

FR ITO

Fire & Rescue Services ITO

ANNUAL REPORT 2006





Fire & Rescue Services ITO

A N N U A L R E P O R T 2 0 0 6

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PO Box 11988, Wellington 6142
181 Vivian Street, Wellington 6011
P: (04) 801 9469 F: (04) 801 9476
E: info@frsito.org.nz
www.frsito.org.nz

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FRSITO
Fire & Rescue Services ITO

Chairperson's report for 2006

Mike Davies

2006 has been a year of triumph and trial.

We were all shocked with the sudden death of National Manager, Bill Toole, while he was on business in Melbourne. My thanks must go to all FRSITO staff for the way they managed in this crisis, particularly to Operations Manager Léonce Jones who filled in as National Manager at short notice. All involved directly and indirectly in the work of FRSITO can be proud of the way they maintained business continuity while coping with their loss.

A high point of the year has been the acceptance by the New Zealand Qualifications Authority (NZQA) of FRSITO's Accreditation and Moderation Action Plan (AMAP) for a further 3 years. The next review of this key document is due in 2010. In addition NZQA advised us that they were satisfied with the action plan put in place as a result of our audit. The Board takes this as a vote of confidence that we are proving effective as an ITO.

Another key project completed during 2006 has been production of an Industry Skills Strategy. In the development of this strategy FRSITO undertook both quantitative research, by an independent party, and qualitative research, by FRSITO personnel across all industry sectors. This research provided an extensive overview of the current state of training within the industry and will inform the Board's strategy and future direction. It also forms the basis for on-going research and development to meet operational performance needs that will result in the development and achievement of nationally based qualifications.

FRSITO's role in working with industry across the broad emergency services sector requires the need to focus nationally, particularly at the higher skill and knowledge levels.

2006 saw the completion of the process for Recognition of Prior Learning (RPL) for the professional staff of the New Zealand Fire Service and the total alignment of the Training and Progression System (TAPS) with National Qualifications. Both of these had the full support of the New Zealand Professional Fire Fighters Union. Work is continuing between FRSITO and the National Rural Fire Authority to establish clear linkages between roles, skills and qualifications. A RPL pilot programme scheduled with the Department of Conservation for 2007 is a key part of this.

I wish to acknowledge the industry's volunteers and the remarkable efforts made not only in the provision of vital services in New Zealand's communities but also in the enthusiastic involvement in training towards National Qualifications.

Thanks also to the team at FRSITO and the Board. In particular, I would like to acknowledge John Thorn who ended his term as the Board representative of the United Fire Brigades' Association in 2006. We welcomed Brendon Wood as his replacement.

Over the year we also welcomed Nella Booth as the Board member for Under-represented groups and in December welcomed our new National Manager, Bill Robertson.

We believe that we offer value for money and our performance in terms of outputs represents a good return for public investment. As Chairman it has been pleasing to lead an ITO delivering results and services of increasing value to industry.



Mike Davies
Chairperson



National Manager's report for 2006

Bill Robertson

This was another important year for FRSITO. It was a year that saw large gains in the numbers of trainees achieving National Qualifications amidst considerable change as part of the tertiary reforms.

Since taking over as National Manager, I have been impressed by the growing commitment to industry training and acquisition of National Qualifications within the fire and rescue services industry. This commitment is well illustrated by the dramatic growth in training agreements and achievement of National Certificates and National Diplomas since 2004. In December 2004 FRSITO had 1252 training agreements in place and had awarded only 66 National Certificates. By December 2006 the numbers had mushroomed to 7804 training agreements; and the achievement of 3904 National Certificates and 463 National Diplomas. This achievement considerably exceeded targets.

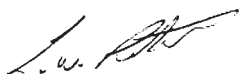
Since 1991 FRSITO has presented an award for 'Excellence in Training' to a volunteer urban brigade and a rural fire force. The award recognises dedication to training linked to FRSITO Structured Training Programmes and the National Qualifications Framework. Any volunteer group that had trainees in FRSITO Structured Training Programmes in the previous year was eligible. In 2006 the urban trophy was awarded to the Greymouth Volunteer Fire Brigade and the rural trophy went to the Blenheim Rural Fire Force. Congratulations to those two groups and to all those industry partners committed to excellence in training.

