



## Annual Report 2013









## **Primary ITO helps Kiwis gain the skills and knowledge to grow better business and better careers across our land, food and water industries.**

The Primary Industry Training Organisation (Primary ITO) helps more than 20,000 people every year gain the knowledge and skills they need for a productive and rewarding career in the agriculture, horticulture, water, equine and sports turf industries.

### **2013: A year of action – *Delivering on the promises of the merger***

When Agriculture ITO and Horticulture ITO came together in October 2012 to form Primary ITO, a stronger and larger ITO was created. It brought many efficiencies, benefits and opportunities that would never have been possible under the previous structure. The aim was to deliver a better service to our customers like access to more training and better quality training.

In 2013, a key focus was delivering on the promises of the merger. This resulted in a busy year, filled with new initiatives and working together to achieve the goal of better business and better careers for New Zealand's most important sector – the primary industry.



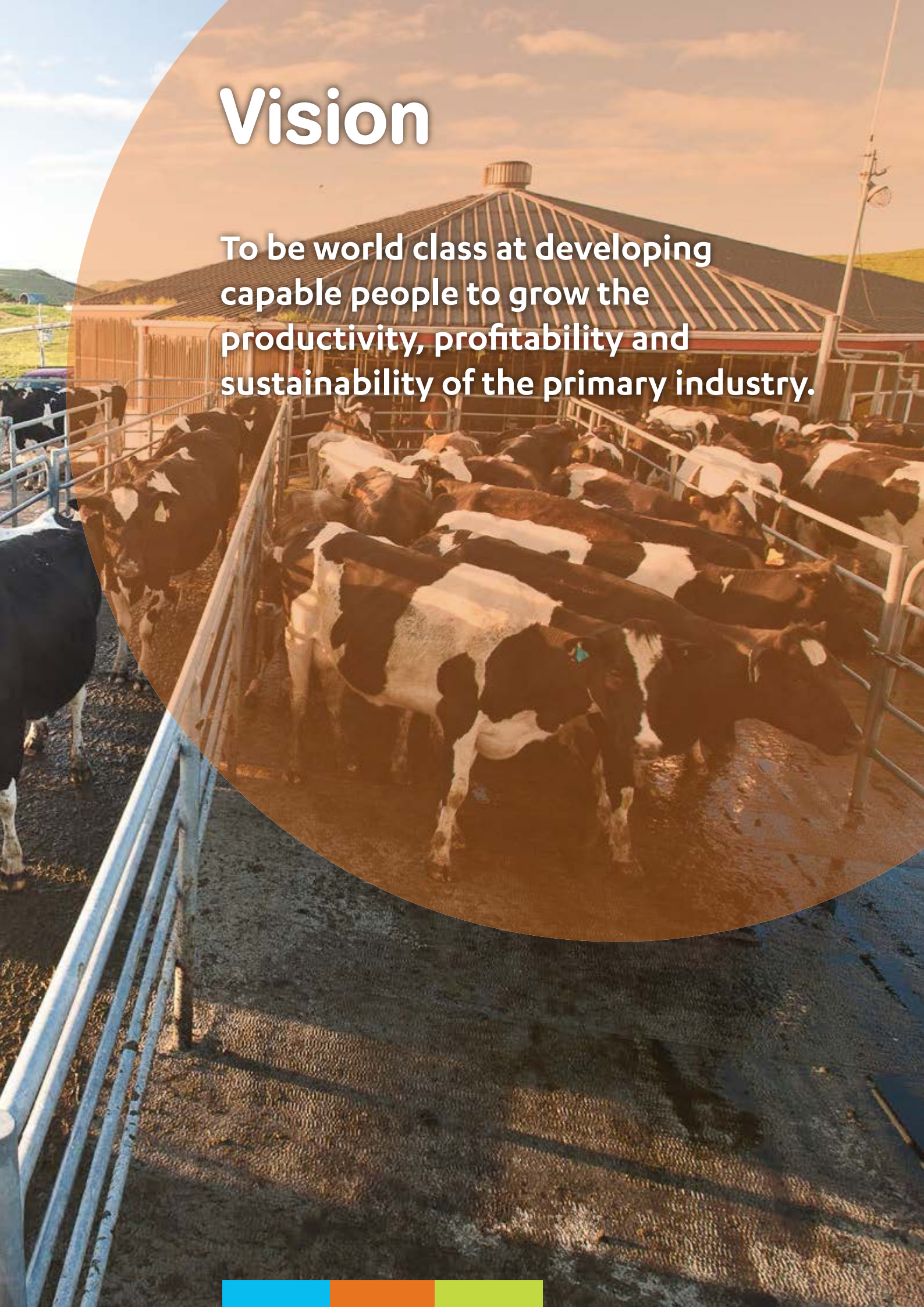






# Vision

To be world class at developing capable people to grow the productivity, profitability and sustainability of the primary industry.









# Mission

- **Advocating** on behalf of our industries to Government, and on behalf of our employers and employees to foster the growth of our industries
- **Innovating** the way industry training is managed, delivered and assessed
- **Investing** in people and supporting our employers
- **Collaborating** with partners and stakeholders who share the same goals but possess different areas of expertise
- **Leading** through the application of our expertise in the Vocational Education and Training (VET) sector.



# Key Result Statistics

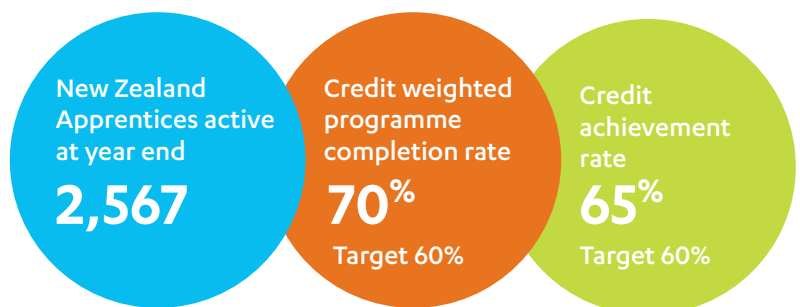
Primary ITO operates under the provisions of the Industry Training Act 1992 to facilitate workplace learning for people employed in our industries. We set the education standards for more than 80 qualifications across the agriculture, horticulture, water, equine and sports turf industries. We also arrange for training to be delivered through accredited providers, monitor training quality and arrange for assessment of trainees.



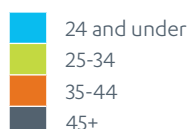
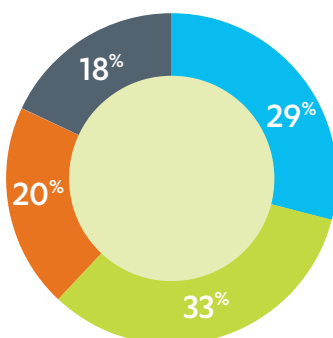
*National Certificates Achieved includes National Certificates and National Diploma*

In addition to fulfilling our mandated role, our major funder the Tertiary Education Commission and our industry partners set a number of priorities for us for the year:

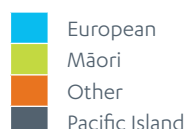
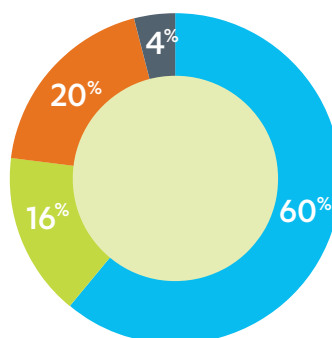
- Increased educational outcomes through improved credit achievement and programme completion
- Increased activity at Diploma level especially agribusiness
- Increased numbers in training.



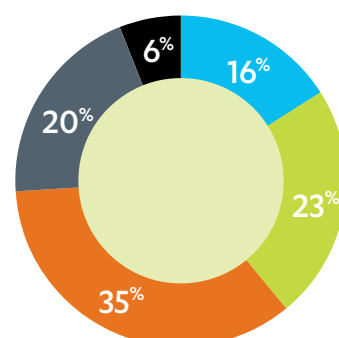
Trainees by Age



Trainees by Ethnicity



Trainees by Level





|                      | Trainees      |               | Credits achieved |                | Programmes completed |               |
|----------------------|---------------|---------------|------------------|----------------|----------------------|---------------|
|                      | 2012          | 2013          | 2012             | 2013           | 2012                 | 2013          |
| <b>Agriculture</b>   |               |               |                  |                |                      |               |
| Arable               | 21            | 26            | 582              | 453            | -                    | 3             |
| Artificial Breeding  | 46            | 83            | 1454             | 1139           | 24                   | 9             |
| Dairy                | 8,680         | 9,512         | 270,721          | 259,841        | 4,911                | 5,454         |
| Deer                 | 7             | 10            | 207              | 173            | 1                    | 3             |
| Goat                 | -             | 13            | -                | 346            | -                    | 4             |
| Pest Management      | 428           | 463           | 4,413            | 7,852          | 68                   | 174           |
| Pork                 | 63            | 52            | 1,280            | 858            | 33                   | 25            |
| Poultry              | 159           | 181           | 2,593            | 4,733          | 43                   | 66            |
| Rural Servicing      | 595           | 668           | 9567             | 12,256         | 176                  | 292           |
| Seed Dressing        | 4             | 4             | 72               | 142            | 4                    | 2             |
| Sheep & Beef         | 964           | 1,021         | 30,200           | 29,772         | 549                  | 625           |
| Wool Harvesting      | 1,433         | 1462          | 33,887           | 41,378         | 212                  | 996           |
| <b>Horticulture</b>  |               |               |                  |                |                      |               |
| Amenity Horticulture | 1,206         | 1,246         | 26,223           | 24,877         | 708                  | 605           |
| Arboriculture        | 417           | 412           | 10,365           | 9,985          | 278                  | 124           |
| Floriculture         | 48            | 33            | 2457             | 792            | 64                   | 22            |
| Floristry            | 146           | 125           | 5,229            | 3,564          | 63                   | 44            |
| Forest Nursery       | 4             | 29            | 58               | 819            | 0                    | 3             |
| Fruit Production     | 923           | 1,228         | 14,768           | 23,357         | 449                  | 520           |
| Landscaping          | 281           | 385           | 9,114            | 13,559         | 185                  | 159           |
| Nursery Production   | 290           | 302           | 13240            | 6143           | 299                  | 199           |
| Sports Turf          | 467           | 440           | 7,626            | 8,722          | 103                  | 90            |
| Vegetable Production | 466           | 647           | 14,187           | 13,807         | 446                  | 240           |
| Viticulture          | 322           | 340           | 6,219            | 5,411          | 164                  | 108           |
| <b>Water</b>         |               |               |                  |                |                      |               |
| Irrigation           | 19            | 16            | 118              | 30             | -                    | -             |
| Reticulation         | 254           | 326           | 4,246            | 8,326          | 109                  | 115           |
| Wastewater Treatment | 103           | 126           | 4,269            | 4,429          | 26                   | 34            |
| Water Treatment      | 590           | 195           | 15,694           | 6,096          | 470                  | 86            |
| <b>Equine</b>        |               |               |                  |                |                      |               |
| Equine Breeding      | 29            | 28            | 397              | 1,023          | 4                    | 6             |
| Greyhound Racing     | 14            | 11            | 20               | 2              | 2                    | -             |
| Harness Racing       | 90            | 91            | 1613             | 4451           | -                    | 17            |
| Thoroughbred Racing  | 229           | 346           | 2,641            | 9,246          | 11                   | 70            |
| <b>Other</b>         |               |               |                  |                |                      |               |
|                      | 362           | 523           | 6991             | 10,968         | 284                  | 304           |
| <b>OVERALL TOTAL</b> | <b>18,660</b> | <b>20,344</b> | <b>500,451</b>   | <b>514,550</b> | <b>9,686</b>         | <b>10,399</b> |

Statistics in the 2012 Primary ITO Annual Report may differ due to updated calculation methods. Programmes Completed includes Limited Credit Programmes, Supplementary Credit Programmes, National Certificates and Diploma.



# Chairman's Report

**In late 2012 the merger between AgITO and NZ Horticulture ITO took place, but 2013 was the year where the merged entities truly came together as one.**

The merger enabled us to strengthen our governance structure through the establishment of Industry Partnership Groups (IPGs) that allow all industries to have their voice heard. These groups mean that every sector's goals can be clearly articulated to the ITO so that training aligns with their needs. It also provides a governance role with the Board by having a representative on the National Advisory Group. At the end of 2013, we had 12 approved IPGs, representing over 90% of all Primary ITO trainees. While 2013 was important in terms of getting the IPG's in place, I believe their true value to Primary ITO is yet to be realised and 2014 will be the year when this takes place.

For the National Advisory Group, I believe it's a similar story. The establishment of the National Advisory Group was confounded by discussions of another merger, this time with the New Zealand Industry Training Organisation (NZITO), the ITO for the dairy manufacturing, meat processing and seafood sectors. Mergers bring with them the uncertainty of change.

So following the completion of the AgITO and NZ Horticulture ITO merger in October 2012, renewed merger discussions continued into 2013 as we worked with NZITO to create a horizontally and vertically integrated primary industry ITO. These merger discussions resulted in a successful outcome, and it was confirmed that the NZITO would merge with Primary ITO in early 2014.

I wish to thank Minister Steven Joyce and the Tertiary Education Commission (TEC) for their guidance and support throughout our two recent merger processes.

Our performance during 2013 was solid. We met, or nearly met, all the key performance indicators we had set. STM's achieved were 6,029 against a target of 6,291, with under delivery in ITF STM's offset by over delivery in Modern Apprentice STM's. Programme Completions were 70% against a target of 60% and credit achievement was also above target at 65%, against a 60% target.

In 2013, we maintained a strong balance sheet even though we had the merger in late 2012, and we have maintained a strong cash flow throughout the year. The merge with NZITO has strengthened our position heading into 2014, and Primary ITO is well positioned and resourced to take on the challenges the future may bring with working capital at 2.53:1 and a cash balance of \$8.8m pre-merger.

