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Annual Report 2012

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2012 Focus on performance

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.

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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.

Currently, The Skills Organisation is mandated to:

Provide skills leadership

The Skills Organisation achieves this by increasing the effectiveness of the New Zealand tertiary education system.

We actively collaborate 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.

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.

This annual report highlights just some of the ways in which The Skills Organisation partnered with our industries in 2012 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 committed and diligent work carried out behind the scenes as The Skills Organisation operates the national training systems for our 19 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.

A journey to The Skills Organisation

A 20-year journey led to the creation of The Skills Organisation in 2012.

It began in 1992, when ETITO was formed to provide coverage for the Electrotechnology sector.

Four years later, in 1996, the Telecommunications and Security industries came on board.

Contact Centre and Offender Management were next, joining in 1998, before the Ambulance sector joined in 2004. 2007 saw coverage granted for the Financial Services sector with Real Estate being welcomed into the fold in 2011.

2012 was a huge year, arguably the most important in the ITO's history.

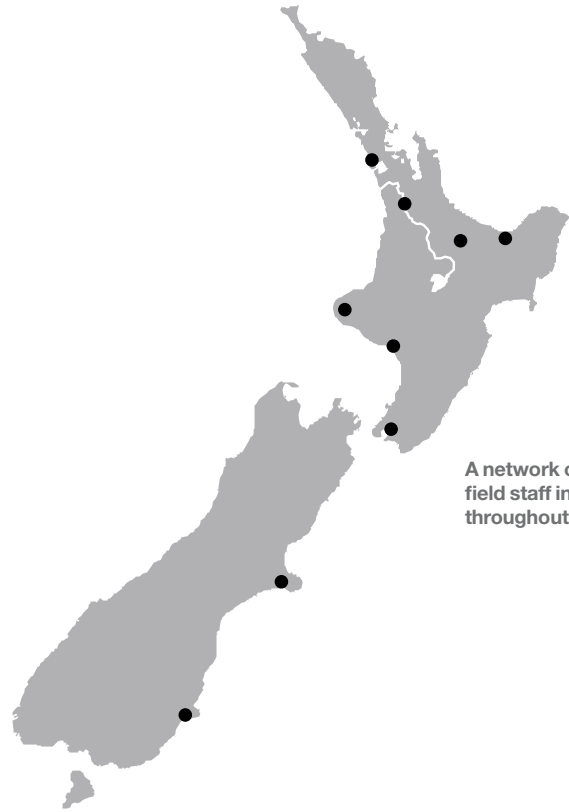
Public Sector, Local Government, Plumbing, Drainlaying, Gasfitting, Roofing, Scaffolding, Rigging, Industrial Rope Access, Cranes and Elevating Platforms all joined.

2012 also brought a new name for the ITO: The Skills Organisation, complete with a new brand and a new energy. In 2012, it represented 18,000 employees and 3,300 employers.

The organisation is now represented by a network of 21 field staff in locations throughout New Zealand, plus a further two working in schools across the country.

It may have taken 20 years to get to where it is, but for The Skills Organisation, the journey towards serving the training needs of New Zealand industry is only just beginning.

The Skills Organisation welcomes you to join it as it strengthens its commitment towards improving partnerships, performance and productivity beyond 2012.



A network of 21 field staff in locations throughout New Zealand

'92

ETITO formed – coverage for Electrotechnology

'96

Telecommunications Security

'98

Contact Centre Offender Management

'04

Ambulance

'07

Financial Services

'11

Real Estate

'12

Cranes
Drainlaying & Gasfitting
Elevating Platforms
Industrial Rope Access
Plumbing
Public Sector & Local Government
Rigging
Roofing
Scaffolding

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Performance, productivity & partnerships

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

2012 was an important year for The Skills Organisation. We remain strong and well-placed to deal with the challenges and changes the current year has brought.

During the year The Skills Organisation received official re-recognition for five more years. Recognition provides continuity for our qualification development and standard setting activities for our 19 industries and I would like to thank all staff and stakeholders for their assistance with this.

Over the past two years the Ministry of Education consulted on proposals to change the industry training system. We entered this review with an open mind and as a willing participant – and in 2012 took a central role in the rationalisation of the industry training sector.

Learning State (public sector and local government ITO); Plumbing, Gasfitting, Drainlaying, and Roofing ITO; and Opportunity ITO were added to our coverage during 2012. These mergers added value and we continue to be impressed with the skills and experience of the staff.

The Skills Organisation continues to work with other ITOs to assess further merger or service provision opportunities. We are now of a size that our future can be assured – as

long as we continue to provide increased value for the dollars that we invest in industry training.

Our commitment to training performance

Our investment plan, developed in 2012 for 2013–15, responded to the priorities of the industry training sector outlined within the Tertiary Education Strategy. These included a larger, clearer economic contribution through improving trainee performance (credits and completions).

