff members paid \$110,000-\$120,000 and one staff member paid \$200,000-\$210,000.

## 21. 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 2016, the amount of industry contribution was \$3,411,983 (2015: \$3,638,673) This is an achievement of 38% (2015: 40%) of total funding and contribution received against a TEC target of 30%.

	2016 (\$)	2015 (\$)
Industry contribution received by Skills Active and recorded in the audited accounts	788,915	740,106
Payments by industry to third parties in pursuit of achieving Skills Active qualifications	2,623,068	2,898,568
<b>Total</b>	<b>3,411,983</b>	<b>3,638,673</b>



## Notes

### 22. 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

	2016 (\$)	2015 (\$)
Cash and cash equivalents	1,712,539	1,507,060
Short term deposits	3,000,894	2,898,498
Receivables	663,515	350,236
	<b>5,376,948</b>	<b>4,755,794</b>

Trade payables of \$302,889 (2015: \$303,719) are the only financial liabilities at amortised cost. There are no financial liabilities at fair value through profit and loss.

#### 2016 (\$) 2015 (\$)

### 23. Non-Financial Performance Indicators

ITF STMs delivered (after offsets)	1,615.61	1,627.17
Apprentice STMs delivered (after offsets)	83.05	83.87
Percentage of eligible trainees with 10 credits	85.54%	83.11%
Credit Completion (achieved versus expected credits)	85.82%	83.09%
Programme Completion (nominal weighted)	80.49%	80.49%
Programme Completions (total qualifications awarded)	3,848	3,465
Trainees (total TEC funded trainees enrolled)	6,169	5,750

### 24. Commitments and Contingencies

There are no commitments or contingent liabilities as at 31 December 2016 (2015 nil)

### 25. Subsequent Events

There are no events subsequent to balance date that require disclosure in these financial statements.  
(2015 nil)

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# Directory

## **Skills Active Board members 2016**

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

## **Registered Office**

14 Sages Lane  
Te Aro  
Wellington

## **Solicitor**

Kensington Swan

## **Bankers**

ANZ  
Westpac  
ASB  
Kiwibank

## **Auditors**

BDO New Zealand

## **Contact**

Skills Active  
14 Sages Lane  
Te Aro  
Wellington 6011

P.O. Box 2183  
Wellington 6140

**E** [info@skillsactive.org.nz](mailto:info@skillsactive.org.nz)

**W** [www.skillsactive.org.nz](http://www.skillsactive.org.nz)

**P** 0508 4SKILLS (0508 475 4557)