Personally, a highlight of 2013 was the success of the relationship with the Federation of Māori Authorities (FoMA) and the Te Kāuta initiative. The aim of Te Kāuta is to ensure the industry, Māori and Government work closer together to reach our shared priorities. It's such a good





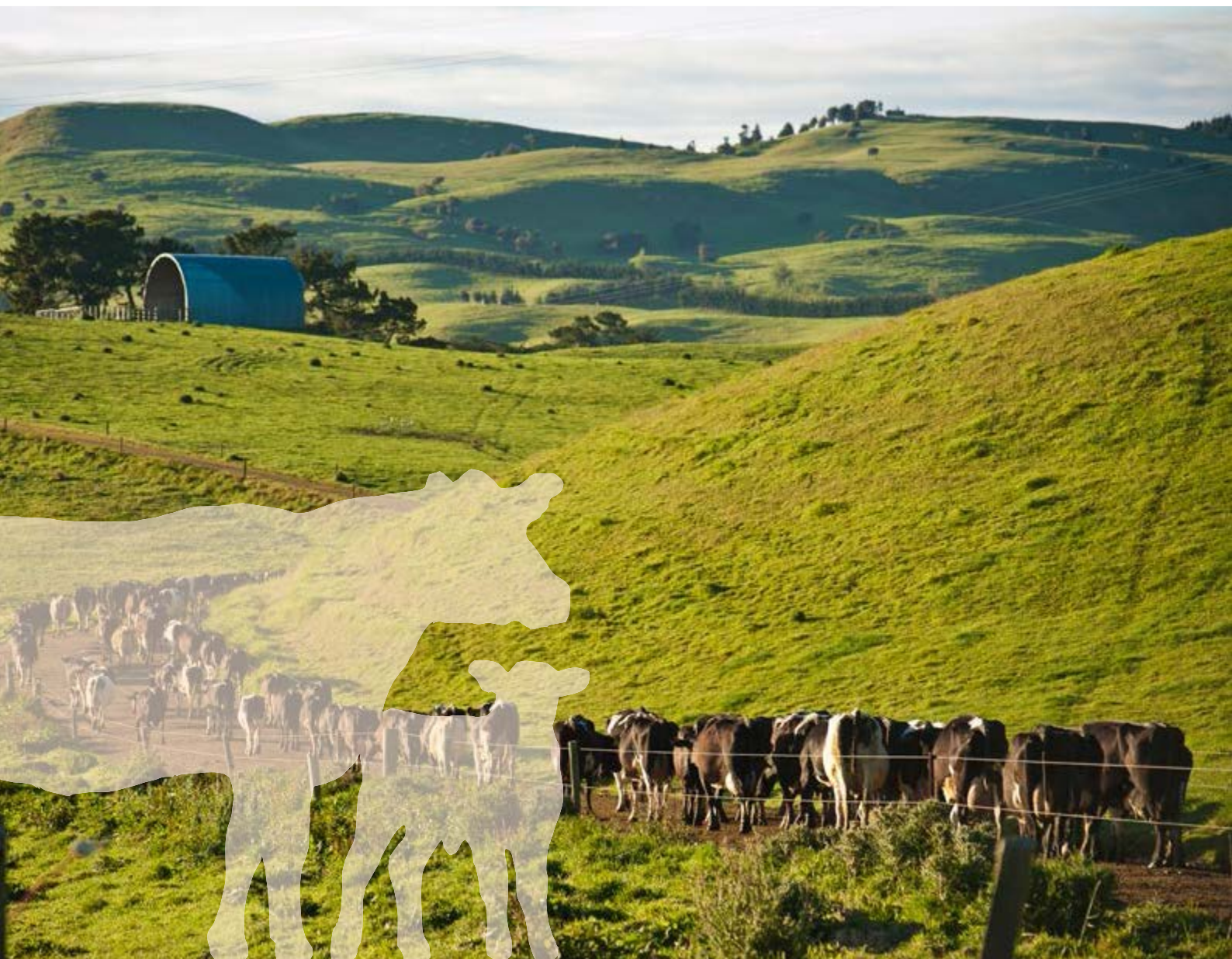
story in terms of the way the relationship has developed. The link between Primary ITO and FoMA has been supported at governance level at FoMA, and we've received great support from the people there. Te Kāuta is now up and running and I believe it's full of promise.

I give my very best wishes to the transitional Board as it moves through the process of becoming a selected skills based board. This move will mean Primary ITO can focus on fully realising the benefits our stakeholders expect.

In December 2013, I announced that I will be stepping down from the Primary ITO Board. I wish to thank the Board, and in particular Chief Executive Kevin Bryant, for their support and efforts to make Primary ITO one of the strongest and highest performing of all ITOs.



Cliff Tipler  
Board Chairman





# Chief Executive's Report

**For Primary ITO, 2013 was a year of action. Immediately following the merge the priority was 'business as usual' for our customers – ensuring a continued level of service, despite the change.**

Merging our field teams resulted in an increased average trainee ratio of 180 trainees to every one training adviser to 130 trainees to every one training adviser, which helped to cement a seamless service to our customers. Our customers needed to feel faith in the newly formed Primary ITO, and rest assured that they would still receive the high standard of service they expected when AgITO and NZ Horticulture ITO operated as separate entities.

In 2013 we launched a fresh new look for Primary ITO. This was an important step in bringing together the two organisations and strengthening our own sense of cohesiveness. The new Primary ITO logo represents the connected elements of primary production – land, plants and water. The launch of the new brand in August was one of the final stages of the merger and it was a special occasion for the organisation. Our new branding has been very well received by staff and customers alike.

During such a time of change there was always going to be a risk of a drop off in performance. As our statistics show this was not the case, with the highest ever levels of credit achievement and programme completions being achieved. In addition we were a finalist in the Kenexa Best Places To Work Survey, in the medium to large organisation category.

In 2013 we also saw opportunities to increase the range of training options to our industries through generic learning programmes, extending the Train the Trainers workshops and Agribusiness Diploma classes in a range of sectors. This has seen the ITO work with a number of Polytechnics to bring about an enhanced offering to the market at this level. A new approach to delivery was piloted during 2013, in the Waikato, Taranaki and Central Plateau regions, with Wintec, Dairy Training Ltd and DairyNZ and the success of this will see it progressively rolled out in 2014.

Our partnership with Taratahi in the Wairarapa is delivering good outcomes and continues to strengthen the ties between our organisations.

Primary ITO Train the Trainers programme proved a success and we rolled it out to over 700 employers and managers in the dairy sector over the course of the year, in partnership with DairyNZ. This success has ensured we will continue to run the programme. GoodPracticeHR is closely linked to the Train the Trainers initiative and was also launched in 2013. The idea behind GoodPracticeHR is that it acts as an assessment tool for employers. The programme includes a report that identifies the differences between manager and staff, and is followed by a consultation with an HR professional. Employers and managers then receive a strategy to put in place to address any skills gaps in the business. An innovation from these two projects is



Kevin Bryant – Chief Executive



that if an employer completes a Train the Trainer course and the GoodPracticeHR assessment they can then be assessed against the Human Resource module of the National Diploma in Agribusiness Management. We believe this offers a seamless and barrier free entrance into training.

Another change that took place in 2013 was the decision to deliver against our statutory obligations as an ITO and assume the direct servicing of our trainees and employers in the wool harvesting industry from Tectra Ltd. Following industry demand we also decided to launch a new training model to deliver to the sector – an on-job model which would run alongside the current off-job training model. Paewai Mullins Shearing Ltd have been in the shearing business for four generations and handle in excess of two million sheep per year. Owner Mavis Mullins has been running on-job training at the business for a very long time but in 2013 the company formalised their training model and aligned it to the ITO's practices and procedures. Mavis believes that the on-job model makes learning more enjoyable and relevant for their staff. We hope other wool harvesting businesses will have the same success as Paewai Mullins when we roll it out nationwide in 2014. We did receive some resistance to this change, as training in the industry hasn't altered for twenty years. However, as the ITO for the industry, we felt it was important to take this leadership position. We strongly believe it will result in positive benefits for all those working in the sector.

From a financial point of view, in 2013 we did not achieve all of our STM's. However, due to income earned in other areas and careful cost management we achieved a better than budget result. This is very pleasing and shows we have already started delivering on the promises of the merger in a financial sense.

Another key initiative that was launched in 2013 was introducing the High Impact Training philosophy to our organisation. We developed a training philosophy that was based on the work of international researcher Robert Brinkerhoff. It focusses on ensuring successful training outcomes by having clear and shared preparation for training by management and staff, excellent quality training delivered and opportunities for practice and feedback to occur on the job in an "application" phase post formal learning. This method will be implemented fully over the course of 2014.

Towards the end of 2013 we were well advanced in merger discussions with NZITO. This would see us merging in February 2014; bringing six out of seven primary industry sectors together.

Overall, it was a very successful 2013 for Primary ITO. I would like to offer my thanks and congratulations to the Primary ITO team who are truly dedicated to ensuring the success of our industries through highly qualified, competent and capable managers and staff. To have achieved the results we have, in such an environment of change, is a testament to all of the team who have remained focussed on our purpose and on our customers. This positions the ITO well for a challenging year ahead in 2014.



Kevin Bryant  
Chief Executive





# Corporate Governance

## 2013 was another year of change for the Board of Primary ITO.

The year began with a Board of six following the merger with NZ Horticulture ITO. Chair of the Board was Cliff Tipler and Don Seath chaired the Audit Committee. Ru Collin supervised the formation of the National Advisory Group and the establishment of the Industry Partnership Groups. During the year the Board exercised its ability to make a further appointment, Chris Kelly, to boost governance experience.

Supporting the Board was a National Advisory Group (NAG) of 12 people elected by the 12 Industry Partnership Groups (IPGs).

The new governance structure delivered an improved interface between industry and management at an operational level via the IPGs. However the Governance functions of the IPGs proved difficult to complete due to the fact that they seldom met as a group, usually meeting separately with management.

To address this issue and in light of the pending merger with NZITO, a complete review of the constitution was undertaken. After considerable consultation with our Industry Partners, a Governance re-structure was proposed and enabled at a Special General Meeting on 27th of November 2014. This was approved unanimously by the NAG voting delegates.

This new structure shifted the Governance responsibilities from the IPGs to the newly named Stakeholder Council (SHC) which replaced the NAG. These responsibilities included the election of Directors and the Remuneration Committee. At the same time voting rights of the 12 Councillors was altered to more fairly reflect the size of the industries they represent.

The IPGs continue to perform the task of interfacing between industry and management, without any involvement in Governance issues.

The SHC also has a clearly defined role:

- Advisory and Communications forum focusing on high level strategic matters relating to training
- Election of Directors using a Director Selection Panel
- Formation of the Honoraria Committee and a requirement to meet with the Board at least twice yearly.

The constitutional changes also enabled the merger of NZITO in 2014. A steering group of three Directors from each ITO met throughout the year. A merger agreement was signed in December 2013 which included provision for an additional three IPGs. 2014 will see 15 IPGs and a SHC of 15.

The Chairman, Cliff Tipler, retired at the end of 2013 and Chris Kelly moved to take up an "elected" position on the Board.

The Board of Directors have agreed as part of the merger agreement to an election and retirement schedule to be completed by the AGM 2015. By 1st January 2015 the Board size





will be restored to six elected Directors plus up to two Appointed Directors. By the AGM 2015 all elected Directors will have been elected by the SHC. The aim of this program is to ensure Industry has the opportunity to elect a Board based on their view of competency, rather than representation. The Industry representation will exist in the SHC at the Governance level and in the IPGs at the Management level.



Don Seath

Deputy Board Chairman

## OPERATIONS

### Members

Whole of primary industry sector  
– agrifoods exports and related.



### Industry Partnership Groups

1. Advisory groups formed by members who align with industry sectors.
2. Appoints rep to Stakeholder Council.
3. Focus is technical and operational matters to support ITO management.



### Chief Executive



## GOVERNANCE

### Stakeholder Council

1. Governance advisory and communications forum focusing on high level strategic matters related to industry training.
2. Each IPG has a representative.
3. Meets the board twice yearly.
4. Appoints the Honoraria Committee.
5. Appoints Director Appointment Panel members.
6. Approves Director Appointment Panel recommendations.
7. Constitutional changes.



### Board

- Appointed Directors
- Up to two Additional Directors

### Director Appointment Panel

- Group of five to select directors based on merit and capability
- Acts as a subgroup of the Stakeholder Council.
  - Recommends director selections to Stakeholder Council.



# Board Profiles

## Cliff Tipler (Chairman)

Cliff joined the board in 1999, representing the water industry and the development of water industry training. He was elected Deputy Chairman in August 2002. In June 2009 he was elected Chairman. Cliff is a Past-President of the New Zealand Water and Waste Water Association and a member of the Institution of Professional Engineers New Zealand (IPENZ). He is a Senior Principal and the Business Development Manager for URS New Zealand Limited in Auckland, practising as a water and wastewater engineer.



## Don Seath

Don is a member of the Institute of Directors and currently Chairs the Audit Committee. He was elected to the AgITO board by the Regional Committees in 2000. He chaired the Industry Committee until 2012, was elected Deputy Chairman and Audit Chairman in 2009. Don is also a Director of Agriculture Services Ltd. He is a former Director of The NZ Co-op Dairy Co. Ltd, Dairy Meats NZ Ltd and a foundation member of the Fonterra Shareholder's Council. A former dairy farmer in the Waikato, his family are now heavily involved in dairy farming in the Central Plateau area.



## Richard (Ru) Collin

Ru's primary industry background is with production horticulture – specialising in growing fresh apples, persimmon and other tree crops for export markets from Hawke's Bay and from Nelson over a 25 year period. From 1999 Ru got involved with various representative roles, culminating in appointments as a HortNZ Director. In regards to his training interests, he was appointed to the NZ Horticulture ITO in 2010, and is part of the Primary ITO Board today. He is currently a strategic adviser for a large Motueka based grower and exporter, is a trustee on several charitable trusts, board member of several incorporated societies and remains involved with industry wide matters on various working groups involving RMA, youth, personal development, and of labour in Hawke's Bay. Ru is also currently serving as a Councillor for the Hastings District Council.



## Barbara Kuriger

Barbara is a shareholder and Director of three family owned farming businesses. Focused succession planning has created the opportunity for Barbara to transition from full time farming to follow her passion for the Agribusiness industry into the roles of governance, coaching and leadership. In 2012 she was awarded the Inaugural Dairy Woman of the Year which came with a Fonterra scholarship to participate in the Global Women's Breakthrough Leadership Program, from which she graduated in September 2013. Barbara is currently on the Board of Directors for DairyNZ, Dairy Training Limited, Primary ITO, New Zealand Young Farmers, Taratahi Agricultural Training Centre, Te Kāuta, Venture Taranaki Trust, and the Dairy Women's Network. She is Chair of the Primary Industries Capability Alliance.