We will achieve this through improved monitoring, increasing our service range, along with ongoing development of training and assessment materials. New resources, contracts and processes now mean the three key parties (trainee, employer and ITO) are aware of the commitment to training.

Training outcomes and our ability to identify where early intervention is required has been improved through investment in the Industry Training Register-compliant ITOMIC system.

Working together to upskill New Zealand

The Skills Organisation formed a number of important partnerships with New Zealand Institutes of Technology and Polytechnic (ITP) in 2012.

We recognise and appreciate more benefit can often be delivered to our

industries through these partnerships. We value our existing relationships with our ITPs and in 2013 remain committed to nurturing these.

Our new look sets us apart

Our brand review and resulting identity change occurred in 2012. The Skills wordmark owns ‘skills’ as an idea. The three rising bars communicate our passion and drive for growth and success through skills training. Ultimately, brand building is about influencing the perceptions of our key audiences. I believe we have achieved this with our new brand. It is relevant, works across all media and has prepared us for change.

We're well on the way

For 2013 my vision, and that of the Board, is that we continue to capitalise on the excellent work of 2012.

Our aim to increase productivity, improve performance and form partnerships, drives our activity in the next 12 months.

Our engagement with our industries remains paramount and we value your contribution as an integral part of The Skills Organisation's future.



Brian Nowell
Chairman
The Skills Organisation



A new name, a new energy

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

The Skills Organisation underwent huge change in 2012. I am pleased that through our merger activity we have been able to secure our long-term future and support the government's strategy for fewer, more capable ITOs. I am equally pleased to have achieved this without affecting the service given to our existing industries. Our new industries have quickly started to contribute in improving our ability to deliver better services.

2012 mergers

August: Learning State

October: Plumbing, Gasfitting, Drainlaying and Roofing ITO

December: Opportunity ITO

Two years in

In my second year as Chief Executive, I strengthened the senior management team creating a leadership unit that could better support our industries. Furthermore the positive outcomes of the Industry Training Act review positions us well for future merger opportunities.

Future success will also be driven by strong partnerships with ITPs. Early collaborations with Whitireia New Zealand, the Open Polytechnic, CPIT,



Northtec and Te Whare Wananga o Awanuiarangi have created the template for us to do so.

Focus on the future

The apprenticeship re-boot initiative announced by Tertiary Education, Skills and Employment Minister, Steven Joyce, was welcome news. Uptake has been significant, and the contribution our industries make to the New Zealand economy will be boosted. We also look forward to the introduction of the NZ Apprenticeships in 2014.

We strongly believe future success will come from having strong partnerships with training providers.

The introduction of Vocational Pathways is significant for our industries catering for the 70 per cent of school leavers who won't attend university. These students can now build a profile of learning that includes industry-applicable skills and knowledge. I'm proud of The Skills Organisation's involvement in strengthening ties between schools and our industries and this is an area of continued focus for us.

Your ITO's performance

In 2010, the government changed the measures it uses to fund and

measure an ITO's performance. Our performance, as measured by the government, lifted significantly in 2012. Lifting it further so that your ITO is in the top 20 per cent of ITOs is the key focus for 2013.

2013 key strategies

Lift performance to top 20 per cent

Delivery of more innovative training solutions in partnership with training providers

Lift stakeholder engagement

Key technology projects to lift productivity, ease of use, and course quality.

It is a credit to the determination of our hard-working staff that The Skills Organisation remains in the top tier of industry training. We are confident in our ability to provide a new level of delivery and that the New Zealanders we provide training programmes for are in the best possible hands.



Property Management A new era for qualifications

Tiri Raumati-Greenhalgh of Crockers is part of a new wave of property managers, thanks to The Skills Organisation's New Zealand Residential Property Management qualifications, released in 2012.

The Greenlane-based property manager – and qualifications assessor – is already seeing the benefits of the introduction of the Letting Agent (Level 3) and Residential Property Manager (Level 4) qualifications.

She reports substantially improved time management and a vastly improved knowledge of legislation and insurance issues among those undertaking the qualifications.

Property management is a healthy business in New Zealand. Approximately two thirds (65%) of real estate sales offices also offer a property management service, with about 25% of property management businesses offering only property management services.

“There was definitely a gap for this in residential property management before The Skills Organisation introduced these qualifications,” Raumati-Greenhalgh says.

“These two qualifications are a good medium between doing nothing



Tiri Raumati-Greenhalgh
Crockers Property

and some of the more advanced real estate qualifications that exist and are probably too much.”

And, according to The Skills Organisation market research,

the ITO's efforts are supported by industry: a majority of managers indicate the property management sector is under-regulated.

More than 80% believe that



minimum qualifications for roles within the property management sector should be mandated.

There are plenty more trainees out there waiting to join Raumatī-Greenhalgh and her colleagues in riding these new qualifications to success.

