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Annual Report 2013

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19,317

Trainee volumes

3,292

Employer volumes

483,954

Credit completions

8,445

Qualifications Completions

Participation

12%

Māori

6%

Pacific Island

1%

Females in trades

Our members

Ambulance New Zealand

Contact Centre Institute of New Zealand

Crane Association of New Zealand

Electro-Technical Association

Electrical Contractors Association of New Zealand

Lifting Equipment Engineers New Zealand

Master Plumbers, Gasfitters & Drainlayers NZ

New Zealand Association of Credit Unions

New Zealand Engineering, Printing and Manufacturing Union

New Zealand Public Service Association

New Zealand Security Association

Professional Advisers Association

Radio Frequency Users Association of New Zealand

Real Estate Institute of New Zealand

Roofing Association of New Zealand

Scaffolding and Rigging Association of New Zealand

Telecommunications Users Association of New Zealand

Cover image

Hayley Hewer

DuluxGroup

2013 Sowing the seeds of change

The Skills Organisation is the Industry Training Organisation (ITO) for 19 industries throughout New Zealand. ITOs are government-mandated and funded to arrange the delivery of industry skill development and workplace learning.

Successful industry training is borne of collaboration between ITOs and a range of other parties. These include learners, employers, training providers, industry associations, trade unions and government agencies.

As a result, success in industry training relies heavily on partnerships to achieve performance and realise the ultimate aim of improved productivity.

The Skills Organisation is mandated to:

Set national standards

The Skills Organisation sets skills standards and designs national qualifications for the 19 industries we represent.

Manage training systems

This includes making arrangements to monitor training and assessment to ensure it enables trainees to attain the qualification in which they are enrolled. The Skills Organisation prides itself on the delivery of world-class training systems.

Provide skills leadership

While the mandatory role of provision of skills leadership is set to change in 2014, The Skills Organisation still treats this as a core role in our delivery to industry.

We deliver this through active collaboration with a diverse range of others to identify the strategic trends that influence the nation's current and future skills needs.

We develop strategic training plans to assist industry to meet

those needs. We promote to employers and employees the training required to meet those needs and will continue to do so.

This annual report highlights just some of the ways in which The Skills Organisation partnered with our industries in 2013 to build the human capability of New Zealanders and New Zealand businesses.

The stories within illustrate our approach and drive to:

- Meet all our statutory obligations.
- Tailor our service to best respond to the needs and priorities of our diverse constituency of industry stakeholders.
- Explore new and innovative approaches to industry training.

These stories showcase the valuable contribution of individuals and firms.

They also provide examples of the diligent work carried out behind the scenes as The Skills Organisation operates the national training systems for our industries.

We are extremely grateful to those who gave their time to share their experiences with us. We congratulate and commend all of you who have recognised the value of national training and are working alongside us to reap the rewards.

Through partnership comes performance and productivity. We remain proud that the benefits of our commitment to and success in industry training are not only being shared by individuals and organisations, but by industry and New Zealand as a whole.

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Strength in the face of great change

**A message from
Brian Nowell, Chairman,
The Skills Organisation.**



Brian Nowell
Chairman
The Skills Organisation

2013 was a chance to demonstrate The Skills Organisation's strong commitment to industry – and to showcase the ITO's ability to cope successfully with change. We did just that.

Our association membership expanded to 17 as we welcomed seven new and valued members. We appreciate the support of such a large number of industry associations and welcome the opportunities to partner with them.

This rise in membership necessitated a review of The Skills Organisation's constitution and its director selection.

The ITO consulted around the proposed changes including: directors' skills, the rules, and the voting model. More direct selection allows for the appointment of Independent Directors along with Elected Directors.

We welcomed Cassandra Crowley and Rod de Spong to the Board following the 2013 AGM.

These two replaced two long-serving foundation Directors, Murray Hobson and David Grant. The Board and senior management would like to acknowledge their significant contributions to the organisation, along with that of Trevor Helm, who assisted greatly with our merger activities.

In 2013, the consolidation of the industry training sector continued and the Ministry of Education-led industry training review was largely completed. We remain thankful of

the head start given to many of our trainees through the government's Apprenticeship Reboot initiative.

As the sector settled, The Skills Organisation focussed on its role in the productivity equation.

We continued developing our partnerships – a key strength and a point of difference for us in the ITO sector. We remain the only ITO partnering with the majority of New Zealand Institutes of Technology and Polytechnics (ITP).

Our leadership in this area positions us to deliver longer-term learning pathways for New Zealanders, benefitting their careers – as well their employers' bottom lines.

Performance highlights included successfully impacting learning in a poor performing local government and public sector - to the extent of a 75% growth in learners.

Our educational performance indicators (EPIs) - including our credit completion rates (CCR) - increased from 55% to 60%, and programme completion rates (PCR) rose to 83%, an incredible 34% improvement.

To deliver these EPI results, we had to refocus our expectations around income. However, our cash reserves are strong, and our ongoing investment in technology to simplify and automate operations ensures we're well placed for further success in 2014.

In recognition of our performance, the Tertiary Education Commission has granted two-year funding security.

Our brand recognition, measured through our August stakeholder engagement survey, launched at 71%.

In the same survey, our industries and trainees delivered a clear message for us to improve our communication and level of contact.

We have a clear focus on these objectives in 2014.

For 2014, our vision is to continue to lift our performance – across all areas. We have the talent and processes in place to achieve this.

However, there is no room for complacency. The importance of our increased stakeholder base remains paramount and we value your contribution as an integral part of The Skills Organisation's future.

We look forward to working alongside each and every one of you as we all play our part in creating a more productive, prosperous New Zealand in 2014.



