



On-Job Qualifications  
for Active Careers

# Annual Report 2010



REACHING

NEW

HEIGHTS





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



# 2010 ANNUAL REPORT

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# OUR PURPOSE

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

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

Our four core functions under the Industry Training Act are:

1. Setting skill standards and developing national qualifications for our industries

2. Providing work-based learning opportunities for employees and volunteers so they can increase their skills and gain qualifications

3. Quality-assuring assessment to ensure that every person who assesses our trainees' and training providers' work is assessing accurately and consistently

4. Providing leadership within our industries on matters relating to skill and training needs by listening closely and responding to workplaces and other stakeholders

# OUR VALUES

**TIKA**  
We do what is right

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

**AROHA**  
We demonstrate respect and care



# CHAIR'S REPORT

## SAM NAPIA

Tena koutou

E mihi atu ana ki a koutou i runga anō i te ahuatanga o wā tātou tini mate maha. Nā, me kau ake pēnei te kōrero mo rātou: “He rarangi maunga tū te ao, tū te pō. He rarangi tangata, e hinga ana, e hinga ana”. Nā reira, rātou ki a rātou; tātou ngā kanohi ora ki a tātou; tēnā anō hoki tātou katoa.

It is my pleasure to be reporting on the 2010 year as Chair of Skills Active. In doing so I would like to acknowledge Richard Beddie, who stood down as Chair at the last AGM. Richard has served as Board member and Chair for more than 10 years. His contribution has been massive and he has handed the organisation over in a very healthy condition. Richard continues to provide his considerable skills to the Board and I often turn to him when seeking additional guidance over a governance issue or process.

The last AGM also saw Brendon Rope leave us, along with the resignation of Grant Davidson who was appointed to the role of Chief Executive of Skills Active. On behalf of Skills Active I would like to formally acknowledge Brendon's work on the Board during a time when many critical strategic issues had to be dealt with.

I think it shows the strength of our stakeholder base when there is such a depth of candidates put forward to the Board that an election is held! We have welcomed Matthew Cant and Rob Hogg to the Board since then and both of these new directors have demonstrated a high level of commitment to their roles.

As signalled at the last AGM, we knew that the year ahead would be a challenging one as our principal funders, the Tertiary Education Commission (TEC), sought to increase our accountability for performance. It has always been the Board's drive to maximise the value of tax payers' investment while striving to meet the skill development needs of the industries we serve. Therefore, higher levels of accountability from TEC were welcomed as these performance indicators clearly articulated the priorities that the Government had identified in our contribution to tertiary training.

However, the speed with which the change in emphasis



occurred was not anticipated, especially when some of those changes, such as the removal of support for short-duration courses, go against the clear training needs being signalled by our industries. To respond appropriately, we asked our Chief Executive to analyse what changes we would need to make at an operational level to position Skills Active to meet these new measures of success.

Through this process we realised that a major structural review was needed, both of the organisation and how it operated. In addition, new support tools were identified, including new information and communication technology to better track and service our trainees. Towards the end of 2010 we embarked on an ambitious transformational project to achieve this new approach, which we believe will be fully embedded by the end of 2011.

The Board believed that the transformation to a new organisation, focusing on quality engagement with our workplaces and trainees leading to qualification completions, needed to start from the top down. To that end we set aside time at our strategic planning retreat to review our vision statement. While this is an internal vision, to give our staff a clear pathway to direct their efforts, I believe it is worthwhile to share it with you, our stakeholders. The new vision reads:

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

**Nā to pai o te mahi ka aro mai a matau ahumahi.**

The vision clearly places the emphasis on delivering value to you, our clients, and that is now the focus of

everything we do. Through adding value, we believe completions of our qualifications will naturally follow.

I would like to compliment the Chief Executive, Grant Davidson, and his team for guiding the organisation as smoothly as possible through this major restructure and transformation. Processes such as this are emotionally challenging and stressful for all concerned. The management and Board worked in partnership to ensure that all staff were fully informed and had support systems in place that were consistent with our organisational values. I am pleased to say that the new structure is now in place and there is a strong sense of commitment throughout the organisation to achieve and exceed both the TEC performance measures and our industries' expectations.

You will see from the financial accounts that we achieved a surplus for the year exceeding \$500,000. This should be read in the context of a two-year transformational plan over the 2010/2011 years. The Board's intention is to reinvest this surplus, together with a proportion of our cash reserves, to develop the tools, qualifications, resources and structures to better service our industries as discussed above. I will signal now that our 2011 financial year will see an operational deficit and subsequent decrease in cash reserves as this plan is put in place. In response, however, we are expecting to see higher levels of completions and a more industry-relevant organisation.

The year has also seen the Board embrace the feedback from shareholders that was expressed at the last AGM. This has resulted in a number of shareholder hui to align expectations and position Skills Active to better meet our industries' needs. One major outcome of this was the development and endorsement of a “strategy for Māori success” which is now built into our strategic and business plans for future years.

The Board and I are looking with anticipation to the future and the exciting changes ahead for 2011. I encourage anyone to contact me if you have other ideas you wish to share in shaping Skills Active to be more relevant in meeting the skills needs of our industries.



Skills Active Marae Visit 2010. Photo: Penny Claridge

Heio anō wāku nei kōrero mo tēnei wahanga, hei 'hakarapopototanga o ngā purongo kōrero e whai ake nei. Ko te tumanako, ma te Runga Rawa koutou e manaaki i roto i o koutou ake mahi maha.

Mauri Ora.

Sam Napia  
Chair



# CHIEF EXECUTIVE'S REPORT GRANT DAVIDSON



Tēnā koutou katoa

He mihi mahana ki a koutou ngā hunga ora, hei whai oranga mo tātau katoa.

As I write this report I reflect on the fact that I have now been in this role for 12 months – and what a turbulent period that has been! Although nothing has been as disruptive as what our friends, colleagues and their families have experienced in Christchurch during the two major earthquakes and the numerous aftershocks. Our thoughts are with them as they put back together their family lives and their businesses.

The past year saw a global recession affecting both the workplaces that we partner with in order to upskill and qualify their workers, and the knock-on effect of this to adversely affect the Government's balance of payments deficit. The call from the Government for increased performance from public spend in education saw the ITOs under severe scrutiny. Like others, we are asked to do more with less. We underwent two major TEC audits – one of our overall systems and the second of the eligibility of the funded trainees in 2009. I am happy to say that no major issues were uncovered through these processes, although we have acted on the findings to make our systems and processes even more robust. Nevertheless, the collective funding pool for all ITOs was reduced significantly and more stringent performance criteria were imposed for 2010 and the future. In addition, funding for short courses was effectively removed when these awards no longer counted against the performance criteria we are being measured

against. This decision was in complete contrast to the information we received from our industry groups who were saying that short, targeted training and qualification packages were most appropriate for our type of workers.

The outcome of these changes was that, when our industries' results were measured against those from other ITOs, we were found to be seriously underperforming. Our trainees in general were not completing the larger qualifications they were signed up to and our industries were not showing their support for this form of training in terms of financial contribution. To survive as an ITO to service our industries into the future we needed to change fast so that we could perform against these measures.

As Sam has pointed out in his Chair's report, this transformation for the future began with the Skills Active Board renewing the vision statement for the organisation, to place the focus for all of our efforts clearly on being responsive to our industries. We believe that if we get this right, then enrolments and completion of qualifications will naturally follow. The first part of the transformation began with a restructure of the organisation to ensure we had clear roles to meet this outcome. Despite any restructure being a very threatening exercise, the Skills Active staff were asked to redesign an organisation that would deliver qualifications and resources that would be valued by our industries and a delivery structure to help trainees complete those qualifications. Through a consultative approach we now have a structure in place that all of us believe can deliver those results. The proof of this should be qualifications that truly reflect what each industry group needs, and that are delivered in a way that reflects the practices of that industry. Furthermore we have mobilised our regional staff so that they can visit trainees more regularly, identify barriers to trainees progressing through their qualifications, and work with the rest of our team to find solutions to overcome those barriers. Over the coming year you should see us doing things differently, to be more responsive to your needs whether you are a business owner or a trainee.