### Adam Pollard

Adam joined the board of the NZ Horticulture ITO in 2002 as the representative of the landscaping industry. He then went on to be appointed chair in 2006 and continued in this role until the merger with AgITO. Adam is immediate past president of the Landscaping Industries Association of New Zealand. Adam is Managing Director of a landscape business in Christchurch and has a number of trainees working through the ITO training system.



### Richard Wanhill

Richard is Company Director, Business Development Manager and Trainer for Thoughtplanters – a New Zealand horticultural education and consultancy firm. At Thoughtplanters, Richard is responsible for identifying and developing new business markets in Singapore, Southeast Asia, New Zealand and Australia. Richard is currently the Chair of the Test Committee for the United States based International Society of Arboriculture (ISA), writing international certification exams. He is also a member of the ISA's Certification board. He has 15 years management and nine years board governance experience. Richard started out as an arborist, but quickly progressed to tree company area manager and to industry-wide leadership roles such as New Zealand Arboricultural Association President and Vice Chair of the Horticulture Industry Training Organisation. Today, he is a Certified Director with the Institute of Directors of New Zealand, holds a National Certificate in Arboriculture from NZ Horticulture ITO, Postgraduate Diploma in Business Administration (Victoria University) and is studying towards an MBA with Victoria University.


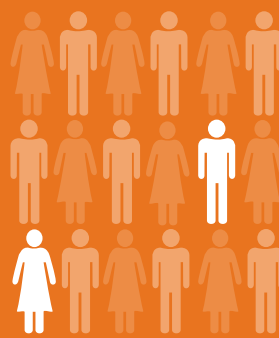



### Chris Kelly

Chris was appointed Chief Executive of Landcorp Farming Ltd (which is a State Owned Enterprise and New Zealand's largest corporate farmer) in March 2001. Chris previously held various positions with the New Zealand Dairy Board, including Strategic Planning Manager, General Manager for Corporate Planning and Global Head of Strategic Industry Relations. He also had extensive experience representing farmer interests to the Livestock Improvement Corporation Ltd and the Animal Health Board. In Chris' early career he practiced as a veterinary surgeon and adviser, and held roles in the animal health area for Glaxo Animal Health Ltd, the General Manager for North East Asia/New Zealand for Pitman Moore Ltd (previously Coopers Animal Health Ltd). Chris was Chairman of AgVax Developments, a subsidiary of AgResearch, responsible for commercialisation of Animal Health Products. Chris' current role is as a fulltime Director, which includes the Crown Irrigation Investment Company, and Chair of AgriOne (a joint venture between Lincoln and Massey Universities), Kahne Animal Health Ltd and Beef and Lamb Genetics. Chris is also Chancellor of Massey University.



# Balanced Scorecard

|  |  | Action Plans/Measures  |
|--|--|--|
|  <h2>OPERATIONAL</h2> <p><b>Systems and processes</b></p> <ul style="list-style-type: none"> <li>We have systems and processes that best support our changing business</li> </ul>   |  | Standard Training Measure's (STM) meet budget                  |
|  |  | Operating surplus/(deficit)                                    |
|  |  | Training cost/STM  |
|  |  | Total costs/STM  |
|  |  | Support costs as a proportion of total costs                   |
|  |  | Productivity Index   |
|  |  | Industry contribution  |
|  <h2>CUSTOMER</h2> <p><b>Products and speed to market meet customer needs</b></p> <ul style="list-style-type: none"> <li>Understanding our market needs/outcome focused learning (OFL)</li> <li>Customers value our products</li> <li>Effective channels to market</li> <li>Provider management</li> <li>Value of the brand</li> </ul> |  | Programme completions  |
|  |  | Credit achievement   |
|  |  | Number of trainees in training/FTE                             |
|  |  | Trainees in higher level training (Level 4 & 5)                |
|  |  | Average number of credits earned per trainee                   |
|  |  | Average number of people in courses                            |
|  |  | Customer satisfaction survey >80%                              |
|  <h2>PEOPLE</h2> <p><b>Highly desirable place to work</b></p> <ul style="list-style-type: none"> <li>Attracting new people</li> <li>Retaining people</li> <li>Training and developing people</li> <li>Leading and communicating with people</li> </ul>  |  | Employee turnover  |
|  |  | % of salaries spent on training per year                       |
|  |  | % of staff who feel engaged with Primary ITO                   |
|  |  | BWP leadership score >80%                                      |
|  |  | BWP leadership score >80%                                      |
|  |  |  |
|  |  |  |
|  <h2>COMMUNITY</h2> <p><b>Engagement with stakeholders and creating pathways for learning</b></p> <ul style="list-style-type: none"> <li>Participation of different groups of trainees in industry training</li> <li>Develop future leaders in the rural and water sectors</li> <li>Community support</li> </ul>                      |  | Participation of Māori people                                  |
|  |  | Participation of Pasifika people                               |
|  |  | Community events   |
|  |  | Investment in industry good activities including internal time |



|  | 2010 Actual | 2011 Actual | 2012 Actual | 2013 Actual | 2013 Target | Comments   |
|--|-------------|-------------|-------------|-------------|-------------|--|
|  | 97%         | 84%         | 85%         | 96%         | 100%        | Achieved 6029 STM's during 2013  |
|  | 0.33%       | -13.30%     | -3.06%      | 2.60%       | -1.20%      |  |
|  | \$2,353     | \$2,956     | \$2,267     | \$2,870     | \$2,789     | STM funding is \$3200 per STM  |
|  | \$4,079     | \$5,267     | \$4,776     | \$4,769     | \$4,786     | STM funding is \$3200 per STM  |
|  | 20%         | 14%         | 14%         | 14%         | 13%         | Support costs have been consistent post merger with NZ Horticulture ITO  |
|  | 13.76       | 15.90       | 16.05       | 15.60       | 15.66       | Outputs Credits/Inputs Total costs x 1000  |
|  | 23%         | 29%         | 29%         | 24%         | 30%         | Industry contributions to training is leveraged by government contribution through TEC   |
|  | 43%         | 38%         | 55%         | 72%         | 60%         | Credit weighted achievement a new measure since 2012   |
|  | 324,042     | 354,023     | 400,329     | 463,027     | 468,050     |  |
|  | 56          | 58          | 61          | 64          | 64          | Indicator of ongoing workload effectiveness, the higher the number the better  |
|  | 21.0%       | 28.5%       | 28.6%       | 34.0%       | 40.0%       | Indication of progress towards achievement of government and industry funder objectives  |
|  | 34.3        | 43.4        | 44.1        | 42.0        | 41.4        |  |
|  | 8.5         | 8.7         | 9.6         | 10.8        | 12.0        | Effectiveness of recruitment into courses, minimum should be 12  |
|  | 82%         | 82%         | 82%         | 82%         | 80%         | Level of satisfaction of employers and employees   |
|  | 17.60%      | 17.73%      | 16.16%      | 9.99%       | 13%         | Restructure was completed during 2012 as part of the NZ Horticulture ITO merger, hence turnover reduced during 2013  |
|  | 2.80%       | 2.85%       | 3.91%       | 1.60%       | 2%          |  |
|  | 33.00%      | 23.40%      | 38.00%      | 44.40%      | 50%         | High level of engagement when compared to the national average and especially through a merger year  |
|  | 76.50%      | 76.50%      | 83.30%      | 83.30%      | 80%         |  |
|  | 79.70%      | 76.50%      | 76.50%      | 83.30%      | 80%         | Indication of how strong staff feel the organisation leadership is   |
|  | N/A         | N/A         | N/A         | 17%         | 18%         | New measure for 2013 with the aim of increasing the number of Māori people in training   |
|  | N/A         | N/A         | N/A         | 4%          | 5%          | New measure for 2013 with the aim of increasing the number of Pasifika people in training  |
|  | 36          | 48          | 64          | 61          | 59          | Includes agriawards, Māori Farmer of the Year, Dairy Trainee of the Year, Water Industry Trainee of the Year, Skills Days and a number of other trainee awards |
|  | \$347,000   | \$347,000   | \$458,000   | \$498,608   | \$519,221   | Expenditure reflecting focus on areas where we really make a difference  |



# Out in the Field

**During 2013 the structure of the Primary ITO field team was realigned to truly realise the benefits of the merger, and to reflect local industry demographics.**

This meant our Regional Managers were put in charge of leading teams which, in some instances, include a diversity of primary industries. For example, Primary ITO's Region One (Northland and Auckland) now meets the needs of the service sectors such as amenity horticulture, sports turf, and water treatment in Auckland city as well as the pastoral sectors of the far north; and others have a predominant focus, for example, dairying in Canterbury. The sharing of information within these cross-industry teams is invaluable and encourages innovation and collaboration, and reduces duplication of effort across the wider field team.

In 2013, the focus remained firmly on our customers – our employers and trainees. Our training advisers strived to provide customised training solutions to increase the productivity and profitability of businesses. We believe that training and learning increases expertise, reduces the risk of costly mistakes, and provides employers with a way to motivate and retain good staff. Through training we also empower and build confidence; our trainees become better at what they do, understand why they do it, and the completion of an apprenticeship or qualification is a great personal achievement.

**“Our training advisers strived to provide customised training solutions to increase the productivity and profitability of businesses.”**





# Dairy

A key focus for dairy industry training in 2013 was upskilling decision-makers on farm through the National Diploma in Agribusiness Management qualification. Alongside a number of industry partners, including DairyNZ, the Farm Business Management project, as it is called, proved a great success with a 26% increase in new enrolments into the Agribusiness Diploma in 2013.

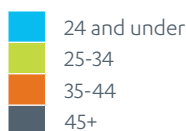
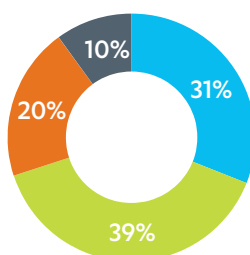
Migrants remain a significant market for us in the dairy sector. In December 2013 19.8% of our total dairy trainees were migrant workers. We believe it's absolutely essential that migrant dairy farmers receive training in New Zealand as the return of up-skilling them is directly applied back into the workplace. Migrants are engaged in our dairy training from our introductory courses right through to management level training.

For all people in training with us it's vital that employers have the skills and knowledge from a human resource management perspective. Primary ITO's National Diploma in Agribusiness Management includes a module focusing on Human Resource Management. Employers can learn and understand the principles of HR management including employment requirements, termination procedures, recruitment, selection and induction of staff, delegating work and performance assessment and training. The importance of good employment practise cannot be over-stated. Primary ITO encourages all employers and those in a position to train/manage staff to attend our one day Train the Trainer workshops to lift awareness and gain further skills in working with others. The GoodPracticeHR tool encouraged following the workshop.

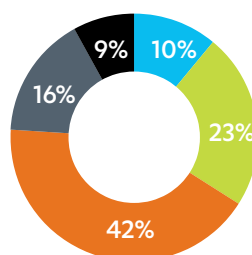
Another key dairy project during 2013 was the development of a Workforce Capability Matrix. The matrix was developed in partnership with DairyNZ, supported by Federated Farmers, Dairy Women's Network, PICA and Young Farmers. It has now been approved as the industry standard and will help us immeasurably to ensure our qualifications align with the skills and knowledge that align to the different roles in the dairy industry. It will help farmers to understand the skills that are required in different job roles.

The establishment of the Dairy Industry Partnership Group (IPG) has resulted in positive engagement from the industry. Murray Linton is the Chair of the IPG and brings valuable experience as a dairy farmer and Fonterra shareholder councillor.

Trainees by Age



Trainees by Level



| Number of Trainees |       | Programmes Completed |       |
|--------------------|-------|----------------------|-------|
| 2012               | 2013  | 2012                 | 2013  |
| 8,680              | 9,512 | 4,911                | 5,454 |
| Completion Rate    |       | Modern Apprentices   |       |
| 2012               | 2013  | 2012                 | 2013  |
| 56%                | 59%   | 720                  | 810   |

# Agribusiness Management: a collaborative approach to improving business skills

In 2013, Primary ITO and DairyNZ worked in partnership with a common purpose – to help improve the business management capability of agribusiness owners and managers.

Primary ITO, together with partner organisations, has supported hundreds of people to achieve an agribusiness qualification, as well as run successful and profitable businesses.

The driver behind the initiative is to engage more agribusiness managers and owners to improve their financial and management skills, increase their confidence to make sound business decisions and improve the bottom-line of their business.

## Success in the Waikato pilot region

Primary ITO, DairyNZ, Waikato Institute of Technology (Wintec), and Dairy Training Limited worked together on the initiative in the Waikato region, to find ways of engaging more farmers and managers to complete the National Diploma in Agribusiness Management. Together we achieved a 26% increase in new enrolments into the Agribusiness Diploma in 2013 across New Zealand.

Initiative milestones include:

- Rolling out a strategy for approaches to suit individual learning styles. These include ‘blended learning’ – a mix of online and traditional classroom-based study.
- Building a network of nearly 50 Agribusiness Diploma advocates (graduates of the Diploma) who attended industry events to help promote the qualification. Advocates tell their stories and inspire others to enrol in the Diploma.
- Piloting 1:1 coaching with accountants – a completely new way for agribusiness owners to learn from their trusted rural consultants, at their own pace.
- Targeted promotion, including advertising and PR, to improve awareness of the Diploma courses available. Primary ITO is thankful for relationships with Federated Farmers, Dairy Women’s Network, Beef + Lamb New Zealand and HortNZ; and their promotional support.



# “It’s never too late to learn”

## Diploma helps couple improve their business confidence

Reporoa dairy farmer Deborah Polyblank has been farming for 34 years, but she believes it’s never too late to upskill. Deborah is joint owner of a 520 cow dairy farm in Reporoa. She and husband Mark have just employed a contract milker and have two other employees on-farm. Deborah is heavily involved in the financial management of the farm.

“Farming is not just a lifestyle anymore; often you’re running a multi-million dollar business. I want to make sure we’re running the business as efficiently as we can. There are so many compliance issues these days, and it’s important we are up with the play.”