Change remains constant

A message from Garry Fissenden, Chief Executive, The Skills Organisation.



Garry Fissenden
Chief Executive
The Skills Organisation

We had a simple one-year strategy for 2013. I believe we succeeded in meeting it.

We placed more focus on trainee performance, working hard to resolve inactivity. We managed to reduce this to 19%. Our programme completion rate increased from 49% to 83% and our credit completion rate lifted from 55% to 60%.

We also had a firm commitment to deliver improved services to firms and trainees and we tested our current positioning through a stakeholder engagement survey. The news was clear: we must improve communication and level of contact. We have incorporated these into core 2014 strategies.

The implementation of Skills Bank, our online learning management system, was a huge step in this direction. We were able to offer learners and assessors more development and learning support tools.

Through the government-led reboot initiative we were able to pay out more than \$4.5m to our industries to support the development of their employers and trainees.

We participated in more than 60 industry events across the year, ensuring our voice was heard as key participants in industry. Partnerships remain vital in arranging exceptional training to New Zealanders.

In 2013, we established partnerships with MIT, NorthTec, CPIT, Mt Eliza Melbourne Business School and Competency International Limited.

These complemented our existing relationships with a range of ITPs nationwide.

We also established a collaborative marketing effort with four other ITOs, sharing resources in order to help attract more New Zealanders to vocational educational training from 2014.

Our new learning pathways initiative was developed and will be realised in 2014. The model allows New Zealanders to develop the skillset needed at a particular moment and future-proofs for skills they may need later in their career.

And our regional initiative, unparalleled in the ITO sector, led to the creation of regionally focused area business managers. These talented people work closely with ITPs, trainees and employers in their area, using their local knowledge and skills to meet the unique industry training needs demanded by their respective regions.

Excellence begins at home

Staff development was crucial in 2013. Through Performance Management, Inspire and Succession Planning we were able to create a culture that will continue to foster excellence.

Staff numbers have increased as we have grown. The cost per staff member has dropped slightly, but more importantly the number of trainees managed per Full Time Equivalent has increased.

We have simplified the way we work.

The language we use as an organisation has changed. Simplification of language has improved the way our staff interact, both in a face-to-face and written sense.

And we began an internal process review, to ensure we work as efficiently as possible. This review is ongoing, but will ultimately lead our staff to provide better service to trainees, employers, regions and New Zealand.

Our new, spacious, modern building in Highbrook has lifted our collaboration and communication. We expect this to improve even further.

2014 key strategies

- 1. Lift service to trainees**
- 2. Give great service to firms, industry & stakeholders**
- 3. Diversify income**
- 4. Simplify & automate operations**
- 5. Lift capabilities & culture**
- 6. Be the sector leader**

Thank you to our passionate staff; to our board of directors; and the trainees and workplaces we serve.

Without your valuable input and hard work, The Skills Organisation would not be in the position it is: poised to raise the level of industry training even higher in 2014.



Stakeholder Engagement Benchmarking for the future

In late 2013, The Skills Organisation conducted a stakeholder engagement survey.

The survey was designed to comprehensively identify stakeholder satisfaction. It was sent to more than 23,000 stakeholders, including trainees, senior managers, other managers and assessors and evaluators (moderators).

It spanned our three primary divisions: Commercial; Agencies & Regulatory (A&R); and Specialist Trades.

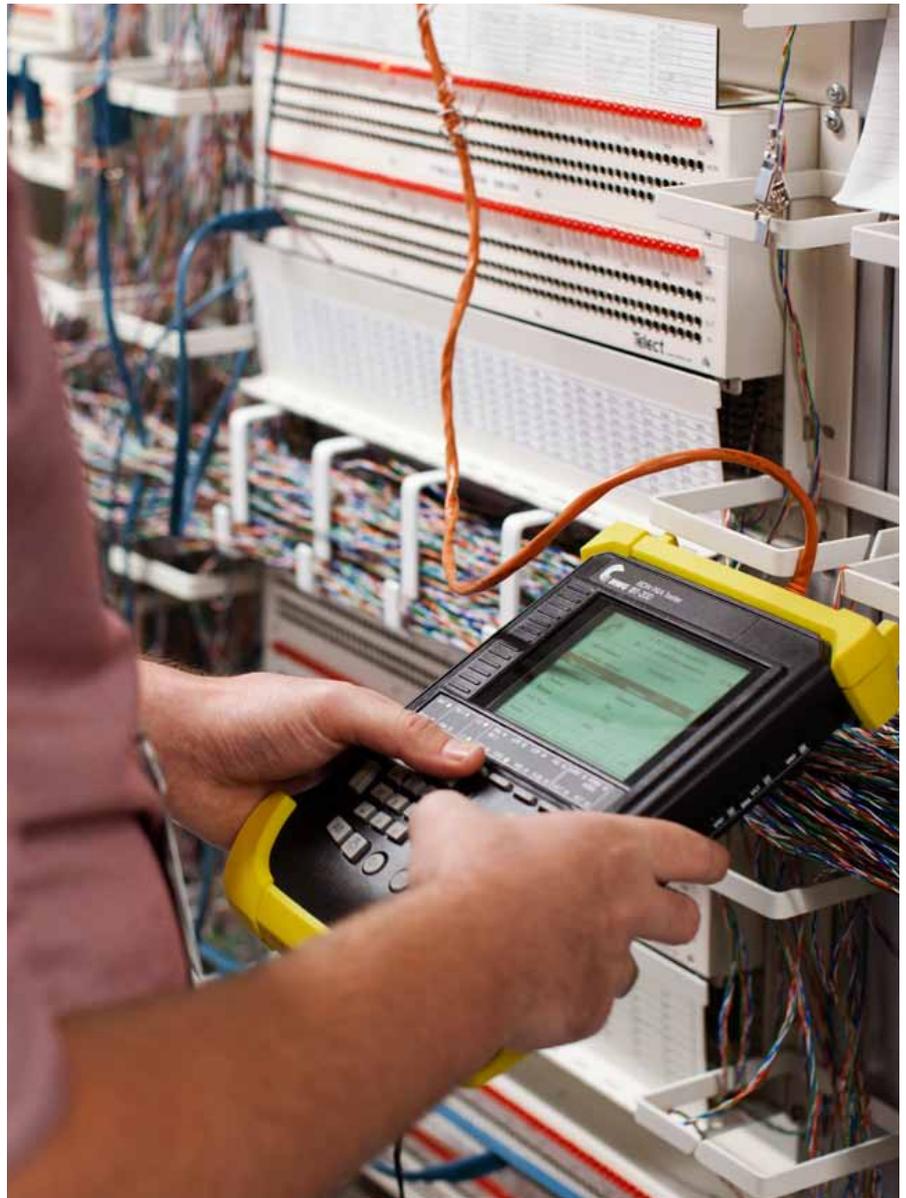
With a statistically sound response rate of 5.4%, the survey has provided The Skills Organisation with a benchmark for the future. It also provided an insight into our performance as perceived by our stakeholder groups.