Further to the structural changes, we have also identified some key tools that we need to be successful for our

industries. Along with cars and smart devices to mobilise our regional network of staff, we have also committed to building an information technology system that will allow staff, trainees, workplaces and assessors to enter and access information about training programmes, and progress towards completion of these, in as close to a real-time situation as possible. The system will provide easy to understand pictorial 'dashboards' of progress of trainees against optimal timeframes for completion, and will raise 'flags' for any trainees who are getting behind. This will enable us to deploy staff to help address any problems.

A second part of this IT system will allow trainees to see immediately their record of achievement and the current qualifications they have achieved. Workplaces will be able to see if their staff are qualified or not. The system described above will be 'cloud based' and accessible from any web-based platform. This IT solution will roll out in the latter part of 2011 and we believe it will make a major difference to how we engage effectively with our clients.

Meanwhile, I would like to acknowledge the tremendous effort of the Skills Active staff and my management team in carrying out our business as usual while also negotiating through a period of considerable change. Our day-to-day work is often overlooked in reports such as this but it is the key reason for us being here. You will see from this report that we achieved our contracted trainee numbers with TEC and increased our performance in credit achievement and completions at the same time. This is a tremendous effort and thanks go not only to our team but the numerous workplaces, trainees and assessors that we work with to make this upskilling happen. The sector updates in this report show the considerable work we have done to develop new qualifications and resources for our industries, and the new workplaces that have come on board to utilise the products and services we can offer. Of particular mention are:

- Work with the Register of Exercise Professionals to qualify a large number of provisional fitness professionals, enabling them to move to full registration
- Development of outdoor leader qualifications in partnership with NZOIA to provide appropriate qualifications to first-tier outdoor leaders and instructors
- Workplace agreements with NZ Mountain Safety Council to service volunteer instructors, and NZ Army to give legacy civilian outdoor qualifications to infantry troops
- Complete review of sport and recreation qualifications to provide a logical and meaningful vocational pathway, including coaching and officiating, and park ranger qualifications
- New shape for the Pool Lifeguard Award and development of vocationally relevant pool supervisor, swim educator and pool operator qualifications
- Agreement among the major snowsports companies to a vocational pathway of qualifications for the snowsports sector. The subsequent trialling of these qualifications with NZSki and Treble Cone will occur in the coming year

- New raft guide and river boarding qualifications and resources
- Establishment of a strategy for Māori success that is endorsed by our Māori shareholders
- Trialling the new He Matapihi ki te ao Māori award with the Skills Active staff
- Researching the strategic training needs of our various industry sectors in association with the corresponding national representative bodies
- Launch of our literacy and numeracy strategy with our trainees.

The other pleasing result is that we are still receiving consistently high feedback both from workplaces and trainees in terms of the level of service we offer. This is despite a significant number of new staff and major changes in direction and staff focus during the year.

Our intention in 2011 is to do even better! Along with the changes in organisational structure and the new information technology tools mentioned above, we have an impressive list of projects lined up to ensure our qualifications and resources are even more relevant to our industries' workplace requirements. We are also developing vocational qualification pathways for the two new industries of entertainment venues and dance. A further exciting initiative is collaboration with our sibling organisations in the UK and Australia to work towards the international portability of our qualifications.

I also want to assure you that we are keen to listen to any issues you have and respond wherever we can to meet your on-job upskilling requirements. Please contact me or any of our staff with your ideas and concerns.

Finally my thanks to Margaret West, our TEC funding manager, for guiding us through the changes occurring at TEC; to the Skills Active staff and directors for their belief in the direction we are taking; to our shareholders and other national sport, fitness and recreation organisations who work with us to make our vocational qualifications relevant; and to our workplaces, assessors and trainees who see value in what we can offer.

Working together we can make a real difference in 2011 in ensuring the people in our industries have high skills that mean our businesses can thrive despite these challenging economic times.

Nāku noa nā

**Grant Davidson PhD  
Chief Executive**



OUR INDUSTRIES  
SEEK US BECAUSE  
WHAT WE DO  
MAKES A POSITIVE  
DIFFERENCE.



# SKILLS ACTIVE 2010 IN REVIEW

## Our Partners

Skills Active has always valued our close partnerships with the peak industry bodies and representative groups from our industries. Our recent development of sector strategic training plans, in close association with these groups, has further strengthened those links. During the year and continuing into 2011 we are working at revisiting our partnering relationships with each of these groups to ensure alignment of our strategic intents for the betterment of both organisations. The discussions around these partnering documents, or MOUs, are the most valuable part of this process in understanding how we can mutually add value to each other.

Some examples of key relationships that have been strengthened through this process include the formal relationships now in place with:

- NZOIA and MSC for the rationalisation and alignment of outdoor qualifications and the establishment of an Outdoor Registration Board
- NZRA to ensure clear qualification pathways exist in the aquatics, facility management and park ranger areas
- EVANZ (Entertainment Venues Association) to establish qualifications that recognise the vocational skill sets of this group of the workforce.

We welcome discussions with any other group that may have a strategic overlap with us and the work we do.

## Sector Strategic Training Plans – What will the future look like?

Skills Active and our industry partners worked together to develop Sector Strategic Training Plans (SSTPs) to highlight the skill and training needs and associated issues of our sectors looking towards 2015. These training plans are one way for our industries to inform and influence the provision of tertiary education and training for our sector. Consultation through online surveys and forums were completed for the Outdoors, Recreation and Sport, Fitness, Snowsports and Dive sectors and the findings were discussed at tertiary provider meetings hosted by Skills Active during October. The final SSTPs will be released to the industry in 2011.

## Supporting Industry Events

Skills Active was flying the flag in support of our



partners and their associated industries at the following conferences and events:

- Just Add Water (JAWs) conference – recognised as a major sponsor
- Thinking Recreation conference – recognised as a major sponsor
- NZRA National conference – recognised for support of the Recreation Young Leaders awards
- NZRA Aquatics forums – presentation at regional Aquatics forums around the country
- Māori Sports Awards – scholarship awarded to Tama Toki (Ngāpuhi) for achieving outstanding results in athletics at regional, national and international levels
- Fitness Industry Awards – presentation of a Skills Active Award recognising exceptional commitment to on-job training and development of staff. The winner was John Growcott, Christchurch City Council
- Business Grow – attendance and support of the premiere business event dedicated to the exercise and fitness industry
- GetNZ Active – the annual conference designed to enhance the knowledge of New Zealand’s exercise and wellness professionals
- Outdoors Forum (Outdoors New Zealand)
- SPARC Connections conference
- Manukau Leisure Services LEAP Awards
- NZ Ski Annual Awards.



## Qualification Development

Skills Active works closely with industry bodies and employers to ensure our qualifications remain fit for purpose and meet the changing needs of our industries. In 2010, the following qualifications were developed or reviewed:

### Recreation and Sport

Skills Active undertook a strategic review of all Recreation and Sport qualifications during 2010, resulting in the merge of the Community Recreation and Sport qualifications into three new qualifications. The overall outcome was to have a clear qualification pathway across the Recreation and Sport sectors that allows for flexibility and growth as new initiatives are considered. As a result, the following qualifications were reviewed/developed and will be rolled out in 2011:

- National Certificate in Recreation and Sport (Core Skills) Level 2
- National Certificate in Recreation and Sport Level 3
- National Certificate in Recreation and Sport Level 4
- National Certificate in Coaching and Instruction Level 3
- National Certificate in Sport Officiating Level 3
- National Certificate in Parks and Recreation (Park Ranger) Level 3.