Deborah, 50, and Mark began sharemilking for Mark’s mother and went on to purchase the family farm, three neighbouring properties and a run-off.

Now Deborah is keeping up to date with the latest developments in agribusiness with the National Diploma in Agribusiness Management. She began studying towards the Diploma in 2012 and has already put her learning into practice. “I have updated our health and safety policy and made the staff more aware of health and safety, making sure they follow-through on it.”

“Knowledge can’t hold you back – with knowledge you can only go forward. It’s easy for us to leave it in the too-hard basket which is why I’ve left it for a while, but I’ve learnt so much over the last year.”

Deborah Polyblank, dairy farmer and Diploma in Agribusiness student



# Sheep and Beef Cattle

In 2013, we experienced a growth in trainees in the sheep and beef cattle sector despite the drought experienced during the year.

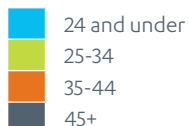
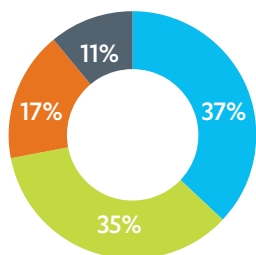
We continued to evolve the off-job training options to be more accessible to sheep and beef farmers and their staff. According to our analysis, 44% of our trainees in the sheep and beef sector are studying at Level 4 and 5 which means training of the on-farm decision-makers is taking place. Our research shows that the upskilling of people in this area has a more significant return than the lower level. It bodes well having increased numbers of people at these high levels of training.

Also during 2013 we began developing a Sheep, Cattle and Deer Workforce Capability Matrix in partnership with Beef + Lamb NZ, Deer NZ and our Industry Partnership Group.

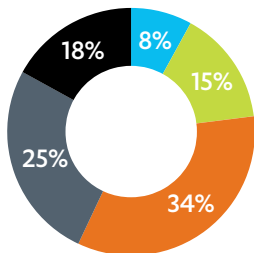
We're looking forward to working alongside the Red Meat Strategy PGG funded projects to ensure our ITO is helping meet the red meat strategy aims in terms of people capability. This is a forward-looking project for 2014 and beyond.



Trainees by Age



Trainees by Level



| Number of Trainees |       | Programmes Completed |      |
|--------------------|-------|----------------------|------|
| 2012               | 2013  | 2012                 | 2013 |
| 964                | 1,021 | 549                  | 625  |
| Completion Rate    |       | Modern Apprentices   |      |
| 2012               | 2013  | 2012                 | 2013 |
| 62%                | 63%   | 130                  | 150  |



# Sheep Industry Award Winner “making massive contribution to New Zealand youth”

Otago Primary ITO Training Adviser Rebecca Williamson-Kavanaugh was thrilled when Kevin Smith, who she nominated for the Sheep Industry Trainer of The Year Award, won the accolade at the 2013 Beef + Lamb NZ Sheep Industry Awards.

Rebecca believes the way Kevin supports the development of young people is inspiring. “He’s making a massive contribution to New Zealand youth” she says. Kevin gives a steady stream of young, eager farm workers a foot in the door so they can gain the practical work experience they need to progress within the sheep and beef farming industry.

Kevin takes on young people who are coming out of a range of educational programmes, including programmes at Telford and Taratahi Agricultural College. Once the young people are working on-farm, they undertake Primary ITO training to develop their skills and knowledge.

“It’s a great thing that Kevin is doing, and it’s working so well. It’s not easy having a stream of young people through your business, especially as they are in the early stages of their career and have lots to learn. However, Kevin and his team do it with ease and are really supporting the future of farming in this country,” says Rebecca.

The Sheep Industry Trainer of the Year Award is sponsored by Primary ITO.

Claire Chapman (Industry Liaison Manager, Primary ITO) and 2013 Sheep Industry Trainer of the Year Kevin Smith



# Wool Harvesting

Since the AgITO and NZ Horticulture ITO merger, Primary ITO has been reviewing, in consultation with the industry, the training and education needs of the wool harvesting sector.

As it stood, training consisted of off-job training delivered and serviced on the ITO's behalf by Tectra Ltd. However following industry feedback, it was decided that in 2014 Primary ITO would resume its statutory role of enrolling and servicing trainees, including implementing an option of on-job learning complemented by an off-job training system, like the existing one that was delivered by Tectra.

We believe the on-job model will bring benefit to employees, business managers and owners in the industry. It will minimise time off work meaning employers are not losing their staff to off-job courses so often, helping to increase business productivity.

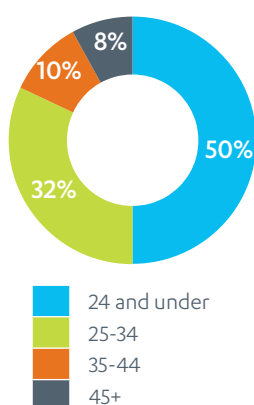
A major feature of the change is the direct role the ITO will take in terms of servicing employers and their staff in training. We decided to hire our own Primary ITO training advisers to work closely with employers to develop tailored training to support them to reach their business goals faster.

This does mean a change to the long standing relationship the ITO had with Tectra, whereby Tectra have previously represented the ITO. We would like to acknowledge the role Tectra has played for many years in working with us to ensure training for the wool industry continued despite the loss of the wool levy in 2009.

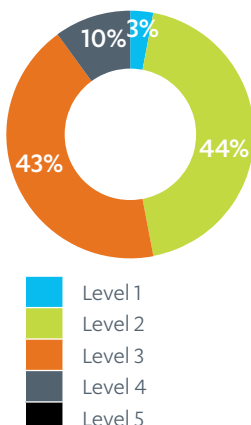
## Golden Shears

In 2013, we sponsored the Open Woolhandling championship and the Senior Shearing competition. It's an exciting event to be involved in, and we offer our congratulations to the overall winner of the Open Woolhandling category, Joel Henare, and the Senior Shearing category, Brett Roberts.

Trainees by Age



Trainees by Level



| Number of Trainees |       | Programmes Completed |      |
|--------------------|-------|----------------------|------|
| 2012               | 2013  | 2012                 | 2013 |
| 1,433              | 1,462 | 212                  | 996  |
| Completion Rate    |       | Modern Apprentices   |      |
| 2012               | 2013  | 2012                 | 2013 |
| 66%                | 100%  | 470                  | 623  |





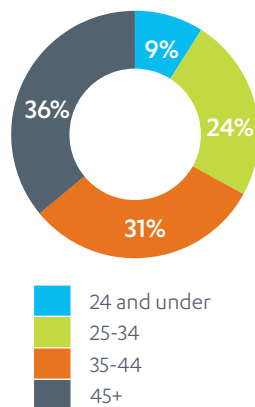
# Corporate Key Accounts

## Poultry

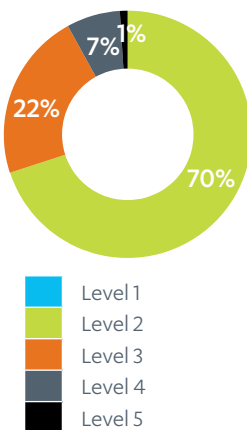
Poultry trainee numbers increased in 2013, revealing a strong training culture being implemented in the industry. Completing poultry qualifications increased from 41% in 2012 to 66% in 2013. There must be credit given to the industry for engaging with Primary ITO and for encouraging their staff to undertake and complete training.

The Level 2 New Zealand Certificate in Poultry Production continues to be the qualification that the majority of trainees enrol in with a 70% uptake rate. The Level 3 New Zealand Certificate in Poultry Production attracted 22% of enrolments in 2013. The challenge for 2014 is to move more trainees from Level 2 onto a Level 3 qualification.

Trainees by Age



Trainees by Level



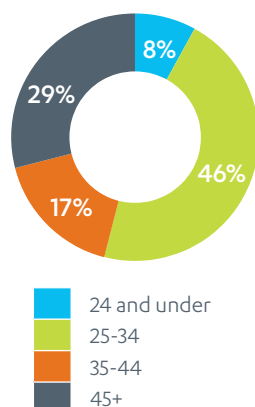
| Number of Trainees |      | Programmes Completed |      |
|--------------------|------|----------------------|------|
| 2012               | 2013 | 2012                 | 2013 |
| 159                | 181  | 43                   | 66   |
| Completion Rate    |      | Modern Apprentices   |      |
| 2012               | 2013 | 2012                 | 2013 |
| 41%                | 66%  | 4                    | 6    |

## Pork

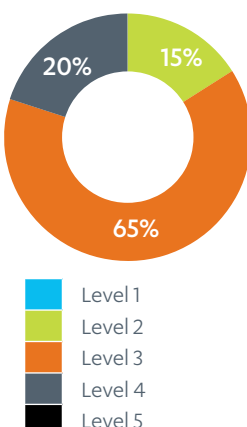
Trainee numbers for 2013 were slightly down on last year's figures; however qualification completion was significantly higher. A new training framework is being implemented by Primary ITO to better meet the needs of the pork industry. This will be implemented through the first half of 2014. Training in the pork industry will now be coordinated and serviced at a regional level, which means locally based training advisers will help coordinate training for employees.

The Level 3 Pork Production qualification accounts for 64% of trainees enrolled in pork training. To try and encourage further training in the industry at Level 4, a Pork Husbandry course will be offered for the first time and is scheduled for October 2014 in Christchurch.

Trainees by Age



Trainees by Level



| Number of Trainees |      | Programmes Completed |      |
|--------------------|------|----------------------|------|
| 2012               | 2013 | 2012                 | 2013 |
| 63                 | 52   | 33                   | 25   |
| Completion Rate    |      | Modern Apprentices   |      |
| 2012               | 2013 | 2012                 | 2013 |
| 45%                | 55%  | 3                    | 1    |



## Equine

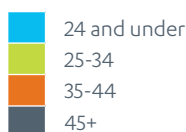
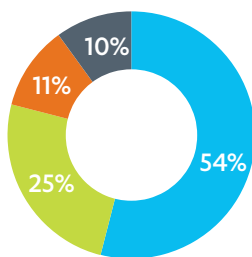
In 2013, we introduced new training programmes in racecourse maintenance. In October we ran a successful workshop in Christchurch as part of this new qualification. The National Certificate in General Skills (Racecourse Maintenance) encompasses three days of workshops suitable for employees at all levels, from management through to new staff.

The qualification covers the essential skills that are vital for racecourse maintenance including health and safety, tractor use, hazard identification and awareness, agrichemical application (includes Approved Handler and Growsafe certificates) and ATV if applicable, as well as first aid.

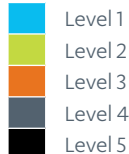
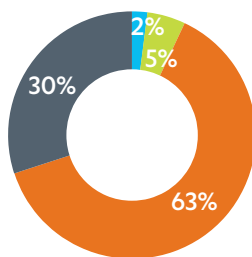
We also implemented changes for both Harness and Thoroughbred Racing in the delivery and assessment methods, particularly the new Harness Level 4 qualification format for third year trainees. This change was based on running practical workshop and assessment days rather than classroom orientated learning and written assessments. Harness Racing New Zealand (HRNZ) received positive feedback and support from their industry and we're pleased to have partnered with them to achieve this.

We also relaunched the Level 3 stablehand qualification to the thoroughbred sector with some success, however we continue to face challenges in developing a training culture in the industry.

Trainees by Age



Trainees by Level



| Number of Trainees |            | Programmes Completed |           |
|--------------------|------------|----------------------|-----------|
| 2012               | 2013       | 2012                 | 2013      |
| <b>362</b>         | <b>476</b> | <b>17</b>            | <b>93</b> |
| Completion Rate    |            | Modern Apprentices   |           |
| 2012               | 2013       | 2012                 | 2013      |
| <b>13%</b>         | <b>39%</b> | <b>96</b>            | <b>88</b> |



# Horticulture and Sports Turf

2013 was a year of growing trainee numbers in the amenity horticulture and landscape sectors as the Christchurch rebuild started to kick in.

This will gradually impact on the nursery production sector as the demand for plants increases. In other areas of New Zealand, these sectors are slowly improving.

Arboriculture trainee numbers are static, although they may increase as arboriculture rides on the shirt tails of the Christchurch rebuild. Coupled with an improving localised economy in Auckland, discretionary spending in areas like landscaping, garden plants and arboriculture will increase.

Kiwifruit trainee numbers are also improving following the PSA crisis.

The gold variety Hort 16A has been removed from all Bay of Plenty orchards, and rootstock regrafted with the new gold varieties G3, G9 and the new green G14. Spring/summer 2013/2014 has been an exceptionally good growing season with low levels of PSA.

By 2015 it is expected that volumes of gold fruit will exceed pre PSA volumes. Growers are very positive now and the future of the industry looks bright. There is a high demand for skilled labour, and demand for training has increased and will continue to do so.

We saw a big jump in pipfruit trainee numbers as a result of the Level 1 Packhouse and Field programme, which has interest from mainly mid to large size companies in Hawkes Bay. The pipfruit industry is seeing increased confidence now. This is reflected in strong numbers in the Hawkes Bay Cadet programme and the Nelson Cadet programme (which Primary ITO has recently taken over) is also starting to gain traction.

Trainee numbers in viticulture remained steady, with small increases as the industry starts to move into better economic times. We continue to have strong relationships with several large companies and as more in the industry see the value of that we anticipate growth.

Vegetable production in the Canterbury and Auckland regions gained great momentum and trainee numbers during 2013 reflect that. Training in these areas is at either end of the training level spectrum, as employers are relying more heavily on Recognised Seasonal Employment (RSE) labour, with training in health and safety and basic horticulture skills to intermediate supervisory skills, where RSE workers will supervise newer RSE workers. As mentioned, at the other end of the spectrum, we will see a trend of mid management training, where supervisors, production managers, and packhouse managers will require specialised supervisory training for instance working with people from different cultures; this training will then roll into higher learning with Agribusiness Management at Diploma level.

Sports Turf numbers have dropped slightly, but there is a positive feeling in the industry as golf courses are beginning to come out of the recession, increasing their staff numbers in some regions.