Chief Executive Garry Fissenden noted: "This is important research for us and one that we will deliver annually. The survey gave us a good snapshot of impressions of our performance and areas of focus for improvement."

The survey was designed to test both customer satisfaction and underlying performance questions.

Also included were a range of outcome statements about satisfaction with the training model and the trainee support system, and three 'acid test' questions.

Customers were reasonably happy with The Skills Organisation's performance – rating overall



satisfaction at slightly above the midpoint at 4.3 on a 7 point scale.

The main areas of improvement identified were in communications and customer contact.

Within communications, the website and Contact Centre were areas identified for improvement. Our new website will be launched in 2014.

Customers would also generally like to see more contact with The Skills Organisation.

The survey and the measures recorded will be repeated annually. This gives the ITO the ability to consistently measure its performance.



How we've invested to increase performance in all areas



Doubling the number of field staff nationwide – with a particular focus on increasing support in regions



Embedding apprentice training plans with planned connections from Account Managers



Website redevelopment – due May 2014 – to make it easier for information to be found

Continued improvements to our email news communications



Investment in ongoing support to Training Providers to ensure apprentices complete quality off-job training within a recommended completion timeframe

Investment in technological developments including My Skills, Skills Bank and Skills Track to track and support completion



Investment in an Employer Mentoring Programme to support an employer to manage their apprentice through a full apprenticeship

New programme development in Agencies & Regulatory to ensure alignment with Better Public Service targets and the Performance Improvement Framework (PIF)

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Māori and Pacific people

The Skills Organisation has undertaken a strategic initiative to improve the participation and achievement of Māori and Pacific people groups within the 19 industries for which it has coverage.

In August 2012, an initial Māori and Pacific people report was undertaken to provide both a baseline for future monitoring and an initial step towards understanding the basis of any differences in both participation and completion.

Another was completed in 2013, revealing:

- Māori and Pacific people with the potential to do well in the higher skilled sectors within industry are, for whatever reasons, not participating in those sectors in sufficient numbers to address the looming skills shortages in the next three to five years.
- Māori and Pacific people are far less likely in employment, education, or training (NEET) – that group of youth who have not or will not engage with the labour market and who, therefore, are far more likely to experience lower standards of living in the future amongst other things.
- As a large proportion of New Zealand's population growth for the next 20 to 30 years will come from the Māori and Pacific people communities, The Skills Organisation considers it imperative to provide concentrated attention towards these two groups.



Top: Jordan Keil
Left: Heemi Davis
Coll Electrical Apprentices



Left: Stuart Lawrence

Right: Issac Liava'a

The Skills Organisation

Creation of Māori and Pacific People liaison positions

In recognition of the cultural considerations of Māori, The Skills Organisation created the position of Kaihutu Māori (Māori Liaison) in early 2013. Stuart Lawrence was appointed to the role.

In 2013, Stuart engaged with a conservative estimate of 5,000 Māori and Pacific people, from school to church groups, industry to training providers, Māori Wardens to Wānanga/Polytechnics and learners to government departments.

He also facilitated NCEA & The Whānau interactive workshops throughout New Zealand this year, helping whanau understand NCEA. His heavy involvement led to understanding the real challenges that some of New Zealand's population have around NCEA.

Following the success of Stuart's appointment, in mid-2013 a similar

position was created for Pacific People. Pacific Engagement officer Issac Liava'a was appointed to the role.

His role involves raising awareness among Pasifika of the opportunities presented by the 19 industries represented by The Skills Organisation.

Development of resources for both staff and employers

After research by The Skills Organisation, a range of resources were developed to bring both staff and employers up to speed with any cultural considerations likely to impact on a trainee's success.

The Skills Organisation taking a lead in the Māori and Pacific people space: these resources are likely to be shared with other ITOs in future.

MOU signed with Te Wānanga o Aotearoa

The Skills Organisation and Te Wānanga o Aotearoa will work

closely together after the two parties signed a Memorandum Of Understanding mid-year.

The Skills Organisation and Te Wānanga o Aotearoa will further develop their relationship for the mutual benefit of, in particular, Māori and Pasifika taura (students) and trainees within The Skills Organisation's industry portfolio.

Initially, this will involve the Specialist Trades and Offender Management portfolios.