FRSITO started the year with a sound financial base: the result of previous years' efficient operations. Over 2006, despite forecasting a budget deficit, we were able to continue to operate efficiently and ended the year generating a surplus. This provides additional resource that is available to be reinvested in the industry. Over the coming year we will need significant resource if we are to remove barriers to participation in training programmes and develop first class training resources to support trainers and trainees alike. This will take some time but the investment will be worthwhile.

In order to provide this level of support to our increasing numbers of employers and trainees we must grow. 2007 will see an increase in the number of Regional Training Coordinators available to the industry. We will also see growth in the number of Development and Administration team members. We cannot accommodate this growth in our current location so, early in 2007, we move into larger premises in Vivian Street, Wellington.

I wish to acknowledge the support from our major funding and compliance stakeholders. In particular, working with the Tertiary Education Commission during a period of tertiary reform as we developed our Industry Skills Strategy, and achieving the approval of NZQA for our audit action plan. I wish to thank industry stakeholders for their support of FRSITO over the last year. In particular I would like to thank those who gave so generously of their time as we conducted the research interviews that enabled the development of the Industry Skills Strategy.

Last but not least thanks to the team at FRSITO. Their hard work and absolute professionalism, in difficult circumstances, has been the driver for success in 2006. I feel privileged to be part of the team.



Bill Robertson
National Manager





FRSITO Board 2006

Mike Davies (Chairperson)
National Rural Fire Authority

Bill Robertson
National Manager, Board Secretary
Fire and Rescue Services Industry Training Organisation (FRSITO)

Stephen Taylor
Tararua District Council

David Guard
New Zealand Fire Service

Brendon Wood
United Fire Brigades' Association

Colin Robinson
Wellington International Airport Limited

Kerry Hilliard
Department of Conservation

Kevin Kennedy
Fire Protection Association NZ

Mike Owen
NZ Defence Force, ISP Branch

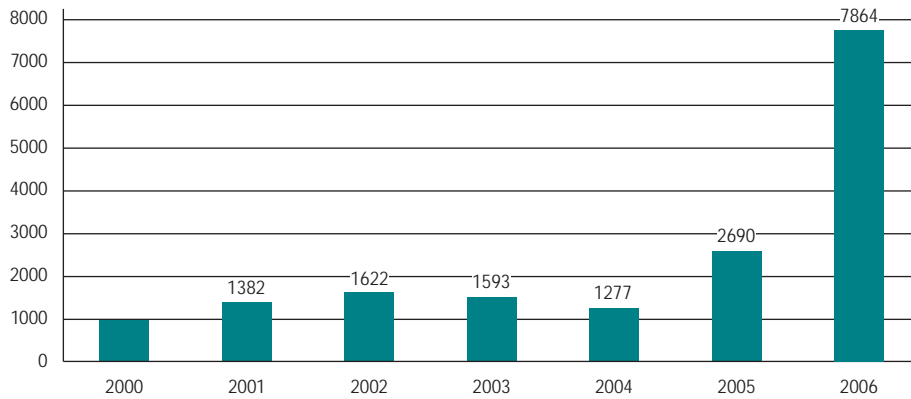
Nella Booth
Under Represented Groups

Keith Marshall
Employee Representative Christchurch City Council

Derek Best
NZFS Paid Employees NZ Professional Fire Fighters Union

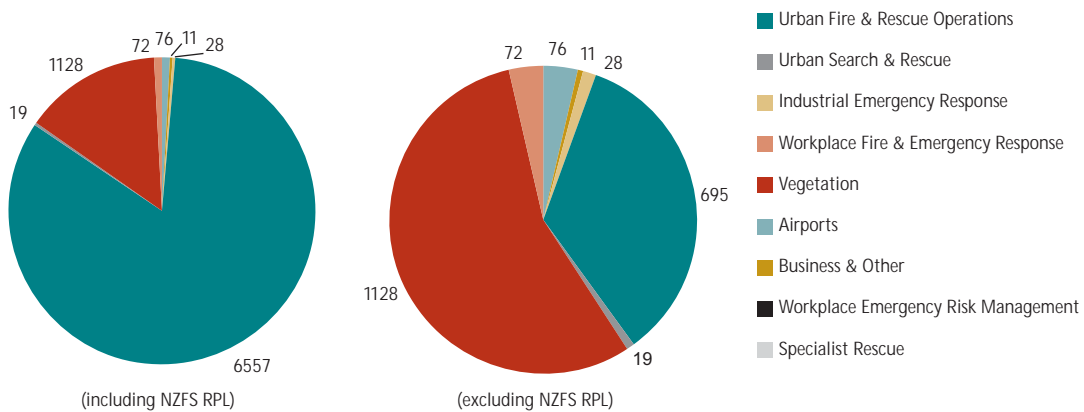
John Thorn
United Fire Brigades' Association (until March 2006)