### Outdoor Leadership

Skills Active, in partnership with NZOIA, developed a range of leader qualifications to fill an identified gap in the Outdoor Recreation qualification pathway. The new qualifications recognise the minimum skill set required to independently lead groups in a range of outdoor activities.

### River Guiding/River Boarding

A new River Guiding qualification was developed, and was launched in November 2010. The new qualification has moved trainees from completing a Limited Credit Programme (LCP) to a full National Certificate, meeting the new drivers from TEC. Additional unit standards for River Boarding were also developed and included in the qualification.

### 2011 Development

Throughout 2011, Skills Active will be working with key industry groups in the development of qualifications for:

- Events and entertainment venues
- Dance
- Swim education
- Full review of Snowsport qualifications
- Full review of Fitness qualifications, including the addition of pre-choreographed Group Fitness class standards
- Outdoor Instructors, to be developed in partnership with NZOIA
- Te Ao Turoa.

Skills Active will also be working with REPs, ICREPS, Skills Active UK and Service Skills Australia to put in place international recognition of New Zealand qualifications and recognition of international qualifications in New Zealand.



### Success for Māori

We are committed to ensuring that we deliver training solutions that meet the cultural needs of Māori trainees and workplaces and improve the overall qualification achievement rates of Māori. In November 2010 Skills Active developed and launched a new strategy 'Success for Māori' with the following outcomes:

- Māori trainees will be able to engage in vocational training in our sectors using a kaupapa Māori approach where appropriate
- Qualifications will be developed in traditional Māori activities within our sectors where a vocational need has been demonstrated
- Non-Māori will be able to access kaupapa Māori approaches and traditional Māori qualifications if they wish, and in so doing gain greater appreciation of biculturalism in their work.



### Our Clients in Action!

Without the commitment and support of our clients, our job would be a lot harder! Some of the workplaces committed to the upskilling and development of their staff are:

#### NZ Ski

NZSki has worked with Skills Active over the past 2 years to implement a 5-year qualification framework. Within this framework there are a range of different levels and qualifications that encourage and enable NZSki staff to progress their careers within the snowsports industry.

*"This year we've had 761 staff sign up for qualifications whereas in previous years it's been around 200. It's fantastic to see NZSki staff challenge themselves both personally and professionally."*

2011 will be year three of the 5-year plan, with more qualifications being introduced to cover all NZ Ski departments.

Greater Wellington Regional Council Skills Active and Greater Wellington Regional Council (GWRC) have had a positive relationship for many

years. However, in late 2010 that relationship was taken to a new level with GWRC signing on as the pilot organisation for the long awaited National Certificate in Parks and Recreation (Park Ranger). Currently, five full pilot trainees are being trained and assessed using Skills Active resources plus 11 RCC/grandfathering candidates. Upon completion of this pilot, the Skills Active team will be able to tweak the resources and launch this brand new qualification on a national scale. An exciting opportunity for new trainees in a totally new sector of our industry!

#### Mountain Safety Council (MSC)

Mountain Safety Council (MSC) and Skills Active have joined forces to provide the new National Certificate in Outdoor Recreation Leader (Bush) to their members. We are working through a process to assess members who have previously completed their training with MSC and to put in place appropriate training and assessment practices to qualify members through their ongoing training.

#### Community Leisure Management (CLM)

2010 saw the introduction of a new Training and Induction programme for CLM. This programme has been developed for all full-time staff and, on completion of the Induction programme, staff will then go on to complete the technical requirements to achieve a relevant national qualification. The Training and Induction programme is being implemented in all 35 CLM sites across New Zealand.

#### Hanmer Springs

Hanmer Springs Thermal Pools and Spa have had a long and productive relationship with Skills Active. Their facility has a strong training and development culture and has put in place fantastic resources and systems to train and develop their staff, which is complemented by using Skills Active qualifications to ensure their staff are consistently applying acquired skills and knowledge. This has seen all their employees engage with gaining qualifications during their employment.

#### Literacy and Numeracy

Skills Active is committed to helping our trainees complete their qualifications. One way we can do this is by helping trainees to overcome any literacy or numeracy difficulties they may have, and to assist employers to understand and raise LLN skills. Literacy, language and numeracy (sometimes called LLN) means being able to read, write, listen, question, think and use numbers (maths) well enough to be able to do a job properly. These skills are also needed to help people gain new skills, study and pass assessments. In 2010, Skills Active embarked on a project to:

1. Raise the awareness of LLN skill requirements across the Recreation, Sport and Fitness industries
2. Review a number of foundation resources (Customer Service and Health and Safety) to have specific literacy support built into them, making them ideal for trainees who need to build up their reading and language skills, or whose first language is not English



3. Run a pilot of 30 trainees where LLN support and training was provided for those trainees that required it. Our thanks go to Manukau Leisure Services Ltd who participated in the pilot. Their commitment to upskilling their staff with low LLN skills led to the development of a Workplace Trainers Guide for LLN Skills. This guide will be made available to all workplaces in 2011 with the roll-out of LLN services across the country.

#### Qualifications for Fitness Professionals

Skills Active worked with the Register of Exercise Professionals (REPs) to put in place an assessment process to assess 800 provisionally recognised fitness professionals against Skills Active qualifications. Once qualified with the appropriate qualification, the fitness professional will gain full REPs registration. This project involved the development of a new on-line assessment tool ([www.skillsassess.co.nz](http://www.skillsassess.co.nz)) specifically designed for provisionally recognised trainees. In 2011, a generic RCC (Recognition of Current Competency) assessment process will be developed and implemented. This will be in place to assess new applicants for REPs registration status where they have not completed a recognised course.

#### Assessor Training and Development

Skills Active assessors are key to the success of industry training! We are constantly looking at ways in which we can support and assist assessors in the important role they play. In 2010, Skills Active ran Assessor Refresher workshops around the country. Overall, it was a huge success, with over 200 assessors participating and the majority providing feedback that it was a positive experience. Throughout the year, we also ran 12 Active Assessing workshops to train 102 new assessors.

#### Joint Venture with Ngāti Porou and Agriculture ITO

Skills Active Aotearoa and Agriculture ITO entered into a joint venture with Ngāti Porou to pilot a collective approach to meeting the training needs of iwi in the sectors of Agriculture, Sport, Fitness and Recreation. Rua Tipoki was appointed to the role of Kaiwhakarite ā Rohe (Regional Liaison Officer), charged with the responsibility of providing on-the-ground management of resources and products, training coordination and pastoral care services through Ngāti Porou whānui and ITO management.

The position is a 3-year employment contract under Te Rūnanga o Ngāti Porou. Rua had this to say about his new role: "I've always wanted to work for my iwi and help create a positive future for all of us to enjoy. This collaboration means that I have an opportunity to help build our capacity in areas that people in our rohe are passionate about, the land (agriculture) and sports and recreation".

#### He Matapihi ki te Ao Māori (A window to the world of Māori)

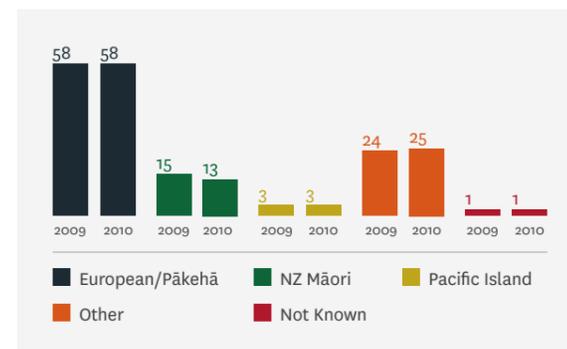
Through 2010, Skills Active staff embarked on an internal training programme aimed at increasing our awareness of tikanga Māori and our ability to engage effectively with Māori stakeholders.