The two organisations will also investigate the potential to undertake Financial Competency training in the Financial Services industry.

Northland strategy

The Skills Organisation has employed a new staff member to operate in the Northland region, as part of its regional ITP strategy.

Based at NorthTec, area account manager Maea Pivac has worked closely with the Wānanga on vocational education and training strategies for the North.

The Northland population has a high proportion of young Māori.

It makes sense for The Skills Organisation to partner with the region's major tertiary education to deliver programmes that enable young people, Māori especially, to achieve relevant and necessary qualifications.

The aim is to provide better standards of living and the skills needed to grow the local economy.

Learnings from Northland will be applied in other regions as and where relevant.



Maea Pivac

Area Account Manager

The Skills Organisation

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Connecting employers and apprentices

A unique partnership between Vodafone New Zealand and The Skills Organisation expanded the pool of telecommunications workers in 2013.

The two companies created the Vodafone Technology Apprenticeships scheme, establishing a vital link between school and business.

More than 100 students who had completed Year 13 applied for the positions.

A rigorous recruitment process led to 10 apprentices (five male, five female) being selected.

The programme, which results in apprentices gaining a National Certificate in Telecommunications (Level 3), offers permanent employment and a competitive salary from day one.

The Skills Organisation was involved from the marketing and the recruitment through to supporting the delivery of the programme - including sourcing industry funding and the provision of pastoral care and learning advisory services.

The 2012 Vodafone Technology Apprenticeships were so successful that another 10 were selected in 2013, with plans for another 10 in 2014.

Vodafone Learning and Capability Development Partner Anton Pienaar said the “symbiotic” relationship with Skills allowed Vodafone to engage more successfully in education.

“It is part of our commitment to New Zealand and industry to bring young



Ash Thompson
Technology Apprentice
Vodafone



Ruby Dragicevich
Technology Apprentice
Vodafone



people into the business,” Pienaar says.

“We also address the aging workforce and expand the pool of New Zealanders who have the option and awareness of working in the technology field – particularly telecommunications.”

He said The Skills Organisation was the only ITO Vodafone chose to engage directly with.

“This is due to the good functionality the Skills team offers, the high level of trust that now exists and the cementing of relationships that can only occur over time,” Pienaar said.

The programme reflects the diversity of New Zealand’s cultural landscape. As such, a strong representation of women and non-European apprentices features.

“Our apprentices bring creativity and innovation into the workplace and are able to challenge traditional ideas and process.

“It’s because of this that we will continue, with the assistance of The Skill Organisation, to employ and invest in young people.”

19-year-old Ash Thompson was part of the original intake.

He was considering university to study engineering post-school when he spotted a poster advertising the apprenticeship scheme.

“I chose to apply because of the chance to get a telecommunications

qualification, which is where I wanted to go with engineering,” Ash says.

“Plus, I am spending two years getting paid to learn - that really was an important factor, too.”

He says his time at Vodafone has all been smooth sailing, thanks to the supportive nature of his colleagues throughout the business.

“The most enjoyable, aside from the learning itself, is the on-job side of things. I’ve got to mix with all of the teams and gain exposure to all areas of the business.”

He also paid tribute to his fellow apprentices.

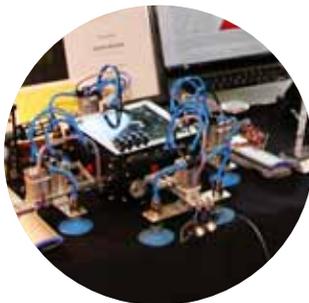
“We constantly help each other out,” he says. “We all come from different backgrounds and have different strengths.”

The future for Ash and his fellow apprentices is now incredibly bright, thanks to this unique partnership between Vodafone and The Skills Organisation.

“I developed a good idea of where I’m headed in future,” he says. “The big thing is that I have options... options everywhere. It’s a great position to be in.”



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Developing the future generation

2013 was a bumper year for The Skills Organisation's Gateway programmes.

In 2013, an Electrical Gateway off-job component was developed in conjunction with an external provider, e-tec. This proved popular with schools, which often require a distance-learning package when they have a timetabled Gateway class.

Student numbers in the Gateway Plumbing, Gasfitting and Drainlaying option were greatly expanded compared to 2012.

Of the students participating in Gateway programme in 2013, 17 have already secured Electrical apprenticeships with 19 in Plumbing, Gasfitting or Drainlaying.

This number is projected to grow as the 2013 cohort mostly still have one year of school to run.

Overall achievement was encouraging: with more than 160 credits achieved by 39 students in Electrical in each of the on-job and off-job options, a total of 331 credits. In Plumbing, 41 students earned 221 credits.

These credits count towards the students' NCEA as well as being available to count towards industry qualifications, so are doubly valuable.

Many other students enrolled in The Skills Organisation's Gateway programmes completed a full work experience placement, usually 10 days over a period of one term, and had a



real taste of what an industry is like.

Also a number of those who have left school are known to have enrolled in pre-trade type programmes or are in employment in related industries, so are moving in the right direction.

The Contact Centre Gateway package development was initiated.

This package is unique because it will contain a Financial Literacy component, utilising a brand-new unit standard.

Telecommunications Gateway

development continued, in conjunction with Chorus and e-tec.

This is a combination of in-class and on-site experiences. This also utilises a new unit standard. The first delivery of this is scheduled for mid-May 2014.

The awareness and interest in trades pathways in secondary schools has noticeably increased over the year, due to a number of factors including the launch of the Government's Vocational Pathways initiative in April 2013.