More than two thirds of those currently completing or have completed their qualifications within the last two years use Skills (70%).

Eighty property managers nationwide have already enrolled in the Level 3 or 4 qualifications. And more than a third of respondents

(34%) to The Skills Organisation's market research say they are likely to complete the Level 3 qualification with 37% likely to complete the Level 4 qualification.

Applied to the estimated population of staff employed in property management (10,884), this equates to about 3,700 and 4,000 potential trainees for Level 3 and 4 respectively.

The Skills Organisation is now in the driver's seat when it comes to upskilling real estate trainees.

More than two thirds of those currently completing or who completed their qualifications within the last two years use The Skills Organisation (70%). This is largely due to the ITO as being regarded

as providing the most "value for money" option.

The Real Estate Institute of NZ (REINZ) Chief Executive Officer Helen O'Sullivan said REINZ was impressed with the "professionalism and progress of the real estate qualifications under The Skills Organisation's auspices."

"We remain committed to working with The Skills Organisation in the maintenance and development of qualifications for our profession," O'Sullivan said.

"The ITO's use of the Vocational Pathways programme, with the opportunity for representatives to visit schools and talk about real estate as a career option, is something we look forward to developing with The Skills Organisation this coming year."



Productivity First Line Management programme

When Vodafone southern retail area sales manager Paul Frewen attended the first hours of Vodafone's Retail Core Skills Programme, he didn't realise the extent of the effect it would have on both him and his staff.

As an experienced manager, Frewen had been on training courses before and admits he'd come to approach them with a degree of apprehension.

However, the Retail Core Skills Programme, which The Skills Organisation contributed its First Line Management qualification to, quickly caught Frewen's attention – and the eyes and ears of his fellow participants.

“What I quickly began to see was real growth from my guys in the way they see success,” he says.

“Instead of ticking boxes, they actually began to think about how to grow their business, and what support structures they're going to put in place for their teams.”

When Vodafone and The Skills Organisation began working together, the telecommunications giant required a comprehensive training programme for its retail store managers.

Many Vodafone staff are young first-time managers – often promoted from within their store – with the





added challenge of working in an autonomous environment away from head office.

The Skills Organisation helped map its First Line Management qualification into Vodafone's wider programme, contributing directly to an ongoing series of positive results.

The FLM qualification has had a massive impact on our productivity, our engagement with our people and, ultimately, the results are improving, too.

While Return on Investment data won't be complete until 12 months after the first intake of 32 employees, Frewen says Vodafone's association with The Skills Organisation is already paying dividends.

"Much of what the guys have learnt and been exposed to, they're actually using on a daily basis," he says.

"The First Line Management qualification has had a massive impact on our productivity, our engagement with our people and, ultimately, the results are improving, too."

The Retail Management Programme is now firmly embedded at Vodafone

with a different group of 16 staff undertaking the training every seven months.

In addition, the initiative was recognised at the NZ Association of Training Development Awards where it received the Learning and Development Innovation Award.

The judges noted "the rigour of the needs analysis, up-front involvement and commitment, including cash investment, from business units; high-quality and comprehensive solutions documentation; and linkage to [The Skills Organisation's] NZQA First Line Management qualification."

During 2012, The Skills Organisation also worked with Vodafone to create the Vodafone Technology Apprentice programme.

More than 200 applications were reviewed and 30 candidates were selected for an activity and interview-based assessment. From this, 10 apprentices – five male, five female; most direct from school; and comprising a range of ethnicities – were chosen.

The lucky 10 will spend the next two years working with Vodafone's technology team while studying towards an NZQA accredited National Certificate in Telecommunications (Level 3).

Paul Frewen
Vodafone





Wayne Black
Matrix Security

Performance Workplace assessment programme success

Matrix Security training and safety officer Wayne Black wants to give his trainees the best possible chance of gaining any qualifications they undertake study in.

Their success means everything to him. As such, he jumped at the opportunity to be involved in The Skills Organisation's new Workplace Evaluation initiative.

Workplace Evaluation, introduced in 2012 by the Standards and Qualification Systems (SQS) team from The Skills Organisation, analyses an organisation's effectiveness in managing trainees to successfully achieve qualifications.

We want to give ourselves the best chance we can of helping our men and women complete their qualifications and complete them as well as they possibly can.

Black works across Matrix's three sites to enable trainees to complete the National Certificate in Security (Level 2) and the Mobile Patrol and Site Security strands of the higher level national certificate.

He says the chance to have a



fine-tooth comb run over his training systems was too good to pass up.

“We want to give ourselves the best chance we can of helping our men and women complete their qualifications and complete them as well as they possibly can,” he says. “The Skills Organisation’s Workplace Evaluation will certainly ensure we are doing everything we can to succeed in this area.”