## Amenity Horticulture

| Number of Trainees |              | Programmes Completed |            |
|--------------------|--------------|----------------------|------------|
| 2012               | 2013         | 2012                 | 2013       |
| <b>1,206</b>       | <b>1,246</b> | <b>708</b>           | <b>605</b> |
| Completion Rate    |              | Modern Apprentices   |            |
| 2012               | 2013         | 2012                 | 2013       |
| <b>41%</b>         | <b>88%</b>   | <b>143</b>           | <b>150</b> |

## Arboriculture

| Number of Trainees |            | Programmes Completed |            |
|--------------------|------------|----------------------|------------|
| 2012               | 2013       | 2012                 | 2013       |
| <b>417</b>         | <b>412</b> | <b>278</b>           | <b>124</b> |
| Completion Rate    |            | Modern Apprentices   |            |
| 2012               | 2013       | 2012                 | 2013       |
| <b>33%</b>         | <b>99%</b> | <b>98</b>            | <b>99</b>  |

## Floriculture

| Number of Trainees |             | Programmes Completed |           |
|--------------------|-------------|----------------------|-----------|
| 2012               | 2013        | 2012                 | 2013      |
| <b>48</b>          | <b>33</b>   | <b>64</b>            | <b>22</b> |
| Completion Rate    |             | Modern Apprentices   |           |
| 2012               | 2013        | 2012                 | 2013      |
| <b>75%</b>         | <b>100%</b> | <b>12</b>            | <b>13</b> |

## Floristry

| Number of Trainees |             | Programmes Completed |           |
|--------------------|-------------|----------------------|-----------|
| 2012               | 2013        | 2012                 | 2013      |
| <b>146</b>         | <b>125</b>  | <b>63</b>            | <b>44</b> |
| Completion Rate    |             | Modern Apprentices   |           |
| 2012               | 2013        | 2012                 | 2013      |
| <b>77%</b>         | <b>100%</b> | <b>45</b>            | <b>44</b> |

## Fruit Production

| Number of Trainees |              | Programmes Completed |            |
|--------------------|--------------|----------------------|------------|
| 2012               | 2013         | 2012                 | 2013       |
| <b>923</b>         | <b>1,228</b> | <b>449</b>           | <b>520</b> |
| Completion Rate    |              | Modern Apprentices   |            |
| 2012               | 2013         | 2012                 | 2013       |
| <b>—</b>           | <b>100%</b>  | <b>103</b>           | <b>95</b>  |

## Landscaping

| Number of Trainees |             | Programmes Completed |            |
|--------------------|-------------|----------------------|------------|
| 2012               | 2013        | 2012                 | 2013       |
| <b>281</b>         | <b>385</b>  | <b>185</b>           | <b>159</b> |
| Completion Rate    |             | Modern Apprentices   |            |
| 2012               | 2013        | 2012                 | 2013       |
| <b>41%</b>         | <b>100%</b> | <b>110</b>           | <b>108</b> |

## Nursery Production

| Number of Trainees |             | Programmes Completed |            |
|--------------------|-------------|----------------------|------------|
| 2012               | 2013        | 2012                 | 2013       |
| <b>290</b>         | <b>301</b>  | <b>299</b>           | <b>199</b> |
| Completion Rate    |             | Modern Apprentices   |            |
| 2012               | 2013        | 2012                 | 2013       |
| <b>55%</b>         | <b>100%</b> | <b>109</b>           | <b>105</b> |

## Sports Turf

| Number of Trainees |            | Programmes Completed |            |
|--------------------|------------|----------------------|------------|
| 2012               | 2013       | 2012                 | 2013       |
| <b>467</b>         | <b>440</b> | <b>103</b>           | <b>90</b>  |
| Completion Rate    |            | Modern Apprentices   |            |
| 2012               | 2013       | 2012                 | 2013       |
| <b>53%</b>         | <b>59%</b> | <b>99</b>            | <b>101</b> |



## Vegetable Production

| Number of Trainees |             | Programmes Completed |            |
|--------------------|-------------|----------------------|------------|
| 2012               | 2013        | 2012                 | 2013       |
| <b>466</b>         | <b>647</b>  | <b>446</b>           | <b>240</b> |
| Completion Rate    |             | Modern Apprentices   |            |
| 2012               | 2013        | 2012                 | 2013       |
| <b>47%</b>         | <b>100%</b> | <b>47</b>            | <b>46</b>  |

## Viticulture

| Number of Trainees |            | Programmes Completed |            |
|--------------------|------------|----------------------|------------|
| 2012               | 2013       | 2012                 | 2013       |
| <b>322</b>         | <b>340</b> | <b>164</b>           | <b>108</b> |
| Completion Rate    |            | Modern Apprentices   |            |
| 2012               | 2013       | 2012                 | 2013       |
| <b>29%</b>         | <b>61%</b> | <b>55</b>            | <b>63</b>  |

## TRAINEE STATISTICS

|                      | Trainees by Age |       |       |     | Trainees by Level |         |         |         |         |         |
|----------------------|-----------------|-------|-------|-----|-------------------|---------|---------|---------|---------|---------|
|                      | 24 & under      | 25-34 | 35-44 | 45+ | Level 1           | Level 2 | Level 3 | Level 4 | Level 5 | Level 6 |
| Amenity Horticulture | 18%             | 21%   | 22%   | 39% | 39%               | 15%     | 11%     | 35%     | 0%      | 0%      |
| Arboriculture        | 26%             | 42%   | 23%   | 10% | 7%                | 1%      | 31%     | 60%     | 0%      | 0%      |
| Floriculture         | 39%             | 24%   | 15%   | 21% | 32%               | 16%     | 15%     | 37%     | 0%      | 0%      |
| Floristry            | 32%             | 23%   | 16%   | 29% | 2%                | 29%     | 0%      | 69%     | 0%      | 0%      |
| Fruit Production     | 22%             | 28%   | 24%   | 27% | 58%               | 15%     | 6%      | 21%     | 0%      | 0%      |
| Landscaping          | 28%             | 31%   | 23%   | 19% | 32%               | 12%     | 7%      | 49%     | 0%      | 0%      |
| Nursery Production   | 34%             | 28%   | 20%   | 19% | 26%               | 13%     | 12%     | 49%     | 0%      | 0%      |
| Sports Turf          | 24%             | 24%   | 19%   | 33% | 3%                | 0%      | 38%     | 45%     | 13%     | 2%      |
| Vegetable Production | 12%             | 32%   | 26%   | 31% | 44%               | 15%     | 14%     | 26%     | 0%      | 0%      |
| Viticulture          | 18%             | 24%   | 21%   | 37% | 42%               | 12%     | 9%      | 37%     | 0%      | 0%      |





# Orchard Manager at the heart of avocado industry growth in Northland

“Of the 20 permanent staff employed here, four are permanent bee-keepers; we have a big bee operation at the orchard because we need to guarantee pollination of the avocados,” says Ian Broadhurst, orchard manager for Northland’s King Avocado at Awanui, on the Aupouri Peninsula.

Beehive numbers have steadily increased to about 3,500, half of which are currently in the orchard pollinating for next season’s avocado harvest. Apiculture is just one of the ways the avocado company has created a successful orchard; another has been its investment in training staff.

“One of the biggest challenges we had when we started the development back in 2006 was to find enough skilled people to run the operation and make the thing happen,” says Ian.

Ian, whose interest in avocados spans 25 years and was a member of the Avocado Industry Council for six, has been with King Avocado since its inception. He has been instrumental in the development of the 160ha avocado orchard, the largest in New Zealand.

Ian has a background in forestry. He has seen many of his staff also make a successful crossover from the timber industry to avocado production, through training. This has made him a keen advocate of the qualifications offered through Primary ITO.

“Everybody on the orchard is undergoing training in NZQA units or has completed training. Of the 20 staff, at least seven or eight have taken it up to [national certificate] Advanced Level 4.”

“Training gives me confidence that they know what they’re doing and they’re doing it right and effectively,” Ian says.



# Water Industry Training

## Industry Partnership Group

2013 saw the Water Industry Committee transition into the Water Industry Partnership Group (IPG). The metamorphosis, facilitated by Water New Zealand, created the opportunity to widen the expertise of the group and ensure greater representation across the water industry. Already the group has identified areas where modular training can be delivered to a variety of sectors for instance pumping, sampling. Such an approach will lead to greater flexibility in the delivery of training, reducing cost and should allow courses to be run more frequently and locally.

## New Zealand Apprenticeships

2013 saw good growth in Modern Apprentices. Since the water industry is faced with an aging workforce, it is good to see more and more employers encouraging young people into the water industry and preparing succession plans.

2014 will see the introduction of New Zealand Apprenticeships. The Government has removed the age limit that was applied to Modern Apprenticeships. New Zealand Apprenticeships are now more focussed on traditional 'trades' training, with apprentices having to graduate from a Level 4 programme of at least 120 credits, therefore, trainees enrolled in the National Certificate in Water Treatment, National Certificate in Wastewater Treatment and National Certificate in Water Reticulation (Supervisor) will automatically become New Zealand Apprentices. Apprentices and their employers receive a greater level of pastoral care, with goal setting sessions scheduled every quarter. This will lead to an increased level of support for many trainees and we expect to see an improvement in completion rates and credit achievement.

## Reticulation

The new delivery format, resources and tutors for the National Certificate in Water Reticulation (Planned and Reactive Maintenance Technician) Level 3 have proved very popular, with trainees giving the new course positive reviews. The courses are kept relevant and up to date with the industry experts delivering the training, and incorporating new content when technologies advance.

## Train the Trainer

Train the Trainer courses for the water industry were piloted by a group of workplace assessors in 2012. The session received excellent feedback and led us to integrate Train the Trainer into the National Certificate in Water Reticulation Level 4 (Supervisor) courses. Feedback from participants has been unanimous, if you have staff, Train the Trainer is invaluable. Primary ITO will be seeking further opportunities to roll out the Train the Trainer workshops across the water sector.





## Irrigation

Primary ITO is partnering with Irrigation New Zealand to deliver an Irrigation Manager training programme that will become a prerequisite for the majority of individual irrigators, irrigation schemes and irrigator user groups. It will help demonstrate accountability – illustrating that irrigators can manage their irrigation systems within the future expectations being set by local authorities, the wider community and overseas markets.

Irrigation Managers who fully understand their irrigation systems, how they interact with their crops, soil type, climate and the implications of regulations, benefit on a number of fronts. The training will deliver knowledge and skills to enable them to find efficiencies that lead to cost savings for their business but also deliver environmental benefits.

## Reticulation

| Number of Trainees |            | Programmes Completed |            |
|--------------------|------------|----------------------|------------|
| 2012               | 2013       | 2012                 | 2013       |
| <b>254</b>         | <b>326</b> | <b>109</b>           | <b>115</b> |
| Completion Rate    |            | Modern Apprentices   |            |
| 2012               | 2013       | 2012                 | 2013       |
| <b>75%</b>         | <b>73%</b> | <b>30</b>            | <b>44</b>  |

## Wastewater Treatment

| Number of Trainees |            | Programmes Completed |           |
|--------------------|------------|----------------------|-----------|
| 2012               | 2013       | 2012                 | 2013      |
| <b>103</b>         | <b>126</b> | <b>26</b>            | <b>34</b> |
| Completion Rate    |            | Modern Apprentices   |           |
| 2012               | 2013       | 2012                 | 2013      |
| <b>52%</b>         | <b>56%</b> | <b>6</b>             | <b>9</b>  |

## Water Treatment

| Number of Trainees |            | Programmes Completed |           |
|--------------------|------------|----------------------|-----------|
| 2012               | 2013       | 2012                 | 2013      |
| <b>590</b>         | <b>195</b> | <b>470</b>           | <b>86</b> |
| Completion Rate    |            | Modern Apprentices   |           |
| 2012               | 2013       | 2012                 | 2013      |
| <b>75%</b>         | <b>63%</b> | <b>19</b>            | <b>11</b> |

## Irrigation

| Number of Trainees |           | Modern Apprentices |           |
|--------------------|-----------|--------------------|-----------|
| 2012               | 2013      | 2012               | 2013      |
| <b>19</b>          | <b>16</b> | <b>45</b>          | <b>44</b> |

## TRAINEE STATISTICS

|                      | Trainees by Age |       |       |     | Trainees by Level |         |         |         |         |
|----------------------|-----------------|-------|-------|-----|-------------------|---------|---------|---------|---------|
|                      | 24 & under      | 25-34 | 35-44 | 45+ | Level 1           | Level 2 | Level 3 | Level 4 | Level 5 |
| Reticulation         | 13%             | 26%   | 26%   | 35% | 4%                | 0%      | 73%     | 22%     | 1%      |
| Wastewater Treatment | 6%              | 25%   | 25%   | 44% | 2%                | 5%      | 1%      | 49%     | 43%     |
| Water Treatment      | 3%              | 19%   | 21%   | 57% | 9%                | 1%      | 1%      | 42%     | 48%     |
| Irrigation           | 0%              | 50%   | 25%   | 25% | 0%                | 0%      | 0%      | 0%      | 100%    |











# ASL

Agriculture Services Limited – A Primary ITO business

**The role of ASL within the group is to operate as a commercial business undertaking consultancy, business development and project management assignments.**

We operate globally to create commercial returns from business activities that can be reinvested in New Zealand for the benefit of the New Zealand primary industry and employers.

In New Zealand our business activities predominantly support and build on the strategic objectives and industry leadership platforms of Primary ITO.

Internationally we explore and develop business opportunities that focus on developing human capital in primary industry. Our main focus is on vocational training solutions and how training can be used to reduce poverty and improve self-sufficiency in developing nations. We “follow the flag” with a strong preference to work alongside and in support of New Zealand Inc initiatives.

Our projects are managed at “arms’ length” from Primary ITO to avoid conflict with Primary ITO’s core business and their contracts with the Tertiary Education Commission and industry partners.

“ASL create commercial returns from business activities which can be reinvested in New Zealand for the benefit of our agriculture industry and farmers.”



During 2013 ASL has been engaged in a range of projects and business initiatives including:

### **Agriculture Human Resource Project**

This project has two components that work neatly together to provide customers with greater surety around their ability to train and the support development of their staff.