The knowledge from this programme is integral to the way Skills Active conducts its business, from client and sector engagement to product development; from training coordination and delivery to assessment. At the end of 2010, a number of staff successfully completed the award, with the rest due to complete in 2011.



# SKILLS ACTIVE 2010 PERFORMANCE

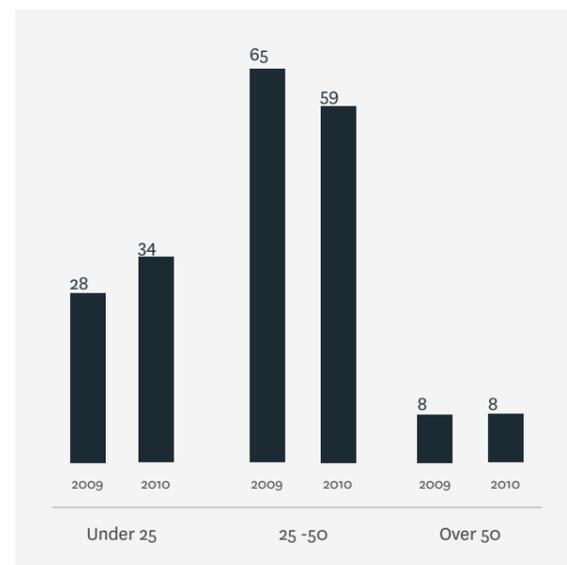
Trainees by Ethnicity (%)



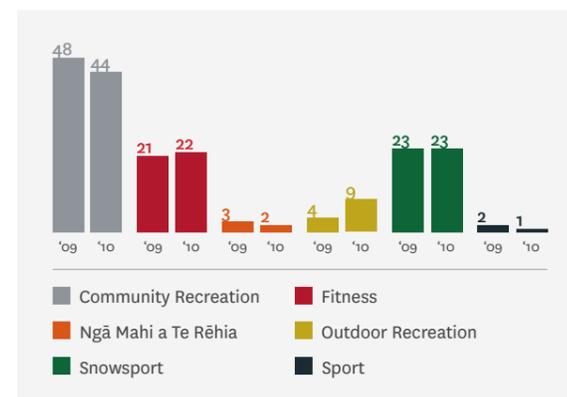
Total pool of trainees



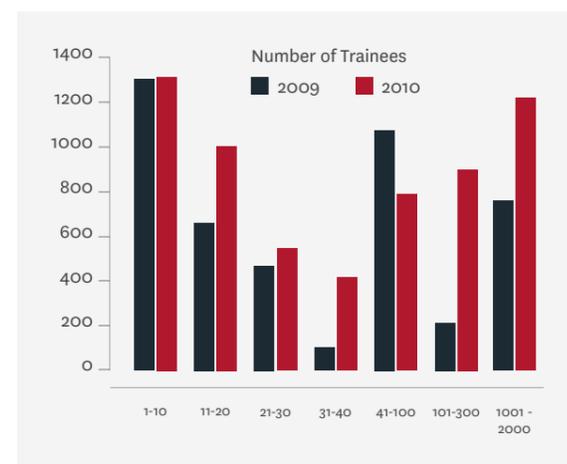
Trainees by Age (%)



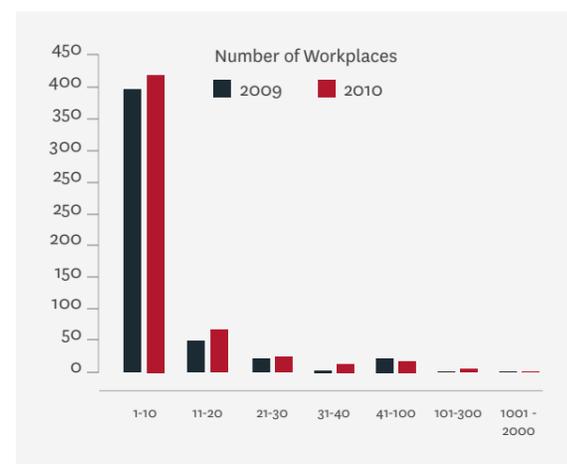
Trainees by Sector (%)