Matrix Security was one of seven workplaces to benefit from The Skills Organisation’s standards and qualification systems team initiative in the past year.

Under Workplace Evaluation, companies achieve either gold, silver or bronze status based on the quality of their training systems.

The three-tier approach means companies at silver or bronze status receive ongoing support to lift their level to gold at their next evaluation.

Of the seven who underwent Workplace Evaluation in 2012, two organisations didn’t quite make the top tier; this pair gained a silver and had areas of improvement identified.

Think of Workplace Evaluation as the ambulance at the top of the cliff, identifying as early as possible areas a company may fail its trainees. In essence, it strives to avoid non-completion of qualifications – an area Minister for Tertiary Education Skills and Employment Steven Joyce has identified as a particular area of scrutiny for ITOs.

The Skills Organisation’s SQS team expects at least another 30 workplaces to be on board this year.

So far, it has been the electro-technology, contact centres and security industries involved, but now the real estate, cranes, scaffolding and rigging industries are discussing with The Skills Organisation how they can have their training processes evaluated.

And as for Wayne Black at Matrix Security? Well, he achieved gold status as a result of his Workplace Evaluation and that’s the way he intends to keep it.

“It confirmed our internal processes were sound, but there are always little areas you can improve

in,” he says. “We show our evaluation off on all our emails; we’re very proud of it – and encourage others in our industry to get on board. Only good can come of it.”



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Blair Tuke An Olympic partnership

It's hard to imagine Olympic silver medallist Blair Tuke fitting anything else into his hectic training and sailing programme, but he's also reaching crucial milestones off the water.

Blair left school at 17, initially undertaking a full-time electrical apprenticeship for two years, before London 2012 became the sole target in his sights. His hard work paid off – we won silver in the 49er sailing class at Weymouth.

However, amid a hectic year of sailing competition, the 22-year-old Olympian is now completing the final paperwork to become a qualified electrician by mid-2013. It's an achievement he values as highly as his Olympic medal.

I'd encourage any young person to consider an apprenticeship. It's a great feeling to develop skills and have them be recognised and sought after.

Blair's pursuit of excellence, plus his first-hand knowledge of the rigours and expectations of life as an apprentice, makes him the perfect ambassador for The Skills Organisation. That's exactly what he became in March of this year. "I think it's incredibly important,



Blair Tuke
Skills Ambassador

no matter who you are or what your dreams are, to have a fallback plan," Blair says. "For me, that was my electrical qualifications."

"I'd hope my Olympic dream never

goes belly-up, but if it does there's something confidence-inspiring in having that trade certificate in your back pocket. Who knows what life beyond sport will bring?"



In March, Blair also announced his intention to return to the Olympic arena at Rio 2016 and said his aim was simple: gold. While a very different goal from getting qualified, the former Kerikeri local said there were parallels to be drawn with gaining his National Certificate in Electrical Engineering (Level 4).

“Look, to succeed in anything in life, you need to lay solid foundations and put in the hard work,” he said. “I’d encourage any young person wondering which path to explore beyond school to consider an apprenticeship. It’s a great feeling to develop skills and have them be recognised and sought after.”

Blair has always been an extremely proud New Zealander and says his association with The Skills Organisation is an extension of that belief in his country.

“The Skills Organisation has a focus to upskill New Zealanders, to help them become qualified and more productive. That process helps them become better employees, and the determination required to reach those goals will undoubtedly have a positive effect on other areas in their lives,” he said.

“I’m extremely proud and honoured to be working with an organisation that is actively creating long-term benefits for New Zealand and New Zealanders.”

Blair is the first of what The Skills Organisation hopes will be a stable of role models who feature as ambassadors for the ITO.

Already The Skills Organisation is in discussions with a variety of high-achieving New Zealanders eager to extoll to a receptive audience the virtues of completing on-the-job training.