The first component has been rolling out a “Farmer Trainer” (now known as “Train the Trainer”) programme for farmers and growers who have a need to manage and/or deliver on-job training on their properties. Over 700 farmers attended the half day programme during 2013 and the feedback on the programme has been hugely positive. This very practical workshop helps farmers with both the theory and practical skills for effective on-job training. Participants can then choose to engage with the next component. GoodPracticeHR is a diagnostic and reporting system to help farmers identify areas where they can improve the management of their staff. This new innovation incorporates a software package to enable efficient processing and reporting of the information.

This is a collaborative project between ASL, Primary ITO and DairyNZ with the overall goal being to improve the management of human resources across the sector. The process underpins the development of people and good employment practice. Certified employers will be recognised on Primary ITO’s website and can use the branding in recruitment.

### **Professional Land Manager Association**

Highly skilled and competent land managers are vital to the growth and success of New Zealand’s primary industries and ASL is working with DairyNZ within the dairy Primary Growth Partnership (PgP) funded project to develop the concept and operation of a Professional Land Manager Association (PLMA). The PLMA initiative is about raising the profile of land management as a profession and providing a framework to develop and recognise competence. At its core will be the ongoing development of skills, knowledge and experience and the establishment of a network of land management professionals throughout New Zealand. A range of work was undertaken in 2013 including research on the role and contribution of tactical knowledge in developing managers and pilot professional development workshops on nutrient management and precision agriculture.

### **GrowSafe**

ASL manages the national database for GrowSafe certification under contract to the New Zealand Agrichemical Education Trust (NZAET). During 2013 approximately 4,000 GrowSafe certificates were recorded and issued.

A new GrowSafe initiative for the dairy sector is now in development with Fonterra. This collaborative initiative is developing a two tiered training programme on agrichemical safety





specifically for the dairy sector. The base level programme is for farmer employers and their teams and has a target of 2,000 participants for 2014. The second tier programme will be developed in 2014 and will focus on responsibilities for farm managers. This programme of work is directly aligned to Fonterra's on-farm food safety programme helping farmers to understand and manage risks. ASL are the project managers and Primary ITO experts have been heavily involved in the training design. While this is a "user pays" programme, it leverages Primary ITO systems to ensure quality and consistent delivery.

## FarmSafe

ASL has continued to manage Primary ITO's interests in the FarmSafe Consortium during 2013. The FarmSafe Consortium is a joint venture between Primary ITO, Telford (a Division of Lincoln University) and Agriculture New Zealand (a Private Training Provider owned by PGG Wrightson Ltd). FarmSafe's main business activity is the delivery of high quality training programmes that target safety in rural workplaces.

Primary ITO has reviewed its ongoing participation in FarmSafe during 2013 and has signalled its intention to withdraw from this joint venture in 2014. This decision reflects our view of a need for change and a desire to further distance Primary ITO from delivery of training.

## International

ASL is involved in a range of international projects in developing countries related to the provision of vocational training solutions. The New Zealand Aid programme managed by the Ministry of Foreign Affairs and Trade (MFAT) has been a major focus and client of this work. Our particular strength is our focus on sustainable training systems and how we teach and deliver practical skills in the workplace. The New Zealand industry training model has a unique offering in this regard and the importance of addressing training as a system rather than one-off training events is becoming more widely recognised in development programmes. We are regularly involved in hosting and speaking to international delegations. Our work has included:

- **Chile**

A large four-year project funded jointly by the NZ Aid programme and the Government of Chile commenced in May 2013. Industry training is not well developed in the Chilean agriculture sector and the project is focussed on introducing New Zealand-type industry training solutions to Chile in the dairy, fruit and wine sectors as well as implementing training systems to support the development of small sheep farmers.

ASL continued its delivery of a training programme for red meat producers in southern Chile. The programme is funded by the Chilean Ministry of Agriculture through its innovation funding scheme and we were engaged as a subcontractor to a Chilean training provider. The project has provided us with valuable experience in how to effectively



engage with the private sector to participate in training and also the challenges of introducing new training models in foreign settings. While participation in the programme was lower than planned, feedback at farmer and worker level has been positive.

- **Columbia**

ASL undertook a scoping study for the NZ Aid programme for a NZD \$4M project in the dairy sector. The scoping study was well received by the Colombian counterparts and has identified development opportunities in training, extension, on-farm research and milk quality. The project scope has been approved by MFAT and the main delivery project will be tendered in 2014.

- **Myanmar and Indonesia**

ASL participated in two NZ Aid Programme funded design missions, one to Myanmar and one to Indonesia. These are both large dairy projects targeting small farmer development within the wider context of the improving the dairy supply chain in each country. ASL expertise was sought for the design and future implementation of vocational training solutions within the project. The projects will incorporate New Zealand-style practical training systems alongside technical inputs for on-farm forage research, farm management, extension systems and milk quality.

## **Our Investments**

During 2013 ASL made investments into both the Professional Land Managers' Association and our human resources initiative. These investments are made up of time and operating costs and cannot be treated as capital. This has resulted in ASL returning a small operating loss for the 2013 year. Both projects are joint initiatives with the dairy industry and the investments are consistent with our goal of reinvesting surpluses into projects that benefit the industry and farmers.

## **The Future**

The Professional Land Manager and Human Resource projects will continue as major platforms for ASL as we contribute to developing management capability across the sector and also contribute to the successful growth of Primary ITO core business.

The international market offers good opportunity for growth and ASL will continue to expand its work in this area, leveraging our expertise within the core business across the whole supply chain. The expansion of Primary ITO to include the dairy and meat processing sectors early in 2014 also presents exciting opportunities for our international business.






# Leadership and Collaboration

## National Diploma in Agribusiness Management

The collaborative approach for delivery of the National Diploma in Agribusiness was piloted successfully in Waikato, Central Plateau and Taranaki in 2013. The partners in the collaboration are Wintec, DairyNZ, Dairy Training Limited and Primary ITO. The pilot area is Waikato, Central Plateau and Taranaki. The successes of the pilot included module completion rates of 70% and enrolment numbers in the pilot region increasing by 42%.

Learning from the techniques used in the pilot region, the collaborative approach is now being extended to other regions. Delivery with a focus on horticulture has begun in the Bay of Plenty and Central Plateau regions in partnership with Waiariki Polytechnic and Memorandum of Understanding's have been signed with the Southern Institute of Technology and Aoraki Polytechnic in the South Island.

Different forms of delivery were piloted. These include a partnership with selected rural accountants who will in their capacity as a professional add value to their clients by providing learning and assessment. This approach recognises that the Diploma is focused on implementation of learning, assessments are real and immediately useful and the learning is integrated into the agribusiness.

A photograph showing two men in a professional setting. One man, wearing a dark jacket, is pointing at a document on a desk. The other man, wearing a light-colored shirt, is looking at the same document. There is a computer monitor and various papers on the desk. The image is partially covered by a large green circular graphic.

“The success of the Diploma project is due to the willingness of the partners to focus on the industry need ahead of their own institutional needs.”

The success of the Diploma project is due to the willingness of the partners to focus on the industry need ahead of their own institutional needs. Project governance and communication has been key. A focus on the outcomes has been kept alive by the Governance Groups and the implementation and process development has been undertaken by a working group.

### Capability Matrix

In 2013, Primary ITO and DairyNZ collaborated closely on the development of the Workforce Capability Matrix. In partnership with the dairy industry, including dairy farmers, five standard on-farm roles have been agreed and capabilities of the role holder have been defined. Because the capability definitions are in the language of the industry it allows a range of learning experiences other than Primary ITO training programmes to contribute to the learning required to achieve a qualification. The matrix is also a means of maintaining rapidly changing capability requirements independent of a qualification review cycle constrained by NZQA's timetable. The capability matrix will underpin future programme development and will also be the basis of developing value adds of training and in planning future training delivery needs. Work has begun on developing matrices for the sheep and beef sector, amenity horticulture and nursery production. It is intended to have a matrix for all major sectors that Primary ITO has responsibility for.





# Te Kāuta

## Whakaruruhau Matauranga Ahuwhenua

The formal launch of Te Kāuta was announced by the Hon Dr Pita Sharples and Hon Steven Joyce in May 2013. The announcement confirmed the need for the industry and Government to work closer together on shared priorities. Te Kāuta is the opportunity to realise what these priorities are.

Te Kāuta reports to a Board which is made up of the following members:

- Ms Traci Houpapa, Federation of Māori Authorities' Chair
- Mrs Barbara Kuriger, Primary ITO
- Mr Trevor Moeke, Independent
- Mr Jeremy Baker, Lincoln University Deputy Vice Chancellor
- There is still one other Board member yet to be appointed.

2013 presented several challenges for the team around the agreed work with industry stakeholders, the management of projects in partnership with the Federation of Māori Authorities (FoMA), the support to the Ahuwhenua Trophy competition and the need to maintain and grow engagements with Māori agribusinesses.



“The launch of Te Kāuta confirms the need for industry, Māori and Government to work together on shared priorities.”

## Training

Te Kāuta successfully implemented three training initiatives in partnership with Ngati Awa of Whakatane; Kono of Wakatu, Nelson; and Awanui Huka Pac of Tauranga. These initiatives have demonstrated Te Kāuta and FoMA's commitment to the application of "fit for purpose" training to meet the needs of Māori businesses and their learners.

The team also managed to achieve its agreed recruitment of Māori into training, peaking at 189 against an approved total of 175. Many Māori farming entities also approached us for advice, training options and formalisation of a relationship at their governance and management levels.

Te Kāuta works with Māori across all sectors of the primary industry.

## Partnership, Leadership and Cooperation

The formal relationship with FoMA has grown to include key industry organisations such as DairyNZ and Beef + Lamb New Zealand.

Te Kāuta directly participated in the delivery and hosting of the second set of six Wild Weather Workshops for Beef + Lamb NZ and the facilitation of 13 Whole Farm Assessments with DairyNZ staff. This is evidence that the synergy between FoMA and Primary ITO is pivotal to enabling industry partners to better deliver their products, services and initiatives to Māori entities. The continued development of the FoMA-Primary ITO relationship will only better inform both partners and Māori where growth can be influenced and grown in a co-creative way.

## Projects

The Te Ao Māori Governance Project is now at the middle stages of development and the formal needs analysis process is to be undertaken in early 2014 following the confirmed participation of the initial Seven Trusts and Incorporations. The needs analysis process will clearly identify what the participating governors, trustees and directors do not know. It will therefore allow the appropriate "fit for purpose" training in governance to be sought, sourced and applied via existing providers. It is also recognised that there may have to be a formal programme of learning developed specifically for Māori. This developmental aspect will need to be explored and developed in partnership with responsible government agencies, business entities, education and training providers, FoMA and Māori.





## Ahuwhenua Trophy BNZ Māori Excellence in Farming Competition 2013

2013 was the 80th anniversary of this prestigious farming competition which continues to encourage Māori farming entities to aspire towards farming excellence.

Primary ITO was again a silver sponsor. In addition, through Te Kāuta, Primary ITO provided first round judge(s) as well as Kaumatua who supported the finals judging panel and assisted in the management of the entry process.

### Ahuwhenua Young Māori Farmer Competition

2013 was the first year the Young Māori Farmer award targeted young sheep and beef farmers. The finalists performed well and the competition was won by Te Kuiti farmer Jordan Smith who descends from Ngati Kahungunu. The runner up, Te Moana (Tem) Sidney, is of Ngati Porou descent and farms near Waipukurau. Both young men are excellent examples of the youth in our industries.

The Trophy competition is a testament to Sir Apirana Ngata and Lord Bledisloe's commitment to Māori farming and the new Young Māori Farmer competition an affirmation to grow and recognise another generation of Māori in farming. 2014 will be the second Dairy Young Māori Farmer competition.



**E tipu e rea mō ngā ra ō tōu ao**

Grow o tender shoot for the days of your world

**Ko ō ringa ki te rākau a te Pākehā hei ora mō tō tinana**

Turn your hand to the tools of the Pākehā for the wellbeing of your body

**Ko tō ngākau ki ngā taonga a ō tipuna hei tikitiki mō tō mähunga**

Turn your heart to the treasures of your ancestors as a crown for your head

**Ko te wairua ki te atua nāna nei ngā mea katoa**

Give your soul unto god the author of all things

Winner of the Ahuwhenua Young Māori Farmer Award Jordan Smith and runner up Te Moana Sidney





# Standard Setting

## A new approach to workplace learning

The mandatory review of qualifications which began in 2011 with the agriculture qualifications is progressing well. By the end of 2013, ten of the new qualifications, seven pastoral Agriculture and three Apiculture, had been registered on the New Zealand Qualifications Framework (NZQF).

A further 50 or so should be registered by mid-2014 in the areas of wool harvesting, water and wastewater treatment, equine, pork, poultry, rural servicing, pest control, animal care and irrigation. The horticulture review is well under way and new qualifications are likely to be registered towards the end of 2014.

We are now developing training programmes for these new qualifications, the first of which will be run from mid-2014. These programmes are an exciting opportunity to engage trainees in learning that is based around how they operate in their workplaces. They will include better workplace learning opportunities, learning that is seasonally based, assessment evidence that is relevant to the job they are doing and is naturally occurring in their workplaces.

It will give better opportunities for employers to engage with their trainees learning and will ensure trainees are assessed in a holistic manner, on their ability to perform real workplace tasks and demonstrate essential underpinning knowledge to these tasks.

### Quality Assurance

Primary ITO manages and maintains the quality of training across the 79 domains we are the Standard Setting Body (SSB) for. During 2013 to ensure quality training we conducted:

- 37 Provider visits
- 41 Provider/Tutor cluster groups
- 2 National Panels (2 days each)
- 79 Internal Assessor visits
- 6 Professional Development Days for Assessors

Plus many hours pre moderating materials, assessments and learner resources, for training use.

### AgExcel

During 2013 we launched our AgExcel Tutor Awards with the aim of unearthing the finest primary tutor talent in the country.

We wanted to discover engaging and inspirational tutors who arm their students with the relevant skills and knowledge they need to succeed.

A high number of nominations were received, but it wasn't just the numbers, it was the high calibre of the nominees that made selecting the winners difficult.



Winners were announced at a special dinner function held during our two day AgExcel Tutor Development forum. The winners were congratulated by their peers and industry representatives who support AgExcel. It was a very proud moment for the winners.