CURRENT TRAINING AGREEMENTS BY YEAR

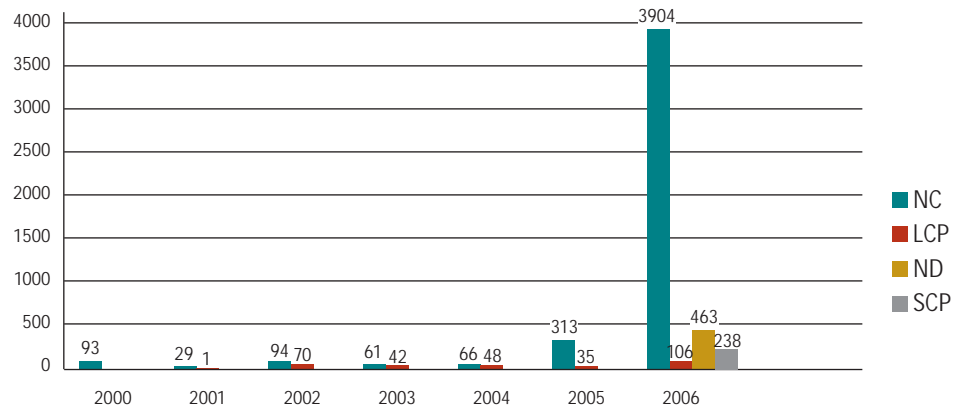


The number of Training Agreements signed up with FRSITO by year

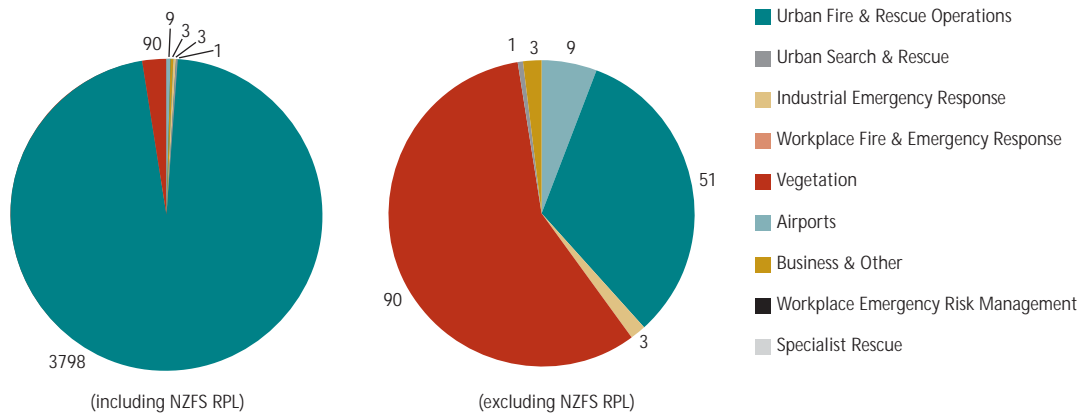
2006 CURRENT TRAINING AGREEMENTS BY QUALIFICATION