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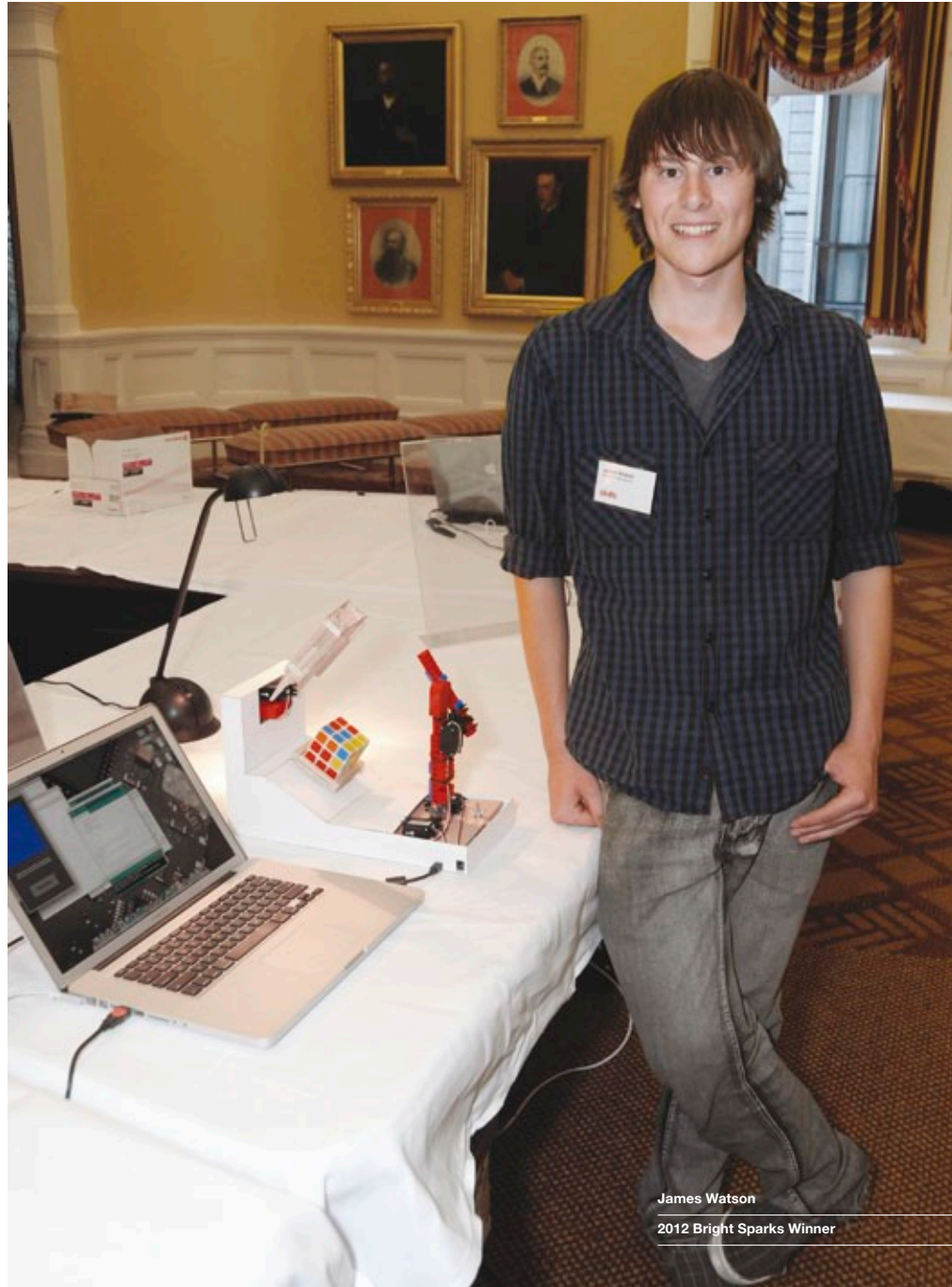
Skills Choice Collaborations supporting skills in our schools

For many of us, just opening the packet of a Rubik's Cube would be tough – let alone solving the 39-year-old 3D combination puzzle. Give the world's most popular puzzle a go again sometime soon. The chances are you'll quickly run into difficulty. That's not a problem Christchurch's James Watson shares.

In fact, the Burnside High student is so across the Cube, he developed a robot – out of Lego and ice-block sticks – to solve it. His invention led to him securing the top prize at The Skills Organisation's 2012 Bright Sparks Awards.

James, 17, described his win as a "great honour," but it's highly unlikely his level of innovation would have occurred were it not for Bright Sparks. The programme has fostered young technology talent since 2000 and from 2012 will also be supported by the Institute of IT Professionals New Zealand.

In addition to James – who travelled to Taiwan to represent New Zealand at the International



James Watson
2012 Bright Sparks Winner

Science Fair – for the first time, one of the Bright Sparks participants, Auckland's Sohail Abdulla, was selected to attend the 2013 Intel Science and Engineering Fair where

he placed third. The invitation-only event in Phoenix, Arizona featured 1,500 of the world's best and brightest school students, and Sohail's participation pushed Bright Sparks



further on to the international stage.

It's in schools where the foundations for life in the workforce are laid, and schools are where The Skills Organisation continues to play an important part in shaping New Zealand's future. Bright Sparks was but one of a number of initiatives in which The Skills Organisation teamed up with other organisations in 2012.

It's in schools where The Skills Organisation continues to play an important part in shaping New Zealand's future.

Arguably, the most important was the Vocational Pathways scheme, launched by the government after two years of creation.

The initiative groups about 6,000 unit standards and achievement standards that can now count towards the National Certificate of Educational Achievement into five broad Vocational Pathways. The Skills Organisation worked directly with the Ministry of Education to ensure it was relevant and correct.