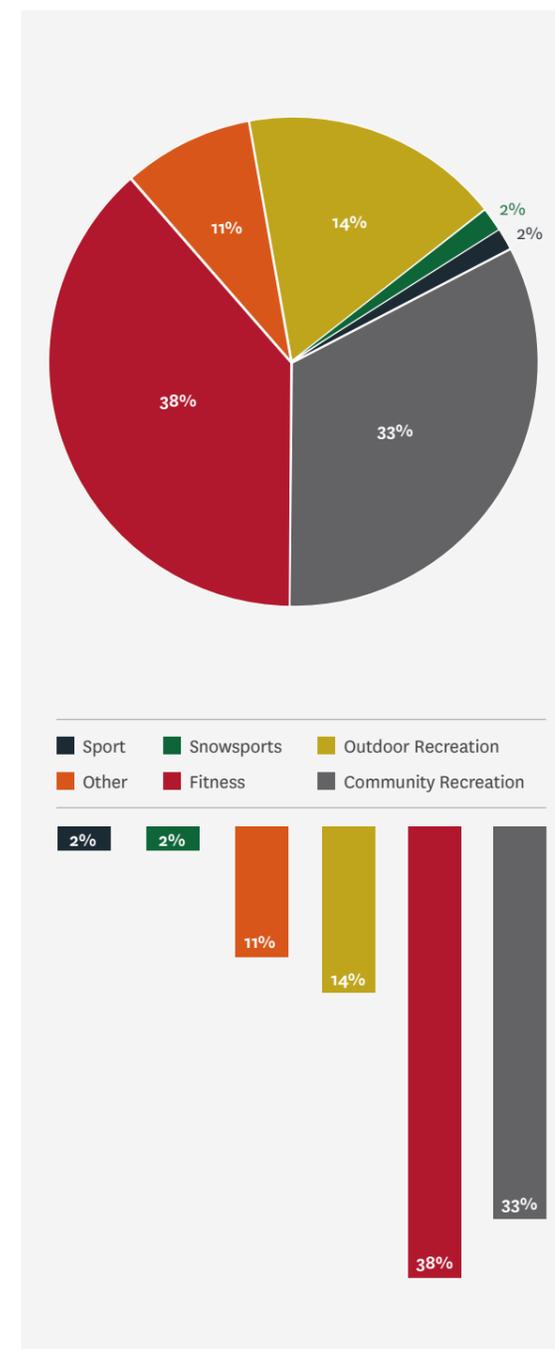
Trainees by Workplace Size



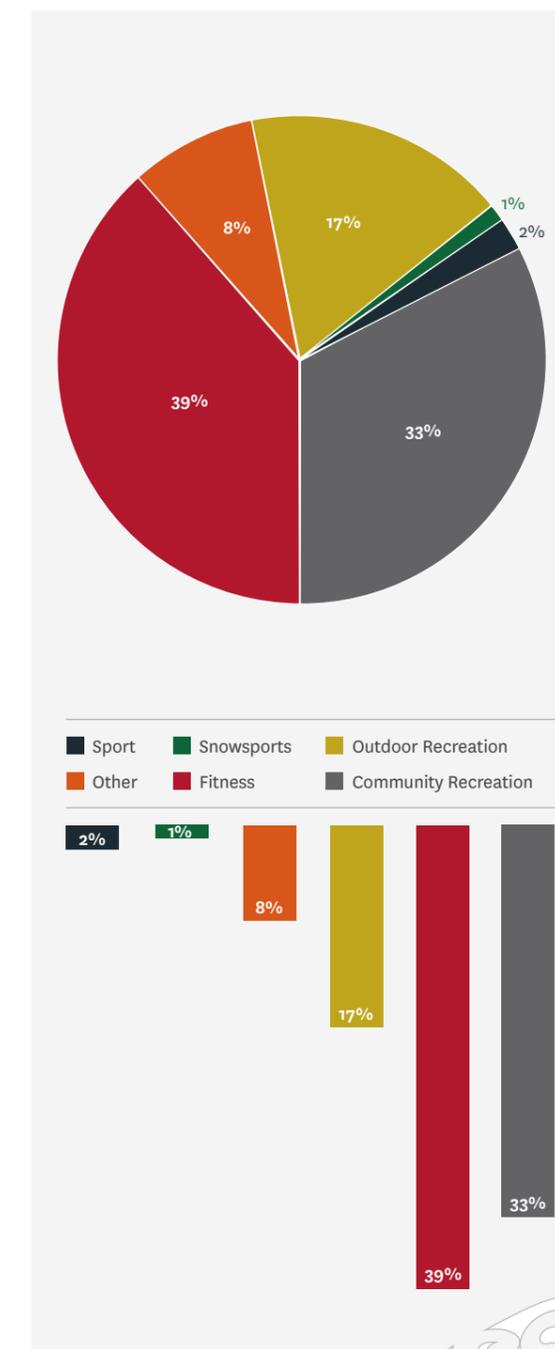
Workplaces by Workplace Size



Workplaces by Sector 2009



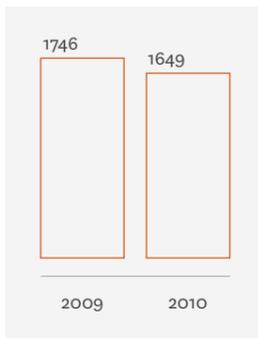
Workplaces by Sector 2010



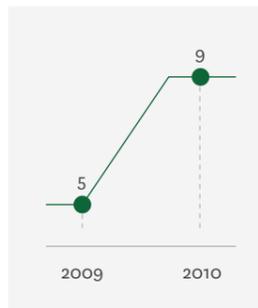
# KEY PERFORMANCE INDICATORS

	2009	2010
STMs	1746	1649
National Diplomas Achieved	5	9
National Certificates Achieved	442	891
National Awards Achieved	1000	1315
Credits	52350	66034
Trainees Enrolled (Throughput)	4580	6180
Qualifications Enrolled (Throughput)	6700	8610

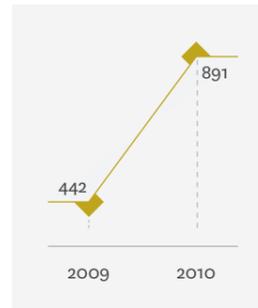
STMs



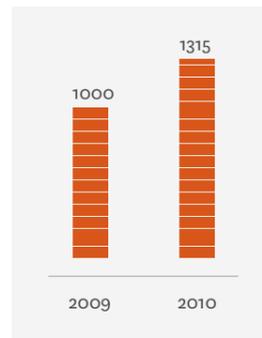
National Diplomas Achieved



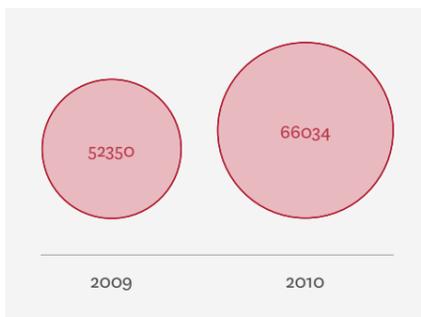
National Certificates Achieved



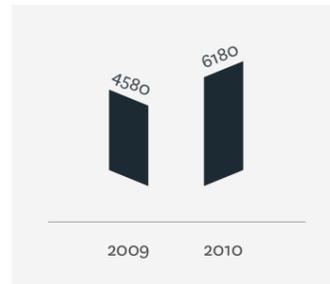
National Awards Achieved



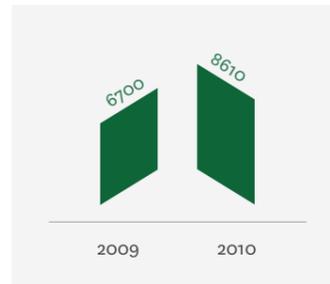
Credits



Trainees Enrolled (Throughput)



Qualifications Enrolled (Throughput)



# SATISFACTION SURVEYS WORKPLACES AND TRAINEES

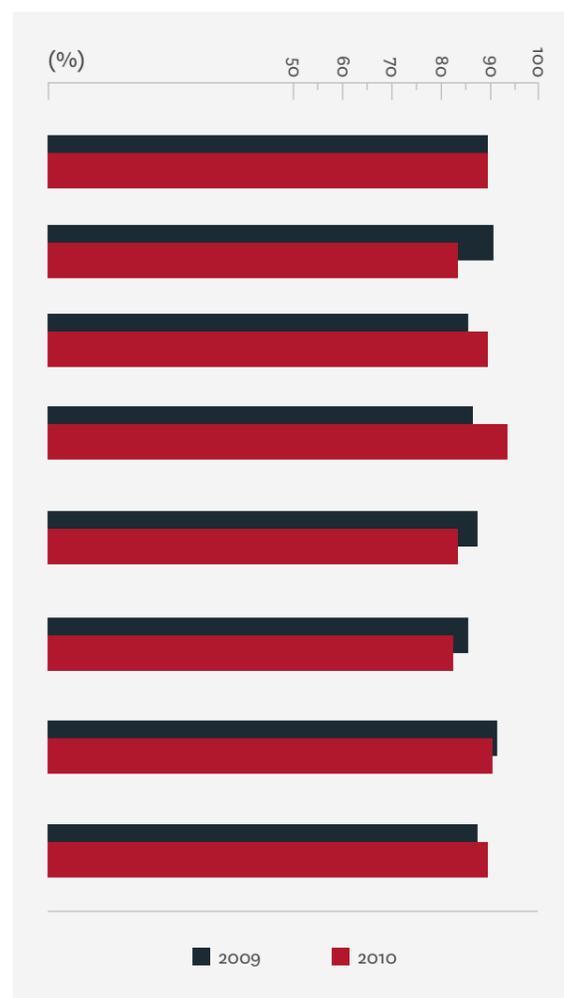
Skills Active has been undertaking satisfaction feedback surveys with workplaces and trainees since 2002.

Over October and November 2010, postcard questionnaires were mailed to 354 workplaces and 1330 trainees. There were a total of 368 useable responses (nearly 100 more than in 2009).

## Key Findings

The key results from **workplaces** are:

- **89%** (same as in 2009) of workplaces are satisfied Skills Active knows and understands their business
- **83%** (down 7% on 2009) of workplaces are satisfied with Skills Active meeting their skill development needs by working as a partnership
- **89%** (up 4% on 2009) of workplaces believe their trainees are becoming more confident and productive
- **93%** (up 7% on 2009) of workplaces are satisfied Skills Active staff ensure there are good communications on training needs
- **83%** (down 4% on 2009) of workplaces are satisfied with how well they are kept informed about programmes and qualifications
- **82%** (down 3% on 2009) of workplaces are satisfied with the level of contact and time intervals between visits Skills Active staff provide
- **90%** (down 1% on 2009) of workplaces are satisfied with the training and assessment resources they are provided for their qualifications
- **89%** (up 2% on 2009) of workplaces believe Skills Active maintains good quality assurance standards in their training



Fitness and Sport continue to be the most satisfied sectors because they receive the highest level of contact from Learning Support Advisors, have the most relevant qualifications, and perceive they are well supported by Skills Active.