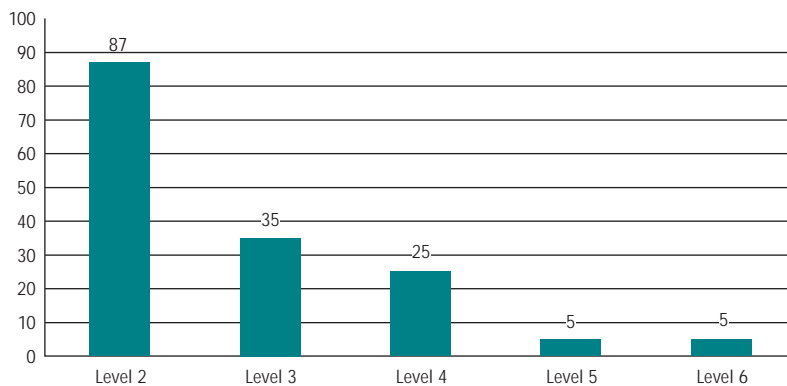
COMPLETED TRAINING AGREEMENTS BY YEAR



2006 COMPLETED NATIONAL CERTIFICATES BY QUALIFICATION

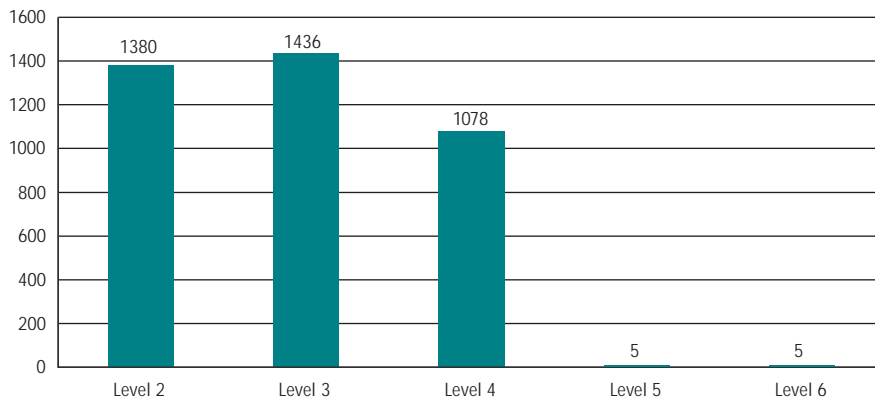


2006 COMPLETED NATIONAL CERTIFICATES BY LEVEL



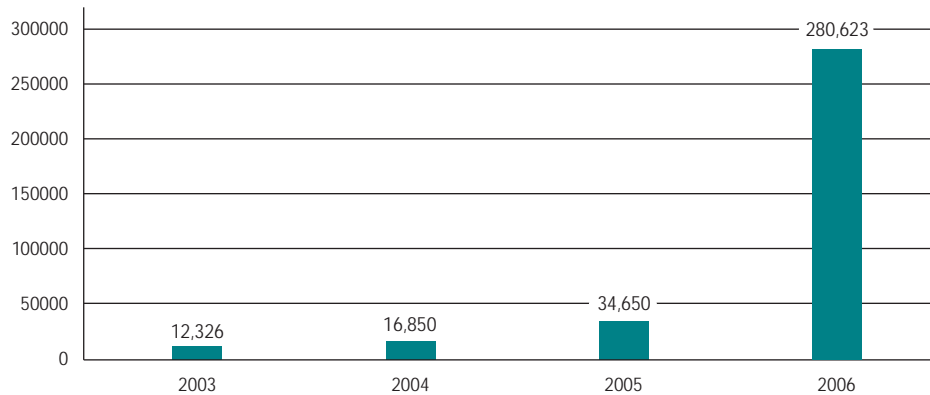
National Certificate Completions by Level (excluding NZFS RPL)

2006 COMPLETED NATIONAL CERTIFICATES BY LEVEL



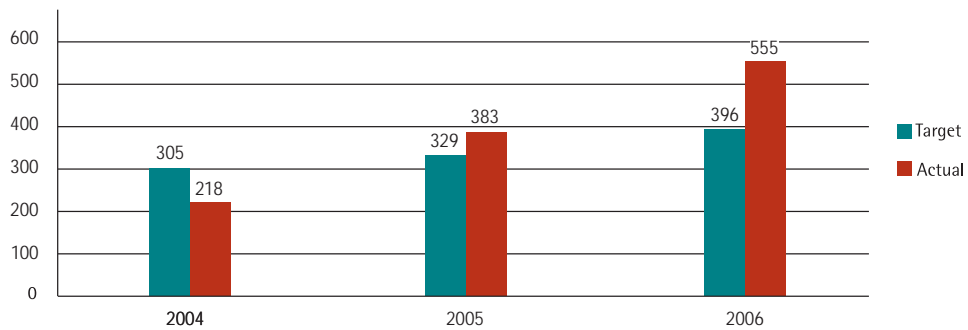
National Certificate Completions by Level (including NZFS RPL)

CREDITS ASSESSED BY YEAR



Credits assessed through Unit Standards by year

STMS REPORTED BY YEAR



Audit Report To The Members Of The Fire And Rescue Services Industry Training Organisation Incorporated

We have audited the financial report on pages 10 to 13. The financial report provides information about the past financial performance of the Fire and Rescue Services Industry Training Organisation Incorporated and its financial position as at 31 December 2006. This information is stated in accordance with the accounting policies.