The effects of Vocational Pathways are vital, especially considering the two-thirds of young people who will never go to university now have clear

paths to other valuable qualifications. Vocational Pathways acts as an incubator to foster and direct the talent that will eventually become qualified.

In addition, The Skills Organisation partnered with the Greater Christchurch Schools Network (GCSN) to create the "Eye On Education and Industry" interactive meetings. These will further support career interactions between the GCSN and industry. The meetings will form a two-way conversation, enabling careers advisers to gain a crystal-clear picture of industry requirements. This will be especially vital as the Christchurch rebuild gains momentum. The Skills Organisation now sits perfectly placed to provide qualifications, as well assist in this important recovery process.

A partnership was also formed with WorkChoice Trust, which, for the past 19 years, has given 145,000 school students the opportunity of connecting directly with industry. Alongside the Trust, The Skills Organisation was a driving force behind the new Teacher's WorkChoice Day. The event allows careers advisers, management, department heads and teachers to build relationships and develop an increased knowledge of industry, which they can then take back to the classroom.

The Skills Organisation also joined forces with Electrical Education Centre (E-TEC) to expand the Electrotechnology Gateway programme to a more flexible package of off-job as well as on-job units. It also picked up the Plumbing package as part of its merger with PGDRITO and the Security Gateway offering was revised for relaunch in 2013.

And as a result of The Skills Organisation's nationwide Dual Workshops for technology teachers, a further partnership has been struck with the Ministry of Education. The ITO will collaborate with the Ministry to provide advice around the external technologies standards – as applied to electronics.

The hard work of The Skills Organisation in 2012 means there will be plenty more James Watsons in 2013 and beyond, thanks to the platforms and partnerships created.

Now, about that Rubik's Cube... have you solved it yet? Or do you still need to borrow James's robot...?





Teri Wi (Williams)
National Certificate in Security (Level 4)

Maori and Pasifika

The importance of support systems

Although Teri Wi (Williams) had worked in security since he gained a Level 3 qualification in 2002, he wanted more from his role at Waitakere Hospital.

The 40-year-old, of Te Rarawa descent, craved increased responsibility, a pay increase and a confidence to better carry out his job. Unsurprisingly, his managers – security services supervisor Phil Jackson and security services manager Bill Sageman – were supportive of his goals.

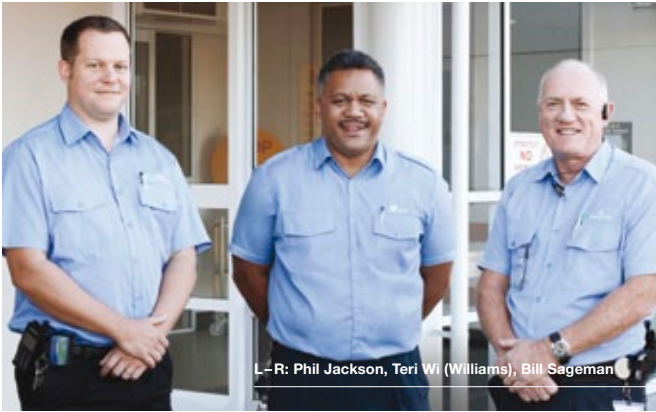
In May 2012, Teri began gaining the units needed to gain his National Certificate in Security (Level 4). It was initially tough going.

“I thought my education studies were over a long time ago,” Teri says and admits his motivation often needed review.

But due to the support of Maori Services leaders, The Skills Organisation and his employers, he achieved his qualification – and hasn't looked back.

Teri says the network he created around him was crucial.

With other Maori and Pasifika security guards at Waitakere Hospital, he formed a study group to ensure motivation and support was kept high.



He also enlisted the help and backing of his whanau, who were initially intrigued to see him huddled over his coursework.

“At first, I didn’t really rely on support. I preferred to do it myself,” Teri says. “But then when I created that support network, things moved along a lot faster.

“It would have been far harder without the help I received from Phil and Bill; The Skills Organisation’s Maori and Pasifika liaison Stuart Lawrence; security services administrator Hayley Consterdine; and Frank Taipari and Piripi McLean of Maori Services.”

Teri’s approach to success in workplace training mirrors the prescription for Maori education as outlined in an important 2011–2012 research project The Skills Organisation was in.

In partnership with The Industry Training Federation and The Motor Industry Training Organisation and the Building and Construction Industry Training Organisation, The Skills Organisation helped produce AKO Aotearoa’s *Maori Learners In Workplace Settings* report.

A model for successful Maori workplace learners emerged from the report.

It develops a solid platform for The Skills Organisation productivity in future years – and demonstrates the ITO is already on the right track in this area.

This approach revolves around:

Tuakana-teina: the influence of peers

Connectiveness: employer/ITO relationships

Whanau support: partners, iwi, hapu, marae

Foundations for workplace for learning: literacy, numeracy and financial management

Personal: commitment, attitude and motivation.