## Key Findings

The key results from **trainees** are:

- **87%** (down 4% on 2009) of trainees are satisfied that their ongoing industry training with Skills Active is helping their skill development, which in turn is benefiting their employer
- **91%** (same as in 2009) of trainees believe their training will be helpful for future roles
- **85%** (down 1% on 2009) of trainees find the training process easy to follow with good support material provided
- **83%** (down 8% on 2009) of trainees are satisfied that the assessments are at their level and the standard expected from them is clear
- **82%** of trainees (new question, no data for 2009) find their onsite Assessor/Evidence Verifier easy to contact and they provide good support
- **86%** (up 1% on 2009) of trainees are satisfied with the support and understanding from their employer on their training
- **80%** (down 3% on 2009) of trainees are satisfied with the good service and support provided by Skills Active Learning Support Advisors
- **79%** (down 5% on 2009) of trainees believe Skills Active Learning Support Advisors provide an appropriate level of contact for their training



The number of high-performing Learning Support Advisors, when interacting/delivering service to trainees has gone from 7 to 13 (42% to 81% - exceeding a 2009 recommendation). Three high-performing Learning Support Advisors in 2009 have become low-performing in 2010.

Overall the feedback from workplaces and trainees was positive and suggests Skills Active provides good levels of service and support, with satisfaction levels of 87% for workplaces and 84% for trainees. While the overall satisfaction levels are slightly down on 2009 results, this is a very good result given that Skills Active in 2010 had 44% of its Learning Support Advisors new to their role.



# DIRECTORS DISCLOSURES 2010

Director - Current	Entries in the Interests Register	Total remuneration received	Meetings attended
<b>Richard Beddie</b> (Chair until 21 May 10) (Elected Director 21 May 10)	CEO, Fitness New Zealand Inc  Board Member, Manukau Leisure Services Limited  Chair, International Federation for Register of Exercises Professional (REPs)	\$19,657.11	5/5 Board meetings, AGM, Strategic planning retreat
<b>Grant Davidson</b> (Director up to 31 March, Appointed CE 1 April)	Chief Executive, The Sir Edmund Hillary Outdoor Pursuits Centre of New Zealand  Director, Outdoor Safety Institute  Chair, NZOIA  Director, Outdoors NZ  Research Committee, NZ Safety Council  Research Committee, Water Safety NZ  Member, Outdoor Safety Auditors	\$2,947.50	0/1 Board meetings (only a Director up to 31 March 10)
<b>Andrew Gunn</b>	Director, Holfar Holdings #14 Ltd  Director, Snake Point Lodge Limited  Director, Strike Holdings Limited	\$11,895.34	5/5 Board meetings; AGM
<b>Hinemaui Rikirangi</b>	Co-Chairperson, Sfrito Whakaruru Hau  Director, KOI Development  Director, Indigenous Business Development  Whakaruru Hauora, NZQA  Advisory Committee, Business School AUT  Interim Board Member, Recreation Leaders Inc	\$9,822.50	3/5 Board meetings; AGM

Director - Current	Entries in the Interests Register	Total remuneration received	Meetings attended
<b>Brendon Rope</b> (Term ended 21 May 10)	Regional Manager, Eastern Netball Region Inc.  Treasurer, NZRA Midlands Region  CEO, Pettigrew. Green Arena Hawke's Bay  Director, Hastings Swimming Charitable Trust  EIT Sport and Recreation Programmes Advisory Committee	\$4,599.40	2/2 Board meetings; AGM
<b>Sam Napia</b> (Chair from 21 May 2010)	Group Manager, Environmental Services, Thames - Coromandel District Council	\$22,492.63	4/5 Board meetings; AGM; Strategic planning retreat
<b>Butch Bradley</b>	Te Ara a Maui Regional Tourism Board - Chairman  NZ Māori Tourism Council - Councillor  Nelson Marlborough West Coast Lottery Grants Committee - Committee Member  SPS Ltd - Director  K1W1 Ltd - Director	\$10,807.50	3/5 Board meetings; AGM; Strategic planning retreat
<b>Matt Cant</b> (Elected 21 May 10)	Chief Executive, New Zealand Outdoor Instructors Association	\$8,202.99	3/3 Board meetings; AGM; Strategic planning retreat
<b>Robert Hogg</b> (Elected 21 May 10)	Senior Lecturer, AUT University	\$8,202.99	3/3 Board meetings; AGM; Strategic planning retreat

#### Number of employees who received remuneration at or above \$100,000 (In \$10,000 bands)

One	\$100,000 - \$110,000
One	\$120,000 - \$130,000

#### Fees paid to PricewaterhouseCoopers

Annual Audit of Financial Statements	\$27,000
Taxation Advice	-
AGM Attendance	\$450

#### Donations made

-



# ON-JOB QUALIFICATIONS FOR *ACTIVE* CAREERS



# AUDITOR'S REPORT



## **Independent Auditors' Report** to the shareholders of Skills Active Aotearoa Limited

### **Report on the Financial Statements**

We have audited the financial statements of Skills Active Aotearoa Limited on pages 3 to 18, which comprise the balance sheet as at 31 December 2010, the statement of comprehensive income and statement of changes in equity for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

### **Directors' Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

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

PricewaterhouseCoopers, 113-119 The Terrace, PO Box 243, Wellington 6140, New Zealand  
T: +64 (4) 462 7000, F: +64 (4) 462 7001, www.pwc.com/nz



## **Independent Auditors' Report** Skills Active Aotearoa Limited

### **Opinion**

In our opinion, the financial statements on pages 3 to 18:

- (i) comply with generally accepted accounting practice in New Zealand; and
- (ii) give a true and fair view of the financial position of the Company as at 31 December 2010, and its financial performance for the year then ended.

### **Report on Other Legal and Regulatory Requirements**

We also report in accordance with Sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the year ended 31 December 2010:

- (i) we have obtained all the information and explanations that we have required; and
- (ii) in our opinion, proper accounting records have been kept by the Company as far as appears from an examination of those records.

### **Restriction on Distribution or Use**

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

*Ricardo Loureiro*

Chartered Accountants  
6 May 2011

Wellington



# FINANCIAL STATEMENTS

## Statement of Comprehensive Income

For the year ended 31 December 2010

	Note	2010 (\$)	2009 (\$)
<b>Revenue</b>			
Tertiary Education Commission			
Industry Training Fund (ITF)		4,848,515	4,907,137
Sector Leadership Fund	4	396,150	282,500
Industry contributions			
Workplace fees and registration fees		134,258	162,187
Assessor training		-	12,583
NZQA moderation rebate		180,321	83,233
Other income	5	26,048	35,729
		<b>340,627</b>	<b>293,732</b>
<b>Total revenue</b>		<b>5,585,292</b>	<b>5,483,369</b>
<b>Expenses</b>			
HR expense	6	2,990,026	3,006,002
Other operating costs	7	1,165,549	1,440,251
Client servicing and training resources	8	784,090	1,071,931
Assessor training & registration		91,174	70,242
NZQA credits		144,678	71,519
Recession relief fund		-	143,117
<b>Total expenses</b>		<b>5,175,517</b>	<b>5,803,062</b>
Surplus/(Deficit) before financing income		<b>409,775</b>	<b>(319,693)</b>
Interest income		130,177	137,803
<b>Net financing income</b>		<b>130,177</b>	<b>137,803</b>
<b>Surplus/(Deficit) after financing income</b>		<b>539,952</b>	<b>(181,890)</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>	9	<b>539,952</b>	<b>(181,890)</b>