Board's Responsibilities

The Board is responsible for the preparation of financial statements which fairly reflect the financial position of the Fire and Rescue Services Industry Training Organisation Incorporated as at 31 December 2006 and the results of operations for the year ended 31 December 2006.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Board and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Board in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Fire and Rescue Services Industry Training Organisation Incorporated's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than provision of some consulting work during the year other than in our capacity as auditors, we have no relationship with or interests in the Fire and Rescue Services Industry Training Organisation Incorporated.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion, the financial statements on pages 10 to 11 fairly reflect the financial position of the Fire and Rescue Services Industry Training Organisation Incorporated as at 31 December 2006 and the results of its operations for the year ended on that date.

Our audit was completed on 27 March 2007 and our unqualified opinion is expressed as at that date.



Grant Thornton
Wellington

STATEMENT OF FINANCIAL PERFORMANCE FOR YEAR ENDED 31 DECEMBER 2006

2005			2006
1,187,909	Operating Revenues	Note 2	1,672,924
923,807	Operating Expenses	Note 3	1,611,954
264,102	Excess of Income over Expenditure		60,970

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2006

2005			2006
	CURRENT ASSETS		
17,903	Cash & Bank		23,289
792,536	Interest Bearing Account		826,866
	NZ Government Stock		101,867
8,496	Interest Due		9,271
283,407	Accounts Receivable		159,385
7,661	Prepayments		3,173
1,110,003	TOTAL CURRENT ASSETS		1,123,850
	CURRENT LIABILITIES		
3,750	Audit Fee Accrued		4,100
9,646	GST Payable		9,655
87,033	Accounts Payable		59,485
41,944	Income in Advance		43,854
8,261	PAYE Tax Payable		11,525
21,235	Provision for Holiday Pay		15,138
181,921	TOTAL CURRENT LIABILITIES		143,757
	FIXED ASSETS		
60,250	Fixed Assets	Note 4	69,210
988,333	MEMBERS EQUITY		1,049,303
	Represented by		
724,231	Retained Earnings at 31/12/05		988,333
264,102	Operating Surplus for year		60,970
988,333			1,049,303

NOTES FORMING PART OF THE ANNUAL REPORT FOR YEAR ENDED 31 DECEMBER 2006

Note 1: Statement of Accounting Policies

a. Reporting Entity

The Fire & Rescue Services Industry Training Organisation is a Society registered under the Incorporated Societies Act 1908 and is entitled to use Differential Reporting exemptions as it is not publicly accountable and does not qualify as large.

The financial statements have been prepared using Generally Accepted Accounting Principles and advantage has been taken of all Differential Reporting exemptions.

The Society has been granted charitable status by the Inland Revenue and accordingly no tax is payable.

b. Measurement Base

The accounting policies recognised as appropriate for the measurement and reporting of financial performance and the financial position on a historical basis and unless stated otherwise.

c. Specified Accounting Policies

(i) Goods & Services Tax - These financial statements have been prepared on a GST exclusive basis.

(ii) Depreciation - Depreciation is provided on a diminishing basis at the maximum rates prescribed by the Inland Revenue Debt (Except for the ITMS Database which is depreciated at 20% on a straight Line basis).

(iii) Accounts Receivable - Are stated at the net realisable value and no further provision is required.

(iv) Revenue Recognition Policy - TEC Income: The Society receives funding from Tertiary Education Commission based upon STM's agreed in an annual contract. The annual contract term is consistent with the financial year. All revenue in accordance with that contract is therefore recognised in the financial year.

d. Changes in Accounting Policies

There have been no changes to accounting policies since the date of the last financial report.