The research also demonstrated that establishing strong and mutually respectful mentoring relationships was one of the key factors in the learner’s success, as well as a preference for working in teams.

I’m now more confident about my planning and ability to make decisions – and have a better understanding of law and legislation has been huge, too.

And the report revealed Maori learners are now getting more out of workplace-based training.

Figures recently released by the Tertiary Education Commission show a significant improvement in the performance of Maori learners in industry training between 2010 and 2011.

Credit achievements were up from 55 per cent to 62 per cent and programme completions up from 46 per cent to 56 per cent.

And as for Teri – for whom further

study is a very real option – he is proud of his increased ability to operate within the fluid environment of hospital security.

His employers are also happy and have a new-found confidence he is equipped to carry out his job not just competently, but exceptionally.

“We’re dealing with all people from walks of life, some of who can be very emotional. In this job situations can arise very quickly,” Teri says.

“I’m now more confident about my planning and ability to make decisions – and having a better understanding of law and legislation has been huge, too.”

A whakatauki (proverb) provided by Teri helps remind us of the end result of what we do at The Skills Organisation.

**Hutia te rito o te harekeke
Kei hea Komako e ko?
Ka rere ki uta
Ka rere ki tai
Ki mai ki a au,
He aha te mea nui i te ao?
Maku e ki atu
He tangata, he tangata, he tangata.**

**If the heart of the flax is pulled out,
Where will the Bellbird sing?
It will fly inland
It will fly seawards
If you ask me,
What is most important in the world?
I reply:
“It is people, it is people, it is people.”**



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 2012.

Ambulance

Trainee volumes	896
Employer volumes	08
Credit completions	21,690
Qualification completions	179

Contact Centre

Trainee volumes	1,337
Employer volumes	208
Credit completions	19,681
Qualification completions	1,493

Cranes, Elevating Platforms, Rigging, Rope Access and Scaffolding

Trainee volumes	224
Employer volumes	56
Credit completions	425
Qualification completions	---

Electrotechnology

Trainee volumes	4,087
Employer volumes	1,506
Credit completions	143,109
Qualification completions	2,063

Financial Services

Trainee volumes	321
Employer volumes	27
Credit completions	1,007
Qualification completions	---

Offender Management

Trainee volumes	1,801
Employer volumes	03
Credit completions	18,693
Qualification completions	395

Plumbing, Gasfitting and Drainlaying

Trainee volumes	1,314
Employer volumes	646
Credit completions	18,843
Qualification completions	21

Public Sector

Trainee volumes	3,745
Employer volumes	322
Credit completions	111,717
Qualification completions	1,652

Real Estate

Trainee volumes	1,189
Employer volumes	302
Credit completions	31,927
Qualification completions	579

Total

Trainee volumes	18,011
Employer volumes	3,425
Credit completions	430,978
Qualification completions	7,184

Roofing

Trainee volumes	423
Employer volumes	222
Credit completions	4,155
Qualification completions	12

Security

Trainee volumes	2,590
Employer volumes	96
Credit completions	57,276
Qualification completions	750

Telecommunications

Trainee volumes	84
Employer volumes	29
Credit completions	2,455
Qualification completions	40

**The Skills
Organisation
Incorporated**

**Summary
Consolidated
Financial
Statements**

2012

Independent Auditor's Report

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

The summary consolidated financial statements on pages 23 to 25, which comprise the summary consolidated statement of financial position as at 31 December 2012, 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 2012. We expressed an unmodified audit opinion on those financial statements in our report dated 28 March 2013.

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

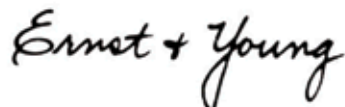
Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA(NZ)) 810, "Engagements to Report on Summary Financial Statements."

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 2012 are consistent, in all material respects, with those financial statements, in accordance with FRS-43.



28 March 2013
Auckland

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
FOR THE YEAR ENDED 31 DECEMBER 2012		
	2012	2011
	\$	\$
Revenue		
Government Grants	17,346,396	15,527,669
Industry Contribution	2,835,317	1,455,941
Other Income	271,977	714,906
Interest Income	356,221	362,907
Total Revenue	20,809,911	18,061,423
Industry Training Expenses		
Training Subsidies & Support	12,439,990	11,317,071
Qualification Development & Quality Assurance	1,493,934	1,117,122
Research & Stakeholder Relations	1,609,208	1,032,794
Total Industry Training Expenses	15,543,132	13,466,987
Other Expenses	4,923,193	4,132,947
Total Expenses	20,466,325	17,599,934
Profit For The Year	343,586	461,489
Other Comprehensive Income	-	-
Total Comprehensive Income for the Year	343,586	461,489
SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY		
FOR THE YEAR ENDED 31 DECEMBER 2012		
	2012	2011
	\$	\$
Opening Retained Earnings	4,945,495	4,484,006
(Loss)/Profit for the Year	343,586	461,489
Other Comprehensive Income	-	-
Total Comprehensive (Loss)/Income for the Year	343,586	461,489
Closing Retained Earnings	5,289,081	4,945,495