The winner of the first AgExcel Tutor Awards were:

- AgExcel Excellence in Tutoring Award – Stuart Burns (Dairy Training NZ)
- AgExcel Excellence in Tutor Leadership Award – Simon Bailey (Taratahi Agricultural Training Centre)
- AgExcel Excellence in Tutor Creativity/Innovation – Richard Robinson (Agribusiness Training Ltd)
- AgExcel Supreme Tutor Award – Stuart Burns (Dairy Training NZ)

Throughout 2013 we worked hard with other industry partners to extend AgExcel into horticulture and sports turf industries initially and then also wool harvesting and equine industry. 2014 will see the fruition of this work.

### **Schools and Primary ITO Trade Academy**

Over the past year there have been significant and exciting developments both for our schools work and our Trade Academy.

The Trade Academy has completed its third year of operation and we are seeing the positive benefits for students who have been on the programme. Some have already become apprentices or moved onto other educational programmes in the sector.

Through the combination of field visits, industry placements, well resourced teaching programme delivered in the school setting, students are graduating who have an in-depth understanding of primary sector and see the benefits and importance of getting a qualification in the sector.

The students moving onto apprenticeships within the primary sector can only benefit the industry. Having people who are engaged in wanting to achieve qualifications is fundamental to its ongoing strength.

Primary ITO is also developing a comprehensive programme of engagement with schools which will encompass assisting schools in developing a broad programme from Year 9 through to Year 13. In addition, we will be offering a range of Gateway programmes during 2014 that will be able to be tailored to the individual needs of students.

We have developed new primary industry careers resource packs as well as regular e-newsletter updates about what is happening in Primary ITO space.





# People Capability

**Our people are our business; our people in the field support our clients, our people in our National Office and Service Centre support our field people to deliver to our clients.**

Our People Capability Team partner with the business to support the achievement of Primary ITO's strategic goals.

Primary ITO's people strategy is based on the following principles:

- Implementing best HR practice
  - Recruiting the right people
  - Inducting new staff effectively
- Developing our people
  - Engaging our people

## Creating Cultural Identity

With the merger of AgITO and NZ Horticulture ITO on 1st October 2012, the primary focus for 2013 was building Primary ITO and its cultural identity. Our values for the new merged organisation are: brave, innovative, caring, real and connected. They're based on behaviours our people believed would enable a successful organisation and create a great place to work. Our values were launched to our people early in 2013. The simplicity of the values enables each of us to understand what they mean.

## Developing Our People

After the success of our in-house Leadership Development Programme, Onwards and Upwards, in its first year, we are now delivering this programme each year. Onwards and Upwards is designed to help an individual identify their own strengths and opportunities for leadership development; improve their self-awareness; improve their leadership skills and knowledge; learn how to partner with others to help with leadership development and contribute to the success of our organisation. Opportunities will be given to participants to put their learning into practice between workshops.

Forty two of our managers and future leaders have now begun their leadership development during the past two years. As part of the programme, participants work in groups to present a "Big Idea" to the Senior Leadership Team. Big Ideas are opportunities for innovation or improvement that participants see across the organisation. Groups present their Big Idea to the Senior Leadership Team who then decides if an idea is given approval to continue (taking into consideration impact, including cost). As we were within the first few months of creating a new organisation, participants were asked to focus their Big Ideas on initiatives that would reinforce our new values.

With leadership development now embedded, our focus for 2014 is developing a visible and accessible Development Pathway for our people. Development has also begun on an online



Performance and Talent Management tool with the aim of reducing time spent on procedural paperwork and increasing the focus on quality conversations between managers and their teams.

## Employee Engagement

Employee engagement is the level of “connectedness” employees feel towards their organisation and their willingness to expend discretionary effort to ensure the organisation reaches its goals. Research (and common sense) tells us that the more engaged our people, the greater the positive impacts on our business including:

- Better employee retention
- Improved productivity
- Greater customer satisfaction
- Improved financial performance

To be a successful organisation, rather than people just doing the job, we need people who seek to solve problems, take the initiative, and help colleagues and customers where needed. As employee engagement is critical to Primary ITO’s success, we measure our employee engagement annually using the Kenexa Best Workplace Survey and make a conscious effort to respond to feedback.

Primary ITO was a finalist for Best Medium-Large Organisation in 2013. An outstanding result given it was a year of bringing two organisations together and our people were going through a period of change which can be unsettling.

## Reward & Recognition

In response to employee feedback, this year we implemented a new Reward and Recognition Programme, PRIMOE (Primary ITO’s Outstanding Employees). PRIMOE gives more visibility to our great performers more frequently. PRIMOE allows for “Ka Pai” awards enabling any of our people to nominate another for great work or behaviours through to structured quarterly high achievers awards, culminating at the end of the performance year with our Annual Awards ceremony where the whole organisation celebrated our high achievers.

## Health & Safety

We have a structured Wellness Programme to improve the health and well-being of our people with the expectation of raising levels of employee engagement and commitment to Primary ITO. Wellness initiatives implemented in 2013 included 25% of our staff participating in the national Team Step Challenge, contribution to participation in sports events, free flu vaccines and a Health & Wellbeing Benefit that our people could spend on things of their choice that will improve their physical well-being. During 2013 we lost no work hours related to accidents or incidents.

We have partnered with Tracksuit Inc. in 2014 to enhance our Wellness Programme with health presentations, regular health challenges and online resources.



# Financial Commentary

**2013 was the first full financial year for Primary ITO. Five organisations came together bringing the STM allocation up to 6,291 and the total team up to 178 people.**

Whilst we always aim to hit the STM allocation in 2013 we were slightly under at 6,029 STM's. Revenue in total for the group was \$31.8M. Core industry grants remained static and trainee fee revenue increased from \$3.1M to \$3.4M and has in fact doubled over the past four years with the introduction of ITO based fee collection.

Our involvement in the joint venture Farmsafe was brought to an end in March 2014 with a final payment of \$0.5M being paid post balance date. This is reflected in the share of profit in the statement of comprehensive income for 2012 and 2013.

The merger meant not only growth in revenue through extended coverage but growth in the total team supporting learners. People costs account for 44.7% of total expenditure with the larger proportion of staff (109 out of 178) of those in customer facing or direct support of customer facing roles. The number of trainees per full time equivalent (FTE) staff member increased from 61 in 2012 to 64 in 2013. Productivity measured as credits against total costs improved by 4%. Other key performance indicators saw marked improvement including programme completions up to 70% compared to 46% in 2012.

Overall Primary ITO ended the year with a surplus of \$0.126M

The balance sheet continues to strengthen with working capital at \$6.971M compared to \$6.331M in 2012 (ratio of 2.53:1) and cash in hand at \$8.8M. The ITO has no long term debt. No significant fixed asset purchases were made in 2013 and depreciation on the Trainee Information Management System was accelerated to meet a revised life expectancy.

This leads on to our focus for the future. Early in 2014 Primary ITO merged with NZITO which has had a number of positive financial benefits, most significantly a boost in cash reserves. Part of the merger process is an alignment of systems and this requires a significant investment in 2014 and 2015. A Programme of Change has been initiated which involves implementation of a new trainee database, alignment of internet and intranet development of a Learner Management System.

The mergers have enabled ITO's to combine resources and invest in projects that will enhance the support we provide to learners, provide opportunities to be innovative and allow us to grow our business.





## Summary Financial Statements

A summary of Primary ITO Group's ("the Group") and Primary ITO's audited financial statements for the year ended 31 December 2013 which were authorised for issue on 30 April 2014 is shown on pages 54 and 55.

The summary financial statements have been prepared in accordance with FRS 43 – Summary Financial Statements.

The financial report has been drawn from, and is consistent with, the full financial statements (prepared in accordance with NZ IFRS as appropriate for public benefits entities) dated 30 April 2014, which have been audited and on which an unmodified opinion has been issued. Therefore the summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements.

The full financial statements are prepared in New Zealand dollars. The Group has been made an explicit and unreserved statements of compliance with NZ IFRS in its full financial statements.

A copy of the full financial statements can be obtained from the registered office of Primary ITO, 180 Taranaki Street, Wellington 6011.

The Auditor has examined the summary financial statements for consistency with the audited financial statements and has issued an unmodified opinion.



## Statements of Comprehensive Income

For the year ended 31 December 2013

|  | Primary ITO Group |                | Primary ITO    |                |
|--|-------------------|----------------|----------------|----------------|
|  | 2013<br>\$ 000    | 2012<br>\$ 000 | 2013<br>\$ 000 | 2012<br>\$ 000 |
| <b>INCOME</b>  |                   |                |                |                |
| Government Revenue   | 23,651            | 18,786         | 23,651         | 18,786         |
| Industry Revenue   | 1,881             | 2,141          | 1,881          | 2,141          |
| Interest   | 404               | 416            | 349            | 360            |
| Trainee Fees and Other Income  | 5,898             | 5,084          | 4,994          | 4,532          |
| Dividend From Associate  | -                 | -              | -              | 270            |
| <b>TOTAL INCOME</b>  | <b>31,834</b>     | <b>26,427</b>  | <b>30,875</b>  | <b>26,089</b>  |
| <b>EXPENDITURE</b>   |                   |                |                |                |
| People Costs   | 14,236            | 11,522         | 13,876         | 11,443         |
| Operating Costs  | 8,689             | 7,130          | 8,041          | 6,781          |
| Training Costs   | 8,110             | 6,872          | 8,110          | 6,872          |
| Depreciation/Amortisation  | 717               | 660            | 689            | 591            |
| Restructuring Costs  | -                 | 680            | -              | 680            |
| Business Combination Costs   | 60                | 904            | 60             | 904            |
| <b>TOTAL EXPENSES</b>  | <b>31,812</b>     | <b>27,768</b>  | <b>30,776</b>  | <b>27,271</b>  |
| Share of Profit from Associate   | 104               | 396            | -              | -              |
| <b>(DEFICIT)/SURPLUS ATTRIBUTED TO THE INCORPORATED SOCIETY</b>                                | <b>126</b>        | <b>(945)</b>   | <b>99</b>      | <b>(1,182)</b> |
| <b>OTHER COMPREHENSIVE INCOME</b>  | <b>-</b>          | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR ATTRIBUTABLE TO THE INCORPORATED SOCIETY</b> | <b>126</b>        | <b>(945)</b>   | <b>99</b>      | <b>(1,182)</b> |

## STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2013

|   |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
| Net Equity Brought Forward – Retained Earnings        | 8,084        | 9,029        | 6,150        | 7,332        |
| Add/Deduct: Comprehensive (Loss)/Income for the Year  | 126          | (945)        | 99           | (1,182)      |
| <b>NET EQUITY CARRIED FORWARD – RETAINED EARNINGS</b> | <b>8,210</b> | <b>8,084</b> | <b>6,249</b> | <b>6,150</b> |

## STATEMENTS OF CASH FLOWS

For the year ended 31 December 2013

|  |              |              |            |              |
|--|--------------|--------------|------------|--------------|
| Net Cash Flows from Operating Activities | 668          | (249)        | 777        | (384)        |
| Net Cash Flows from Investing Activities | (912)        | (270)        | (887)      | (242)        |
| Net (decrease)/increase in cash held     | (244)        | (519)        | (110)      | (626)        |
| <b>CASH AT BEGINNING OF THE YEAR</b>     | <b>1,414</b> | <b>1,933</b> | <b>985</b> | <b>1,611</b> |
| <b>CASH AT END OF THE YEAR</b>           | <b>1,170</b> | <b>1,414</b> | <b>875</b> | <b>985</b>   |

## Statements of Financial Position

As at 31 December 2013

|                                  | Primary ITO Group |                | Primary ITO    |                |
|----------------------------------|-------------------|----------------|----------------|----------------|
|                                  | 2013<br>\$ 000    | 2012<br>\$ 000 | 2013<br>\$ 000 | 2012<br>\$ 000 |
| <b>ASSETS</b>                    |                   |                |                |                |
| <b>Current assets</b>            |                   |                |                |                |
| Cash and Cash Equivalents        | 1,170             | 1,414          | 875            | 985            |
| Term Deposit                     | 7,650             | 7,100          | 6,500          | 6,000          |
| Trade and Other Receivables      | 2,072             | 2,413          | 1,849          | 2,317          |
| Investment in Associate          | 500               | -              | -              | -              |
| Inventory                        | 80                | 50             | 80             | 50             |
| <b>TOTAL CURRENT ASSETS</b>      | <b>11,472</b>     | <b>10,977</b>  | <b>9,304</b>   | <b>9,352</b>   |
| <b>Non-Current assets</b>        |                   |                |                |                |
| Intangible Assets                | 595               | 800            | 553            | 740            |
| Investment in Associate          | -                 | 396            | -              | -              |
| Property, Plant and Equipment    | 644               | 557            | 634            | 542            |
| <b>Total Non-Current assets</b>  | <b>1,239</b>      | <b>1,753</b>   | <b>1,187</b>   | <b>1,282</b>   |
| <b>TOTAL ASSETS</b>              | <b>12,711</b>     | <b>12,730</b>  | <b>10,491</b>  | <b>10,634</b>  |
| <b>LIABILITIES</b>               |                   |                |                |                |
| <b>Current liabilities</b>       |                   |                |                |                |
| Trade and Other Payables         | 3,723             | 3,397          | 3,508          | 3,310          |
| Employee Entitlements            | 543               | 997            | 505            | 958            |
| GST Payable                      | 235               | 252            | 229            | 216            |
| <b>Total Current liabilities</b> | <b>4,501</b>      | <b>4,646</b>   | <b>4,242</b>   | <b>4,484</b>   |
| <b>TOTAL LIABILITIES</b>         | <b>4,501</b>      | <b>4,646</b>   | <b>4,242</b>   | <b>4,484</b>   |
| <b>NET ASSETS</b>                | <b>8,210</b>      | <b>8,084</b>   | <b>6,249</b>   | <b>6,150</b>   |
| <b>EQUITY</b>                    |                   |                |                |                |
| Retained Earnings                | 8,210             | 8,084          | 6,249          | 6,150          |
| <b>TOTAL EQUITY</b>              | <b>8,210</b>      | <b>8,084</b>   | <b>6,249</b>   | <b>6,150</b>   |

The Directors have authorised these financial statements for issue.