## Statement of Changes in Equity

For the year ended 31 December 2010

	Note	2010 (\$)	2009 (\$)
Equity at the beginning of the year		2,587,546	2,769,436
Comprehensive income for the year		539,952	(181,890)
<b>Total comprehensive Income for the year</b>		<b>539,952</b>	<b>(181,890)</b>
<b>Equity at the end of the year</b>	9	<b>3,127,498</b>	<b>2,587,546</b>

## Balance Sheet

For the year ended 31 December 2010

As at 31 December 2010*	Note	2010 (\$)	2009 (\$)
<b>Current Assets</b>			
Cash and cash equivalents	10	2,074,379	1,028,175
Short term deposits	11	1,262,857	1,705,000
Receivables	12	130,837	85,243
Prepayments		22,571	37,909
		<b>3,490,644</b>	<b>2,856,327</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	13	208,105	251,463
Intangible assets	14	12,485	18,907
		220,590	270,370
		<b>3,711,234</b>	<b>3,126,697</b>
<b>Current Liabilities</b>			
Trade payables	15	327,430	201,815
Employee benefits payable		180,892	140,245
Goods & services tax payable		75,414	58,591
Funds received in advance		-	138,500
		<b>583,736</b>	<b>539,151</b>
<b>Equity</b>			
Retained earnings	9	3,127,498	2,587,546
		<b>3,711,234</b>	<b>3,126,697</b>

For and on behalf of the Board

**Sam Napia**  
Chairman  
26th April 2011

**Andrew Gunn**  
Director  
26th April 2011

## Notes to and forming part of the financial statements for the year ended 31 December 2010

### 1. Reporting entity

Skills Active Aotearoa is a limited company incorporated in New Zealand, registered under the Companies Act 1993. The Company is the Industry Training Organisation for the Sport, Fitness and Recreation Industries of New Zealand. The registered office of the Company is 180-188 Taranaki Street, Wellington. The financial statements of the Company are for the year ended 31 December 2010. The financial statements were authorised for issue by the directors on 26th April 2011.

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

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

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

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

There have been no changes in accounting policy since the previous reporting period.

The Directors have approved these financial statements on a going concern basis. The Directors have concluded the going concern basis is appropriate as Skills Active Aotearoa Limited has obtained funding from the Tertiary Education Commission (TEC) for the period 2011-2013.

### 3. Specific accounting policies

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

#### A) Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from the TEC is recognised as it accrues according to Standard Training Measures (STMs) achieved. Any unearned portion of income is recognised as a liability in the Balance Sheet.

#### B) Property, plant and equipment

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

Computer equipment	40% - 60% diminishing value
Office equipment	22% - 50% diminishing value
Office furniture	12% - 15% diminishing value
Motor vehicles	20% diminishing value
Leasehold improvements	15% - 26% diminishing value
Leased computers and office equipment	3-4 years straight line

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

#### C) Leases

The Company leases certain office equipment, vehicles and buildings.

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

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

#### D) Intangible Assets

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

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

Intangible assets are categorised into those with finite lives and those with indefinite lives. Intangible assets with finite lives i.e. software are amortised using the diminishing value method at rates of 40% - 60%. Where an intangible asset can not be recognised, the



expenditure is charged to profit or loss in the period in which it is incurred. The Company has no intangible assets with indefinite lives.

The residual value of intangible assets is reassessed annually.

#### E) Trade and other receivables

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

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

#### F) Employee benefits

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

#### G) Net financing costs

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

#### H) Income tax

The Inland Revenue Department has approved charitable status for the Company. The Company is exempt from income tax (pursuant to Section CW 46 of the Income Tax Act 2007) on its normal operations. The Company was registered with the Charities Commission in 2008 and according to the Charities Act 2005 retains its charitable status for income tax purposes.

#### I) Goods and services tax

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

#### J) Cash and cash equivalents

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

#### K) Trade and other payables

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

#### L) Provisions

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

#### M) Financial Instruments

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

All the Company's financial instruments except its investments 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.

#### 4. Tertiary Education Commission revenue

Approximately 93% of total income is derived from the contract with the Tertiary Education Commission (TEC). The Company has received a gazetted five year re-recognition by TEC as the Industry Training Organisation for the Sport, Fitness and Recreation sectors (expiring on 26th June 2014).

A contract has been established with the TEC for the 3-year period 2008 to 2010. Funding received within this contract is for three fiscal years. The terms of the contract to provide services does not guarantee any further contracts with the TEC.

During the 2010 calendar year the Company submitted an investment plan to TEC to secure base funding for a 3-year period 2011-2013 inclusive which was approved, and a further 3-year funding contract was established.

Sector Leadership Fund	2010 (\$)	2009 (\$)
Facilities Management Programme	-	100,000
Developing a strategy to incorporate e Rautaki Toi (Māori Artists)	50,000	50,000
Strategic Training Plan	91,000	91,000
Literacy & Numeracy	106,650	150,000
ITR	10,000	-
Transfer to Future Period	-	(138,500)
Transfer from Previous Period	138,500	30,000
	<b>396,150</b>	<b>282,500</b>

5. Other income	2010 (\$)	2009 (\$)
Sale of resources & manuals	17,451	21,846
Resource development contracts	6,540	13,080
Other	2,057	803
	<b>26,048</b>	<b>35,729</b>

6. HR expense	2010 (\$)	2009 (\$)
Wages and salaries	2,623,114	2,593,955
Termination benefits	50,000	70,000
Contract staff	146,821	130,769
	<b>2,819,935</b>	<b>2,794,724</b>
Employee entitlements		
Training	56,980	79,514
Other costs	113,111	131,764
	<b>2,990,026</b>	<b>3,006,002</b>



## 7. Other operating costs

	2010 (\$)	2009 (\$)
Depreciation	83,746	83,207
Amortisation of intangible assets	8,663	13,968
Net loss on disposal of assets	-	11,211
Impairment of trade receivables	4,509	4,311
Rental and operating expenses	419,622	426,683
Auditor fees		
- Audit of financial statements	27,000	22,000
- Taxation advice	-	1,000
- AGM attendance	450	450
Directors fees	125,973	113,649
Governance expenses	61,100	106,564
Industry sponsorship	80,476	138,021
Industry consultation	38,917	142,648
Industry conference attendance	26,697	54,377
Accreditation	126	2,154
Other	288,271	320,008
	<b>1,165,550</b>	<b>1,440,251</b>

## 8. Client servicing and training resources

	2010 (\$)	2009 (\$)
Workplace servicing, sector advisory activities, unit & qualification writing & guidelines	492,111	761,679
Quality systems, moderation & review activities	2,335	6,880
General projects – needs Māori	126,889	117,250
Resource development	162,755	181,072
Workplace payments		5,050
	<b>784,090</b>	<b>1,071,931</b>

## 9. Equity and reserves

The Company has a policy of maintaining equity reserves (retained earnings) at a minimum of three months of the Company's total expenses for the year. At times between four to six months equity reserves will be retained to allow for such items as future capital expenditure, contingency in the case that the Company ceases operations and the resulting costs and liabilities associated with that event with particular attention to transition trainee agreements to another entity. At 31 December 2010, equity reserves held equate to approximately seven months, due to the anticipation of substantial capital investment in 2011/12 to meet industry and TEC performance measures.

At 31 December 2010, share capital comprised 1,000 ordinary shares (2009: 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.