A Gateway to a brighter future

Gateway is a Government initiative administered by TEC in conjunction with schools and ITOs. Its purpose is to facilitate structured work experience for young people, with the primary outcome being that the students earn credits towards their NCEA. The Skills Organisation considers there to be additional successful outcomes of a Gateway placement. One of these being that the student becomes focussed on a career in the sector and goes on to a suitable training programme or employment. Another is that the student decides that the industry is not their cup of tea and looks for other options. This is a positive outcome because it not only saves taxpayer resources, but also actively helps channel the disengaged young person into a more productive direction.



Teachers' Workchoice Day

The Skills Organisation was the major partner for the inaugural Teachers' Workchoice Day in 2013, organised by the Workchoice Trust. The event, held in Auckland and Christchurch, provided 250 educators from throughout New Zealand with a chance to connect with industry. Speakers at panel discussions outlined their expectations for young people entering the workforce; analysed skills gaps and how to fill them; and shared stories of success and learning. The main message was that important soft skills such as confidence and communication outweighed academic results. The teachers were then transported to a range of workplaces where they were able to see industry in action. Employers were very clear that they felt 'industry should be considered as a key client for education'. The event was considered a success by all involved and is now an annual fixture on the educational calendar.



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Training opportunity win/win

The Skills Organisation prides itself on boosting the productivity and internal capability in its industries.

Relationship building is also a huge part of the way the ITO operates.

These approaches were exemplified in the ITO's work with the DuluxGroup's Customer Service Centre (CSC).

The introduction of National Certificate in Contact Centre Operations (Level 3) increased levels of staff motivation and the building of internal capacity at the business.

Since 2010, three or four completions per year have been achieved.

The success has been a team effort. DuluxGroup put in the hard yards early on, but says the support they received from The Skills Organisation was invaluable.

As a result of that support and the level of trust in Skills, a wider range of qualifications will be offered from early 2014.

The business' training team can undertake The National Certificate in Adult Education (Level 4). Customer Services Representatives (CSRs) who have already completed the Contact Centre qualification can complete the National Certificate in Business Administration (Level 3).

"It's great to see our staff grow and develop through training."

says Karen Noble Customer & Consumer Services Manager ANZ.



Hayley Hewer
QA / Trainer
DuluxGroup



Philip Hill
QA / Trainer
DuluxGroup



Erin Colson
Customer Service Representative (CSR)
DuluxGroup

“It's great to see our staff grow and develop through training.”

FROM LEFT TO RIGHT

Hayley Hewer	QA / Trainer
Philip Hill	QA / Trainer
Nicole Perkins-Soo	QA / Trainer
Laurel Yaxley	Team Leader
Paula Miller	QA / Trainer Manager

Trainer/Quality Assurance Manager Paula Miller says: “It’s been great to see Customer Service Representatives having the confidence to go for challenging roles.”

Internal capability, a major consideration for today’s workplaces, has also been developed.

“We have not recruited anyone externally for internal support roles in the Customer Service Centre since this programme has been in place,” Paula says.

“We have also had several CSRs progress through the DuluxGroup business both in New Zealand and Australia.”

Opportunities are aligned with DuluxGroup’s culture and seen as necessary for the ongoing motivation and professionalism of their CSC.

It also gives the company an assurance staff are meeting the industry standard.

Self-belief and self-confidence are amongst the benefits CSRs themselves talk about when asked about what the qualification has given them.

For Netta Fussell returning to learning was somewhat of a daunting task.

“For me, it meant stepping outside my square and doing something I was afraid I wouldn’t be able to complete,” she says.

“I had left school a long time ago and wasn’t sure my brain could handle it. I did complete it and I was really proud of myself.”



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Agencies and Regulatory Performance Improvement Framework

There's always an adjustment when change occurs. For The Skills Organisation's new Agencies and Regulatory team, this adjustment was entirely positive.

The team focussed on re-establishing trust and rebuilding meaningful relationships among New Zealand's 125 Public Sector agencies and 89 Local Government organisations.

It piloted and tested a solutions-focussed approach that was more than just transactional. Instead, the approach focussed on a long-term relationship built on a whole-of-business outcome.

The new model emphasised awareness: employees and employers were encouraged to think about how they can develop, practice and support the application of competencies in the workplace.

In addition, they were challenged as to what their upskilling actually meant for their organisation, the wider public service, and ultimately how it contributes to the government's Business Growth Agenda.

The sectors took notice: the approach successfully impacted on learning in the previously poor performing local government and public sector - to the extent of a 75% rise in learners.



Shirley Cumming
Diploma of Business Administration (Level 5)
Ministry of Business, Innovation and Enterprise

“For managers, we encourage them to consider what opportunities they are creating for people to test and experiment with what they are learning. It’s a much broader and long-term approach.”



Head of Agencies and Regulatory Dr Alexandra Vranjac-Wheeler says The Skills Organisation quickly recognised training must now be more than simply sending staff on a course.