Annual Financial Report

Notes

NOTES FORMING PART OF THE ANNUAL REPORT FOR YEAR ENDED 31 DECEMBER 2006

NOTE 2: Operating Revenues

2005	Operating Revenues	2006
858,541	Tertiary Education Commission	1,066,948
93,697	Industry Levies & Other Fees	89,330
102,292	Hook On & Credit Fees	311,308
39,629	CIMS Project - FRSITO Income Portion	48,161
18,888	NZQA Moderation Rebate	84,015
51,479	Interest Received	67,523
14,751	Training Agreements	0
3,335	Other Training Income	150
5,298	Learning Resource Books	5,490
1,187,910	TOTAL OPERATING REVENUES	1,672,924

NOTE 3: Operating Expenses

2005		2006
265,078	Operations	660,009
99,314	Development	253,336
<u>307,218</u>	Support	<u>430,981</u>
671,610		1,344,326
252,197	Overhead Costs	Note 5 267,628
923,807	TOTAL OPERATING EXPENSES	1,611,954

NOTE 4: Fixed Assets

	Cost 1/01/2005 12 months	Acc Deprn 31/12/2005 12 months	Deprn 31/12/2005 12 months	NBV 31/12/2005 12 months	Cost 31/12/2006 12 months	Acc Deprn 31/12/2006 12 months	Deprn 31/12/2006 12 months	NBV 31/12/2006 12 months
Plant & Equipment	144,901	96,590	16,762	48,311	170,323	115,984	21,658	54,339
Furniture & Fittings	22,719	10,780	2,456	11,939	27,666	12,795	2,015	14,871
	167,620	107,370	19,218	60,250	197,989	128,779	23,673	69,210

NOTES FORMING PART OF THE ANNUAL REPORT FOR YEAR ENDED 31 DECEMBER 2006

NOTE 5: Overhead Costs

2005		2006
1,221	ACC Levies	1,670
25,182	Accounting	24,004
3,750	Audit Fees-	-
-	- Financial Year 2005	3,750
-	- Financial Year 2006	4,100
-	- Other	450
15,389	Administration Costs	10,018
3,148	Advertising	639
813	Bank Charges	802
34,493	Consultancy fees	8,812
19,218	Depreciation	23,673
3,684	Electricity	4,085
737	General Expenses	429
15,696	Information Technology	28,869
8,302	Insurance	9,927
-	Loss on Disposal of Computer Equipment	2,743
-	NZQA Audit	2,025
7,340	Photocopier Lease	3,634
7,431	Postage & Courier	15,287
9,840	Printing & Stationery	11,977
30,880	Rent	30,880
161	Repairs & Maintenance	300
33,980	Salaries & Wages	13,063
2,455	Staff Training	17,632
7,077	Subscriptions	5,753
13,099	Telephone	24,628
8,301	Travel	18,477
252,197	TOTAL OPERATING REVENUES	267,628

NOTE 6: Contingent Liabilities

There is a commitment of \$246,468.12 in respect of ITF training contracts entered at 31st December 2006 and due to be assessed before 31st December 2008. (2005: \$87,616.13)

NOTE 7: Statement of Commitment

As at balance date The Fire & Rescue Services Industry Training Organisation had the following lease commitments in respect of the premise located at 180 Taranaki Street, Wellington.

	2006	2005
One year	\$7,720	\$30,880
Beyond one year	\$0	\$7,720

Overview

Vision, Mission, Statement of Values and Challenges

FRSITO strives to maintain the highest levels of service and commitment to the fire and rescue services industry. Driving this are our underpinning value statements.

VISION: To develop quality industry training standards and facilitate the provision of industry training leading to highly valued National Qualifications.

MISSION: FRSITO will create valuable products for all our stakeholders by producing quality training standards and qualifications.

STATEMENT OF VALUES: To provide opportunities for all people to succeed, at all levels within the Fire and Rescue Services Industry.

CHALLENGES FOR 2007

- Implementing a Recognition of Prior Learning project with the Department of Conservation
- Further research from the results of the Industry Skills Strategy and Trainee Survey research
- Consultation with the National Rural Fire Authority on the Training Standard and its implementation within the structure of the National Qualifications Framework
- Implementing changes from the Government's Tertiary Reforms
- Increased industry consultation through the Regional Training Coordinators