	2010 (\$)	2009 (\$)
Total Issued & Paid Up Capital	-	-
Retained earnings		
Balance at the beginning of the year	2,587,546	2,769,436
Net Surplus/(Deficit) after financing income	539,952	(181,890)
<b>Retained earnings at end of the year</b>	<b>3,127,498</b>	<b>2,587,546</b>
<b>Total equity</b>	<b>3,127,498</b>	<b>2,587,546</b>

## 10. Cash and cash equivalents

	2010 (\$)	2009 (\$)
National Bank - Current account	36,537	42,236
Westpac – Current account	51,509	60,027
National Bank – Short-term deposits less than 90 days	611,733	430,000
ASB - Short-term deposits less than 90 days	915,374	-
Westpac – Short-term deposits less than 90 days	458,676	495,212
Cash on Hand	550	700
	<b>2,074,379</b>	<b>1,028,175</b>

## 11. Short-term deposits

	2010 (\$)	2009 (\$)
ASB - Short-term deposit – greater than 90 days	-	900,000
Kiwibank – Short-term deposit – greater than 90 days	824,183	805,000
National Bank – Short-term deposit – greater than 90 days	438,674	-
	<b>1,262,857</b>	<b>1,705,000</b>

## 12. Receivables

	2010 (\$)	2009 (\$)
Accrued revenue	75,989	24,669
Accrued interest	16,112	24,264
Trade receivables (workplace fees)	38,736	38,221
Impairment of trade receivables	-	(1,911)
	<b>130,837</b>	<b>85,243</b>



### 13. Property, plant and equipment

2009	Cost (\$)	Depreciation Charge (\$)	Accumulated Depreciation (\$)	Book Value 2009 (\$)
Computer equipment	222,628	45,216	149,774	72,854
Office furniture	147,287	11,061	82,126	65,161
Office equipment	75,082	9,578	36,571	38,511
Motor vehicles	60,889	8,679	45,459	15,430
Leasehold improvements	119,264	8,673	59,757	59,507
	<b>625,150</b>	<b>83,207</b>	<b>373,687</b>	<b>251,463</b>

2010	Cost (\$)	Depreciation Charge (\$)	Accumulated Depreciation (\$)	Book Value 2009 (\$)
Computer equipment	230,289	39,789	188,242	42,047
Office furniture	151,831	10,858	92,984	58,847
Office equipment	90,393	17,055	54,426	35,967
Motor vehicles	60,889	5,555	51,014	9,875
Leasehold improvements	131,616	10,489	70,247	61,369
	<b>665,018</b>	<b>83,746</b>	<b>456,913</b>	<b>208,105</b>

### 14. Intangible assets

2009	Cost (\$)	Depreciation Charge (\$)	Accumulated Depreciation (\$)	Book Value 2009 (\$)
Computer software (purchased)	250,280	13,968	231,373	18,907

2010	Cost (\$)	Depreciation Charge (\$)	Accumulated Depreciation (\$)	Book Value 2009 (\$)
Computer software (purchased)	252,521	8,663	240,036	12,485

### 15. Trade payables

	2010 (\$)	2009 (\$)
Trade creditors	160,668	157,204
Accruals	46,762	44,611
Provisions	120,000	-
	<b>327,430</b>	<b>201,815</b>

The provisions figure relates to a redundancy and restructure provision and potential amounts due in respect of current and future TEC payments.

### 16. Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:	2010 (\$)	2009 (\$)
Less than one year	290,057	321,152
Between one and five years	157,768	448,845
More than five years	-	-
	<b>447,825</b>	<b>769,997</b>

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

### 17. Capital commitments and contingencies

The company is party to a joint venture training agreement with Te Runanga o Ngāti Porou and the Agriculture ITO that has a 2-year liability of \$90,000 ending 31 December 2012 (\$45,000 per annum) (2009: nil).

### 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	2010 \$ Paid to the Company	2010 \$ Paid by the Company	2009 \$ Paid to the Company	2009 \$ Paid by the Company
Grant Davidson (CE)	The Sir Edmund Hillary Outdoor Pursuits Centre of New Zealand (Interest ended 20/05/10)				24,185
	OAS Resources	889			
	New Zealand Outdoor Instructors Association (Interest ended 20/05/10)				
	Airfares for Shareholders Forum		400		
	Waterproof Notebooks x 200		601		
	Outdoor Safety Institute				1,682
Brendon Rope (Ex Board Member, effective 21/05/10)	Treasurer, NZRA Midlands Region		6,000		
	Regional Aquatic Forums Sponsorship		1,262		
	Park Ranger Qualification Development				
	CEO, Pettigrew.Green Arena Hawke's Bay				
	ATC Venue Hire & Courier Charge		504		5,000
	Hastings Swimming Charitable Trust (Swim Heretaunga)			529	
Sue Fitzmaurice (Ex CEO)	Te Kaihau Limited				22,367



Richard Beddie is currently the CEO of Fitness New Zealand Inc; board member of Manukau Leisure Services; and Chair, International Confederation for Register of Exercises Professional (ICREPs).

Matt Cant is the CEO of NZOIA.

Grant Davidson is Chief Executive of Skills Active, and a Director of the Outdoor Safety Institute. He is on the research committee for both NZ Safety Council and Water Safety NZ. During the year he was the Chief Executive of The Sir Edmund Hillary Outdoor Pursuits Centre of New Zealand, Chair of NZOIA and a Director of Outdoors NZ.

Brendon Rope is the CEO, Pettigrew-Green Arena Hawke's Bay; Treasurer, NZRA Midlands Region; Director Hastings Swimming Charitable Trust; and he is on the EIT Sport and Recreation Programmes Advisory Committee. He was not reappointed to the Board and left on 21 May 2010.

All transactions were carried out at arm's length on normal trading terms. No amounts owed by related parties have been written off or forgiven during the year.

	2010 (\$)	2009 (\$)
Total compensation of key management personnel including Directors (changed in 2010 to include Senior Management)	650,340	375,553

## 19. Industry contribution

The contract with TEC requires the amount of industry contribution calculated according to TEC guidelines to be disclosed in the notes to the Financial Statements. This can include both monies received by 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 2010 the amount of industry contribution was \$1,465,300 (2009: \$762,247).

	2010 (\$)	2009 (\$)
Industry contribution received by Skills Active and recorded in the audited accounts	151,709	179,912
Payments by industry to third parties in pursuit of achieving Skills Active qualifications	1,313,591	582,335
	<b>1,465,300</b>	<b>762,247</b>

## 20. Financial assets and liabilities

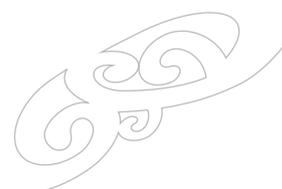
All financial assets are classified as loans or receivables for financial measurement purposes.

These are:

Loans and receivables at amortised cost	2010 (\$)	2009 (\$)
Cash and cash equivalents	2,074,379	1,028,175
Short-term deposits	1,262,857	1,705,000
<b>Receivables</b>	<b>130,837</b>	<b>85,243</b>
	<b>3,468,073</b>	<b>2,818,418</b>

## 21. Subsequent event

Whilst it is too early to quantify the effect, the Company has fixed assets with a net book value not expected to be greater than \$50,000 which may no longer be usable as a result of the Christchurch earthquake of February 2011.



# DIRECTORY

# SKILLS ACTIVE

## **Skills Active Board Members 2010**

Richard Beddie (*Chair from 1 Jan – 21 May 10, Director from 21 May 10*)

Sam Napia (*Chair from 21 May 10*)

Grant Davidson (*Resigned March 10*)

Butch Bradley

Hinemaia Rikirangi

Andrew Gunn

Matt Cant (*Elected 21 May 10*)

Robert Hogg (*Elected 21 May 10*)

## **Registered office**

Level 1

180 – 188 Taranaki Street

Wellington

## **Solicitor**

Kensington Swan

## **Banker**

National Bank of New Zealand

Wellington

## **Auditor**

PricewaterhouseCoopers

## **Contact**

Level 1

180 – 188 Taranaki Street

PO Box 2183

Wellington

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