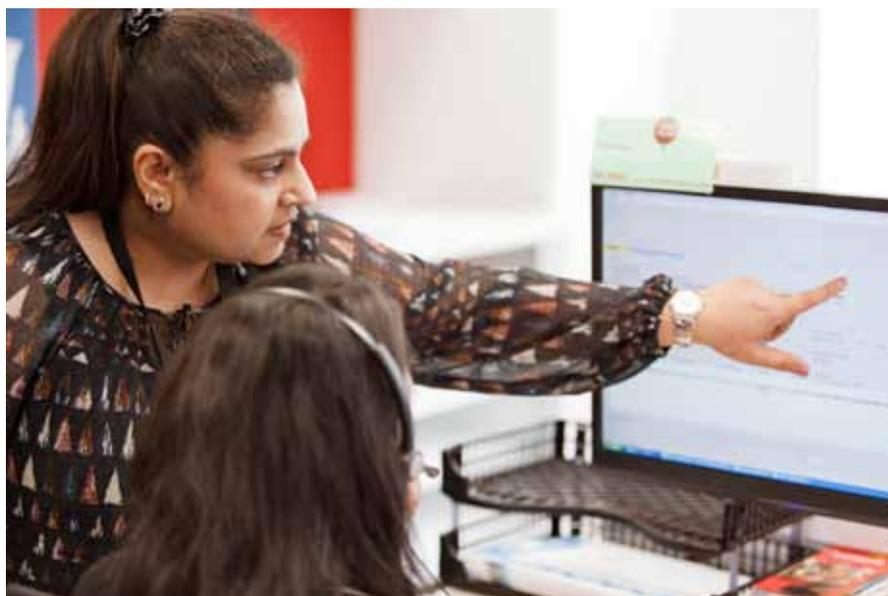
“Previously, ITOs focussed on people achieving qualifications as a proxy for skill development,” she explains.

“Our public sector and local government clients need our organisation to be less about qualifications and more about developing competency and capability, which can lead to a qualification outcome.

“The focus today is much more about developing capability across these sectors as a whole... and we’re certainly doing that.”

Vranjac-Wheeler says The Skills Organisation now encourages an approach where people practically apply what they have learned in their workplace.

“For managers, we encourage them to consider what opportunities they are creating for people to test and experiment with what they are learning. It’s a much broader and long-term approach.”



Developing Competency Frameworks and Career/Learning Pathways.

How it works:

The Skills Organisation works in collaboration with various organisations to support the identification of the required competencies for each of the agreed job role areas.

The term ‘competency’ reflects the required behaviour within a job role and is more commonly understood as performance excellence.

A Competency Framework should therefore identify a standard level of expected behaviour and competence in aim of supporting excellence.

These competencies need to be relevant to each identified core role to ensure each individual has the competence and capability to deliver on their core business activities.

The competencies identified throughout each workshop are then implemented into a Competency Framework.

This framework may continue to be built upon for other departmental areas of the organisation as the competencies are analysed, defined and agreed.

Competency Frameworks also provide a Career/Learning Pathway outline, demonstrating a line of progression within each business unit. The Pathway is greatly beneficial for succession planning.

The Pathway also assists employees and managers in identifying competencies at not only the current employment level, but equivalent (across) and above, as well.

This is particularly useful for developing employees who aspire to or demonstrate potential for progressing into other roles along the Career Pathway.

Already, this approach is being utilised by the State Services Commission (SSC).

The SSC and The Skills Organisation are working to develop a shared understanding of a pathway to support the Commission’s Better Leaders: Better Services drive.

A Pathway has been aligned to SSC’s Leadership Success Profile. The move has allowed Skills to operate in a consultancy role, brokering programmes of learning from tertiary institutions in New Zealand and abroad.

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Sound thinking New skills improve the Pacific

Douglas Rinny, 29, understands what success sounds like. But he realises his journey is just beginning.

The Papua New Guinean has been studying with Auckland's School of Audio Engineering (SAE), turning up the volume on his broadcasting career.

His ultimate goal is to help control AIDS in his homeland.

Douglas's studies have been part of The Ministry of Foreign Affairs and Trade's (MFAT) Short Term Training Awards (STTA).

The programme is facilitated by The Skills Organisation.

STTA awardees undertake study in New Zealand. The knowledge and skills gained help the development of their home country.

Upon his return to Papua New Guinea (PNG), Douglas will produce and broadcast nationwide public health messages. These will focus on information relating to HIV and AIDS.

PNG is considered to have one of the worst AIDS epidemics in the Asia-Pacific sub-region.

The UNAIDS programme estimates PNG has 70 per cent of AIDS cases in the area. However, efforts to combat the disease have been hampered by corruption and misinformation.

"We really need this project going well. That's why I've put 200 per cent into everything I've done at SAE," Douglas says.



Douglas Rinny

STTA awardee

Papua New Guinea



Skills Consulting Limited won the STTA tender in June 2013.

149
TRAINEES
CAME FROM

Cook Islands

French Polynesia

Kiribati

New Caledonia

Niue

Papua New Guinea

Samoa

Solomon Islands

Tonga

Tuvalu

Vanuatu

Wallis & Futuna

Douglas' marks averaged 95 per cent. And although he enjoyed his time studying in Auckland, he was eager to educate his compatriots.

"I'll be doing more than coaching students when I go back. It'll be involving people from all around to help out straight away," he says.

He remains grateful to MFAT and The Skills Organisation for the opportunity to further his studies and work with SAE's course co-ordinators Mal Smith and David Chechelashvili.

"I've learnt a lot at SAE," he says. "It's really broadened my understanding of audio engineering. The theory has really helped the practical side of things. I've learnt now what not to do as well."

Douglas says establishing and running a recording studio would be a dream one day, but for now his focus is firmly fixed on using the airwaves in the fight against AIDS.

STTA: How it works

The STTA programme is funded by the New Zealand Aid Programme, the New Zealand Government's international aid and development programme.

Through STTA, individuals from selected developing countries can undertake training of up to one year in duration in New Zealand. A wide range of short-term vocational and/or skills courses or work attachments are offered.

The programme is managed by the Ministry of Foreign Affairs and Trade. It plays an important and growing role in addressing the human resource and development needs of developing countries.



An industry overview

These numbers are based on firms, trainees, apprentices and learners who engaged in national qualifications training arrangements with The Skills Organisation during 2013.