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	2012	2011
	\$	\$
ASSETS		
Current Assets		
Cash & Cash Equivalents	7,461,724	6,044,818
Term Deposits	500,000	700,000
Receivables	1,138,791	860,594
Inventory	12,403	18,707
Total Current Assets	9,112,918	7,624,119
Non Current Assets	1,684,314	1,573,091
Total Assets	10,797,232	9,197,210
LIABILITIES		
Current Liabilities		
Payables and Income in Advance	5,002,103	3,843,446
Employee Entitlements	426,048	385,119
Deferred Income	-	23,150
Total Current Liabilities	5,428,151	4,251,715
Non Current Liabilities		
Make Good Provision	80,000	-
Total Liabilities	5,508,151	4,251,715
Net Assets	5,289,081	4,945,495
Equity		
Retained Earnings	5,289,081	4,945,495
Total Equity	5,289,081	4,945,495

For and on behalf of the board who authorise the issue of these financial statements on 28 March 2013.



Chairman



Chief Executive

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
Net Inflow from Operating Activities	1,874,036	1,589,907
Net Inflow/(Outflow) from Investing Activities	(457,130)	(1,233,575)
Net Increase/(Decrease) in Cash Held	1,416,906	356,332
Cash & Cash Equivalents at Beginning of the Year	6,044,818	5,688,486
Cash & Cash Equivalents at End of the Year	7,461,724	6,044,818

**NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2012**

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 28 March 2013.

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 28 March 2013. 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.

BUSINESS COMBINATIONS

On 1 August 2012, the Group through The Skills Organisation Incorporated acquired the operating assets of Learning State Limited (LSL). The principal activity of LSL acquired was the development of programmes and qualifications associated with workplace learning in the State Sector. The total cost of the acquisition was \$70,346.

On 1 October 2012, the Group through The Skills Organisation Incorporated acquired the operating assets of Plumbing, Gasfitting and Drainlaying Industry Training Organisation Limited (PGDRITO). The principal activity of PGDRITO acquired was the development and administration of programmes and qualifications associated with the plumbing, gasfitting, drainlaying and roofing industries. The total amount received from the acquiree was \$880,072.

On 1 December 2012, the Group through The Skills Organisation Incorporated acquired the operating assets of Opportunity – The Training Organisation (OTTO). The principal activity of OTTO acquired was the development and administration of programmes and qualifications associated with the crane, scaffolding, rigging, industrial rope access and elevating work platform sectors. The total cost of the acquisition was \$1.

The fair value of the identifiable assets and liabilities of the business combinations at the date of acquisition are:

	LSL	PGDRITO	OTTO
	2012	2012	2012
	\$	\$	\$
Cash	-	880,072	-
Inventory	719	11,349	1
Plant and Equipment	79,420	95,596	-
Intangible Assets	60,397	-	-
Liabilities	(150,190)	(987,017)	-
Net Assets at Acquisition	(9,654)	-	1
Cash Consideration	70,346	-	1
Goodwill	(80,000)	-	-

Governance & Directory



Garry Fissenden



Nicola Dashper



Lloyd Olivecrona



Paul Hollings



Lance Riesterer

Board of Directors

Brian Nowell, Chairman
Company Director

David Grant, Deputy Chair
General Manager
Rakon Limited

Ross Beal
General Manager
Total Power Services Ltd

Ian Butturini
Director
Seven Electrical

Scott Carter
Chief Executive
Matrix Security

Murray Hobson
Director
McAlester Holdings Limited

Ray Pilley
New Zealand Engineering,
Printing and Manufacturing Union

David Waters
Chief Executive
Ambulance NZ

Trevor Helm
Director
2020 Vision Ltd
Former Chairman Plumbing,
Gasfitting, Drainlaying and
Roofing ITO Board

Rod De Spong
Finance Director
Douglas Pharmaceuticals

Leadership Team

Garry Fissenden
Chief Executive

Nicola Dashper
Head of Human Resources

Lloyd Olivecrona
Head of Standards and Qualification
Systems

Paul Hollings
Head of Specialist Trades

Lance Riesterer
Head of Commercial

Alexandra Vranjac-Wheeler
Head of Agencies & Regulatory

Simon Casford
Head of Strategy

Katherine Hall
Head of Marketing

Jocelyn Murray
Head of Operations

Iain Worsley
Head of Finance



Alexandra Vraniac-Wheeler



Simon Casford



Katherine Hall



Jocelyn Murray



Iain Worsley

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