For and on behalf of the National Board:

Signed:   
Date: 30 April 2014

Signed:   
Date: 30 April 2014



# Auditor's letter



## ***Report of the Independent Auditors' on the Summary Financial Statements***

to the Board of Primary Industry Training Organisation Incorporated

The accompanying summary financial statements, on pages 53 to 55 which comprise the summary statements of financial position as at 31 December 2013, the summary statements of comprehensive income and the summary statements of changes in equity and the summary statements of cash flows for the year then ended, are derived from the audited financial statements of Primary Industry Training Organisation Incorporated for the year ended 31 December 2013.

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

Our audit of the financial statements for the year ended 31 December 2013 was completed on 1 May 2014 and our unmodified opinion was issued on that date. We have not undertaken any additional audit procedures in relation to those financial statements from the date of the completion of our audit and 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.

This report is made solely to the Organisation's Board, as a body. Our work has been undertaken so that we might state those matters we are required to state to them in a report from the auditor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Organisation's Board, as a body, for this report, or for the opinions we have formed. In addition, we take no responsibility for, nor do we report on, any part of the annual report not specifically mentioned in our report.

### ***Board's Responsibility for the Summary Financial Statements***

The Board is responsible for the preparation of the summary financial statements in accordance with FRS-43: Summary Financial Statements ("FRS 43").

### ***Auditors' Responsibility***

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

Other than in our capacity as auditors we have no relationship with, or interests in, the Organisation or its subsidiary.

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PricewaterhouseCoopers, 113-119 The Terrace, PO Box 243, Wellington 6140, New Zealand  
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***Opinion***

In our opinion, the summary financial statements on pages 53 to 55 derived from the audited financial statements of Primary Industry Training Organisation Incorporated for the year ended 31 December 2013 are consistent, in all material respects, with those audited financial statements, in accordance with FRS-43.

***Restriction on Use of our Report***

This report has been prepared for inclusion in the annual report. We disclaim any responsibility for reliance on this report or the amounts included in the summary financial statements, for any purpose other than that for which they were prepared.

A handwritten signature in black ink, appearing to read 'Priyanka Chopra'.

Chartered Accountants  
10 June 2014

Wellington

PRIMARY ITO STAFF

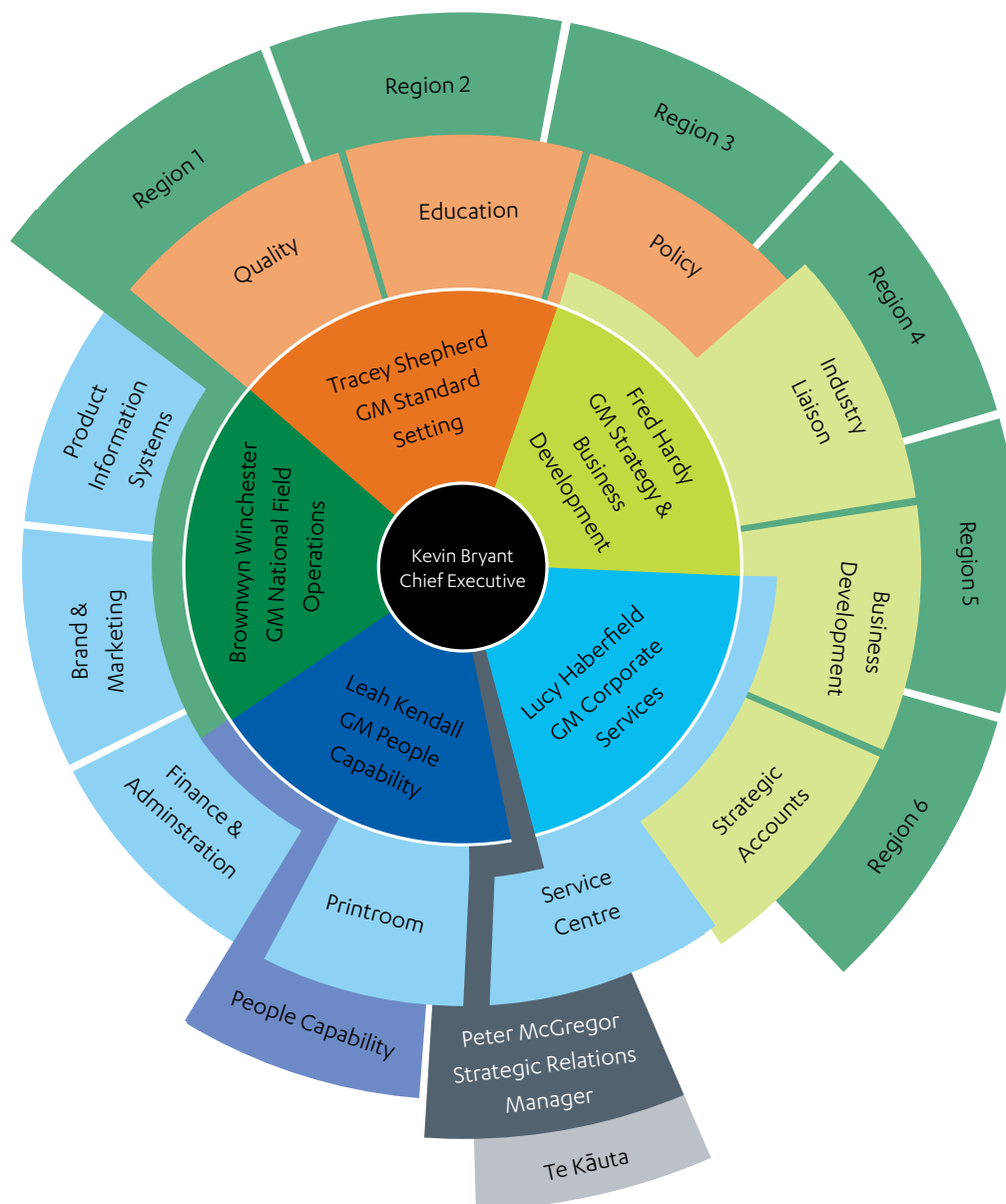






# Organisational Chart

Staff as at 31 December 2013



## Executive Office

Kevin Bryant, Chief Executive  
Michelle Kirkwood, Executive Assistant

## Te Kāuta

Peter MacGregor, Strategic Relations Manager  
Abe Seymour, Strategic Relationships Assistant  
Douglas Macredie, Training Manager  
Lisa Te Heuheu, Contract Adviser  
Nikora Mihinui, Training Coordinator

## People Capability

Leah Kendall, GM People Capability  
Caroline Burdan, People Capability Adviser  
Rachel Boys, Payroll Coordinator  
Sarah Prior, People Capability Adviser

## Strategy & Business Development

Fred Hardy, GM Strategy & Business Development  
Christine Newland, Project Development Manager  
Grant Ingles, Business Development Manager  
Henry Fane de Salis, Strategy & Business Development Adviser  
Jana Flynn, Marketing Communications Adviser (Agribusiness)  
Kate Alexander, Agribusiness Development Manager  
Margo Robertson, Strategic Business Developer

### Strategic Accounts

Annie Yeates, Strategic Accounts Manager  
Kathryn van den Beuken, Strategic Account Manager  
Kerryn Bloomfield, Strategic Accounts Coordinator  
Kylie Macdonald, Strategic Accounts Manager  
Marcus Weight, Strategic Account Manager  
Tanya Ingram, Strategic Accounts Coordinator

### Industry Liaison

Claire Chapman, Industry Liaison Manager  
Nicole Williamson, Industry Liaison Coordinator  
Richard Lawrence, Board Secretary



| Standard Setting  |   |   |
|---|---|---|
| Tracey Shepherd, GM Standard Setting<br>Derek McCullum, School Liaison Manager<br>Fiona Beardslee, Senior Policy Analyst<br>Heather Slimin, Administrative Assistant<br>Jane Lowe, Off-Job Training Manager   | Michael Styles, LLN Adviser<br><b>Education</b><br>Graeme Couper, Education Manager<br>Catriona Petrie, Education Coordinator<br>David Jefferd, Education Adviser<br>Greg Preston, Education Adviser<br>John Bourke, Education Adviser  | John Phillips, Education Adviser<br>Leela Lala, Education Adviser<br><b>Quality</b><br>Andrew Donohue, Quality Assurance Manager<br>Alastair Gordon, Senior Moderator<br>Karen Thomson, Quality Coordinator   |
| Corporate Services  |   |   |
| Lucy Haberfield, GM Corporate Services<br>Deanne Ives, Corporate Services Coordinator<br>Justin Blakie, Strategic Market Analyst<br><b>Brand &amp; Marketing</b><br>Claire Naeraa-Spiers, Marketing & Brand Manager<br>Anna Lindsay, Marketing Communications Adviser<br>Dorothy Opai, Multimedia Designer<br>Jodi Tzitziras, Marketing Communications Adviser<br>Kirsty Cooley, Administrator<br>Tony Mordaunt, Marketing Communications Adviser<br><b>Finance and Administration</b><br>Vinod Pratap, Finance & Administration Manager<br>Amanda Gibson, Finance Temp<br>Cherie Williams, Assistant Accountant  | Gwen Hoople, Credit Controller<br>Heleen Smith, Receptionist Administrator<br>Katie Spijkerman, Management Accountant<br>Nicola Parkes, Accounts Administrator<br>Robyn McLaughlin, Accounting Assistant<br>Wade de Graaff, Accounting Assistant<br><b>IS Infrastructure</b><br>Lyndon Allott, Chief Information Officer<br>David Norden, CRM Developer<br>Kerrin Allott, ITR Work<br>Nigel Campbell, Business Intelligence Analyst<br>Pete Gilbert, Senior Business Analyst<br>• <b>Technology</b><br>Matthew Cooley, Technology Manager<br>Luke Colleran, Helpdesk Consultant<br>• <b>Product Implementation</b><br>Denise Williams, Implementation Manager   | Caroline Eade, Product Administrator<br>Rebekah Neal, Resource & Administration Coordinator<br>Rylin Devi, Processing Coordinator<br>Toni Collins, Resource Developer<br><b>Printroom</b><br>Alastair McLellan, Printroom Manager<br>Brendan Maxwell, Printroom Operator<br>Michael Ruaburo, Print Room Operator<br>Niki Botes, Printroom Operator<br><b>Service Centre</b><br>Judi Fleck, Service Centre Manager<br>Linda Wilkinson, Administrator<br>Louise Katzeff, Administrator<br>Miriam Schicker, Administrator<br>Sherryn Kelly, Administrator<br>Yvette Palmer, Senior Administrator   |
| National Field Operations   |   |   |
| <b>National Field Operations</b><br>Bronwyn Winchester, GM National Field<br>Nicole Charles, Executive Office Field<br><b>Region 1 - Upper North Island</b><br>Brent Ingles, Regional Manager<br>Bobbie Gaskell, CRA<br>Libby Duff, TA<br>Jewel Matheson, TA<br>Jo Mayn, CRA<br>Kara Harvey, CRA<br>Karen Wightman, TA<br>Kellie Rose, TA<br>Louise Cooper, TA<br>Mark Orr, TA<br>Nigel Hesford, Water Consultant<br>Paula Greenwood, TA<br>Trina Dassler, CRA<br>Rodney Hickman, TA<br>Sarah Searle, LSC<br>Sherryl Neale, TA<br>Tania Matheson, TA<br><b>Region 2 - Central North Island</b><br>George Schuler, Regional Manager<br>Anna Yarnley, TA<br>Barbara Walker, CRA<br>Eleri Williams, TA<br>Lizzy Wilding, TA<br>Helen van der Werff, TA<br>Jennifer Mossman, TA<br>John Wauchop, TA<br>Lisa Dunn, CRA<br>Lou Wigram, CRA/RM Support | Mel Weston, CRA<br>Michele Kuriger, TA<br>Natalya Teahan, TA<br>Pippa Dixon, TA<br>Rose Anderson, TA<br>Sue Hall, LSC<br>Tanya Lowe, CRA<br>Tessa McLean, TA<br>Vicki Martel, CRA<br>Virginia Tocher, TA<br><b>Region 3</b><br>Cathy Puanaki, Regional Manager<br>Christa Farrell, CRA<br>Dani Donovan, CRA<br>Elaine Rowe, TA<br>Jenny Vandenberg, TA<br>Jonathan Gradwell, TA<br>Karen Dawson, TA<br>Lori Christensen, TA<br>Lynette McDowall, CRA<br>Marianne Farrell, LSC<br>Nikki Henderson, TA<br>Norman Miller, TA<br>Rebecca Fox, Water consultant<br>Robyn Patterson, TA<br>Sharon Fowler, TA<br>Shona Wapp, CRA<br><b>Region 4 - South Island</b><br>Philip Greenlees, Regional Manager<br>Angela Legge, CRA<br>Bernie O'Brien, TA<br>Chris Young, TA<br>Duncan Burns, TA | Helen Goodwin, TA<br>Luke Sergeant, TA<br>Sonya Bone, CRA<br><b>Region 5 - Upper South Island</b><br>Kevin Scannell, Regional Manager<br>Andrew Roche, TA<br>Carey Blue, TA<br>Donna Malcolm, TA<br>Jessica Payton, TA<br>Kerry Aspin, CRA<br>Lisa Bozhinoff, CRA<br>Lucie Whittaker, CRA<br>Michael Nutt, TA<br>Paul Bau, LSC<br>Philippa O'Carroll, TA<br>Rachael Handy, CRA<br>Roger Irvine, TA<br>Stacey van den Beuken, CRA<br>Vicky Gray, TA<br><b>Region 6 - Lower South Island</b><br>Andrew Shepherd, Regional Manager<br>Danielle Stirling, CRA<br>David Barton, TA<br>Kirsty Skudder, CRA<br>Martyn Simpson, Water Consultant<br>Michelle Phelan, TA<br>Pauline Aitken, TA<br>Rebecca Williamson-Kavanaugh, TA<br>Renee Milne, CRA<br>Sarah Blair-Edie, TA<br>Vyv Hodgkin, LSC<br>Wendy Stirling, TA |
| ASL   |   |   |
| Dennis Radford, General Manager<br>Susan Turu, Executive Assistant<br>Jeremy Neild, Consultancy Manager<br>Jennifer Sellars, Growsafe Database Operator<br>Juan Luis Toledo Cortes, Business Development Manager  | Key:<br>CRA – Customer Relationship Adviser<br>LLN – Learning Literacy and Numeracy<br>LSC – Learning Support Coordinator<br>TA – Training Adviser  |   |









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