Ambulance

Trainee volumes	933
Employer volumes	6
Credit completions	26,368
Qualification completions	191
Māori participation	7.6%
Pacific Island participation	0.7%
Female participation	55.2%

Contact Centre

Trainee volumes	906
Employer volumes	119
Credit completions	15,419
Qualification completions	326
Māori participation	15%
Pacific Island participation	15%
Female participation	65%

Cranes, Elevating Platforms, Rigging, Rope Access and Scaffolding

Trainee volumes	340
Employer volumes	77
Credit completions	4,509
Qualification completions	78
Māori participation	14.2%
Pacific Island participation	2.4%
Female participation	0%

Electrotechnology

Trainee volumes	4,375
Employer volumes	1,545
Credit completions	155,487
Qualification completions	2,601
Māori participation	9.7%
Pacific Island participation	4.4%
Female participation	1.9%

Total Reboot paid

Trainees	\$1,218,000
Employers	\$1,398,600

Financial Services

Trainee volumes	243
Employer volumes	79
Credit completions	3,275
Qualification completions	51
Māori participation	2.6%
Pacific Island participation	1.4%
Female participation	30%

Local Government

Trainee volumes	430
Employer volumes	27
Credit completions	10,750
Qualification completions	120
Māori participation	5.3%
Pacific Island participation	3%
Female participation	21.9%

Offender Management

Trainee volumes	2,164
Employer volumes	6
Credit completions	22,429
Qualification completions	181
Māori participation	21.7%
Pacific Island participation	13.9%
Female participation	21.3%

Plumbing, Gasfitting and Drainlaying

Trainee volumes	1,862
Employer volumes	791
Credit completions	76,545
Qualification completions	359
Māori participation	11.8%
Pacific Island participation	2.3%
Female participation	0.5%

Total Reboot paid

Trainees	\$764,000
Employers	\$878,300

Public Sector

Trainee volumes	4,015
Employer volumes	66
Credit completions	97,860
Qualification completions	3,406
Māori participation	19%
Pacific Island participation	6.2%
Female participation	35.9%

Real Estate

Trainee volumes	1,674
Employer volumes	183
Credit completions	39,430
Qualification completions	685
Māori participation	5.8%
Pacific Island participation	2%
Female participation	54.6%

Roofing

Trainee volumes	558
Employer volumes	252
Credit completions	9,287
Qualification completions	52
Māori participation	20.7%
Pacific Island participation	3.6%
Female participation	0%

Total Reboot paid

Trainees	\$172,000
Employers	\$97,800

Security

Trainee volumes	1,729
Employer volumes	71
Credit completions	19,245
Qualification completions	351
Māori participation	30.2%
Pacific Island participation	14.3%
Female participation	25.4%

Telecommunications

Trainee volumes	88
Employer volumes	70
Credit completions	3,350
Qualification completions	44
Māori participation	11.3%
Pacific Island participation	20.6%
Female participation	6.1%

Total Reboot paid

Trainees	\$26,000
Employers	\$29,900

Total

Trainee volumes	19,317
Employer volumes	3,292
Credit completions	483,954
Qualification completions	8,445
Māori participation	12%
Pacific Island participation	6%
Female participation	25%

Total Reboot paid

Trainees	\$2,180,000
Employers	\$2,404,600

Independent Auditor's Report

To the Members of The Skills Organisation Incorporated (The Skills Organisation)

The summary consolidated financial statements of The Skills Organisation and its subsidiary on pages 22 to 24, which comprise the summary consolidated statement of financial position as at 31 December 2013, the summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of The Skills Organisation and its subsidiary for the year ended 31 December 2013. We expressed an unmodified audit opinion on those financial statements in our report dated 24 April 2014. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary consolidated financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited financial statements of The Skills Organisation and the group.

This report is made solely to the incorporated society's members, as a body, in accordance with The Skills Organisation's constitution. Our engagement has been undertaken so that we might state to the incorporated society's members those matters we are required to state to them in our 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 incorporated society and the incorporated society's members as a body, for our work, for this report, or for the opinions we have formed.

Responsibilities of the Members of the Board

The members of the board are responsible for the preparation of summary consolidated financial statements in accordance with FRS-43: *Summary Financial Statements*.

Auditor's Responsibilities

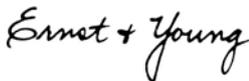
Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA(NZ)) 810, "Engagements to Report on Summary Financial Statements."

Other than in our capacity as auditor we have no relationship with, or interest in, The Skills Organisation or its subsidiary.

Partners and employees of our firm may deal with the incorporated society on normal terms within the ordinary course of trading activities of the business of the incorporated society.

Opinion

In our opinion, the summary consolidated financial statements derived from the audited financial statements of The Skills Organisation and the group for the year ended 31 December 2013 are consistent, in all material respects, with those financial statements, in accordance with FRS-43.



24 April 2014
Auckland

The Skills Organisation Incorporated
Summary Consolidated Financial Statements

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
Revenue		
Government Grants	20,821,965	17,346,396
Industry Contribution	4,177,771	2,835,317
Other Income	255,492	271,977
Interest Income	342,532	356,221
Total Revenue	25,597,760	20,809,911
Industry Training Expenses		
Training Subsidies & Support	17,142,187	12,439,990
Qualification Development & Quality Assurance	1,658,762	1,493,934
Research & Stakeholder Relations	1,559,081	1,609,208
Total Industry Training Expenses	20,360,030	15,543,132
Other Expenses	6,137,065	4,923,193
Total Expenses	26,497,095	20,466,325
(Loss) / Profit For The Year	(899,335)	343,586
Other Comprehensive Income	-	-
Total Comprehensive (Loss) / Income for the Year	(899,335)	343,586

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
Opening Retained Earnings	5,289,081	4,945,495
(Loss) / Profit for the Year	(899,335)	343,586
Other Comprehensive Income	-	-
Total Comprehensive (Loss) / Income for the Year	(899,335)	343,586
Closing Retained Earnings	4,389,746	5,289,081

The Skills Organisation Incorporated
Summary Consolidated Financial Statements

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	2013	2012
	\$	\$
ASSETS		
Current Assets		
Cash & Cash Equivalents	7,469,645	7,461,724
Term Deposits	552,000	500,000
Receivables	2,335,988	1,138,791
Inventory	9,145	12,403
Total Current Assets	10,366,778	9,112,918
Non Current Assets	2,315,037	1,684,314
Total Assets	12,681,815	10,797,232
LIABILITIES		
Current Liabilities		
Payables	6,834,745	3,784,164
Income In Advance	585,647	1,217,939
Employee Entitlements	367,050	426,048
Deferred Income	59,605	-
Total Current Liabilities	7,847,047	5,428,151
Non Current Liabilities		
Make Good Provision	-	80,000
Deferred Income	445,022	-
Total Liabilities	8,292,069	5,508,151
Net Assets	4,389,746	5,289,081
Equity		
Retained Earnings	4,389,746	5,289,081
Total Equity	4,389,746	5,289,081

For and on behalf of the board who authorise the issue of these summary financial statements on 24 April 2014.



Chairman



Chief Executive

The Skills Organisation Incorporated
Summary Consolidated Financial Statements

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS		
FOR THE YEAR ENDED 31 DECEMBER 2013		
	2013	2012
	\$	\$
Net Inflow from Operating Activities	239,148	1,874,036
Net Inflow/(Outflow) from Investing Activities	(231,227)	(457,130)
Net Increase/(Decrease) in Cash Held	7,921	1,416,906
Cash & Cash Equivalents at Beginning of the Year	7,461,724	6,044,818
Cash & Cash Equivalents at End of the Year	7,469,645	7,461,724

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

CORPORATE INFORMATION

The summary financial statements The Skills Organisation Incorporated (Skills) and its subsidiary (collectively "the group") were authorised for issue by the Board on 24 April 2014.

MEASUREMENT BASIS

The functional currency is New Zealand dollars and the summary financial statements are presented in New Zealand dollars. The summary financial statements have been prepared on a historical cost basis.

BASIS OF PREPARATION

The summary financial statements have been prepared in accordance with FRS 43 – Summary Financial Statements and have been extracted from the audited full financial statements. The full financial statements have been prepared in accordance with NZ GAAP. The full financial statements comply with New Zealand equivalents to International Financial Reporting Standards, and other applicable Financial Reporting Standards as appropriate for a public benefit entity.

The full financial statements were authorised for issue by the Board on 24 April 2014. The financial statements have been audited and an unqualified opinion has been issued.

These summary financial statements cannot be expected to provide as complete an understanding as provided by the full Financial Statements. Full financial statements are available on request from The Skills Organisation.

RESTRICTION ON USE OF CASH

The contract governing the business combination with the Plumbing, Gasfitting, Drainlaying and Roofing Industry Training Organisation (PGDRITO), dated 1 October 2012, included a provision for Skills to receive a distribution of any net surplus which may arise following the liquidation of PGDRITO. This was treated in the 2012 Financial Statements as a contingent asset.

The surplus was received during the year and comprised cash of \$1,075,000 and trade receivables of \$226,634. Funds received will be held in trust by Skills solely for the benefit of the Plumbing, Gasfitting, Drainlaying and Roofing industries and are included in Cash and Cash Equivalents in the Statement of Financial Position. Trade receivables were fully reserved and consequently their carrying value in the Statement of Financial Position is nil. The corresponding liability for the funds received is included in Trade and Other Payables in the Statement of Financial Position.

The contract governing the business combination with the Opportunity Training Organisation (OTTO), dated 1 December 2012, included a provision for Skills to receive a distribution of any net surplus which may arise following the liquidation of OTTO. This was treated in the 2012 Financial Statements as a contingent asset.

The surplus was received during the year and comprised cash of \$188,570 including accrued interest. Funds received will be held in trust by Skills solely for the benefit of the Cranes and Scaffolding industries and are included in Cash and Cash Equivalents in the Statement of Financial Position. The corresponding liability for the funds received is included in Trade and Other Payables in the Statement of Financial Position.

Governance & Leadership



Garry Fissenden



Paul Hollings



Alexandra Vranjac-Wheeler



Lance Riesterer



Nicola Dashper

Board of Directors

Brian Nowell, Chairman
Company Director

Ross Beal
General Manager, Total Power Services Ltd

Ian Butturini
Director, Seven Electrical

Scott Carter
Chief Executive, Matrix Security Group

Cassandra Cowley
General Manager, Te Korowai o Ngāruahine Trust

Ray Pilley
New Zealand Engineering, Printing and Manufacturing Union

Rod De Spong
Chief Operating Officer, Douglas Pharmaceuticals

David Waters
Chief Executive, Ambulance New Zealand

Leadership Team

Garry Fissenden
Chief Executive

Paul Hollings
Head of Specialist Trades

Alexandra Vranjac-Wheeler
Head of Agencies & Regulatory

Lance Riesterer
Head of Commercial

Nicola Dashper
Head of Human Resources

Iain Worsley
Head of Finance

Simon Casford
Head of Strategy

Katherine Hall
Head of Marketing

Nadene Gavigan
Customer Services Manager

Lloyd Olivecrona
Head of Standards and
Qualification Systems



Iain Worsley



Simon Casford



Katherine Hall



Nadene Gavigan



Lloyd Olivecrona

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