

The background of the entire page is a long-exposure photograph of a highway at night. The image shows multiple lanes of traffic with light trails from cars and trucks, creating a sense of motion and connectivity. The colors are primarily blue and yellow/gold, with the light trails appearing as bright, curved lines against the dark background.

# ANNUAL REPORT 2015



# Contents

01	Chairman's Report
02	Chief Executive's Report
04	Health & Safety
05	Operations
06	• Recruitment
07	• ELITE
08	• Apprenticeship
10	• Training
12	Auckland's New Learning Centre
13	Worldskills
14	25th Anniversary Gala Evening
16	More of our Achievers
18	The Year Ahead
20	Financial Statements
35	Sponsors
36	Our People

## Chairman's Report

### Steve Hallett Chairman



2015 has been and gone and we are celebrating our 25th year of producing the very best electrical apprentices in NZ. It is a credit to Peter and his team that the academic results, apprentice retention and completion rates, and the demand for etco\* trained apprentices is at an all-time high.

During the period in review the Board assembled on five occasions and had the opportunity to meet with various regional managers throughout the country. This allows the Board to better understand the organisation and allows the regions to provide feedback. The Board have also held teleconferences throughout the year, between meetings, to discuss more pressing matters.

One of the many duties of the Board is to direct and approve the strategic plan for both the short and longer term and to ensure that the strategies are carried out. During our mid-year meeting an update of the five operational goals was provided and endorsed with clear progress being made towards completing all five by the end of the year.

In September the Board met with the Senior Leadership Team and developed an updated business plan for the next 5 years which amongst many initiatives included a blended learning trial, Level 5 training and upgrading of our existing training facilities.

During the 2015 year and in line with our Director Rotation Policy two of our Board members stood down with Colin Smith leaving to take over the Presidential duties at ECANZ and Neville Simpson, with 9 years' service, retiring to concentrate on leading the rebranded Master Electricians into a new era.

We welcomed onto the Board two new members with a wealth of experience between them, Dean Addie from EIS in Southland and David Le Mouton from Bishman in Auckland.

On behalf of my Board I would like to pay tribute to all those at etco\* that have made this company into what it is today and I look forward to celebrating many more successes with you in the future.

Steve Hallett  
Chairman

### Board of Directors



Dean Addie



David Le Mouton



Paul Parsons



Bruce Dalton



Stuart Burgess



# Chief Executive's Report

**Peter Rushworth**  
Chief Executive

It is often said that an organisation is only as good as its people. My report this year focuses on our people, what they do and what we are doing to better support them.



*Some organisations make widgets, we make people, a far more rewarding experience.*

At **etco**\* we have three distinctly different groups of very good people. The first are our staff. The people who govern, manage, administer, coach, train and support our apprentices, our students and our business. At the end of 2015 they numbered 47 fulltime and 82 part time.

These people work very hard and produce exceptional results. In the Chairman's Report Steve has already made mention of the excellent training outcomes that are achieved, and Roger will provide supporting evidence on the following pages. With staff spread throughout the country and with training being delivered in more than 30 locations, it is difficult to find time to spend with all staff so it is comforting to know that I can rely on a small yet competent senior leadership team to lead their teams to achieve what they do, where they do it.

The second group are our apprentices, 600 mostly young, uniquely different individuals. They are our product, our ambassadors and industries future leaders. They are great young people and I am proud of them all. It is our job to protect them, to nurture them, and to steer them to a successful apprenticeship outcome. As with any journey, for a small number the road gets rocky from time to time and it is the **etco**\* model that supports them through the rough.

The third group are the students we train for other employers, also mostly young, and with all the challenges that face them at their time of life. Our trainers work tirelessly to keep them focused and on track.

Some organisations make widgets, we make people, a far more rewarding experience.

One of our key goals for 2015 was to increase our investment in our people and to give them new tools. Examples of this included:

- "Integrity Coaching" programmes provided by the High Performance Centre for senior leaders and frontline support staff
- Systems training for all users
- Specific position related training for staff, e.g., H and S, MBA etc.
- "Encouraging Better Performance" programmes for apprentices at risk of not completing
- Additional nightclasses and Catch Up programmes for students who are behind in their studies.

The training was well received by all participants, improving relationships at all levels of the business and assisting a number of apprentices to work through their life problems and successfully complete their apprenticeships. A worthwhile investment indeed.

Other initiatives implemented as part of our focus on people were:

- Taking our Senior Leadership Team Meetings to the regions. One meeting per quarter was held away from Head Office. This allowed remote staff to provide feedback to, and ask questions of the SLT. It also provided an opportunity to assess the ongoing suitability of regional facilities. Meetings were held in Martynsfield, Rotorua and Wellington.
- Inviting members of staff to make a 20 minute presentation to the SLT about the things that are good in their job, the things that are not so good and the things we can do better. A number of very good suggestions came from these presentations. Those staff who found the idea of presenting to the SLT a little daunting did "tag team" presentations with a colleague, allowing more staff to participate.

On 18 May 2015 **etco**\* adopted a new Student Management System. The previous server based system and the server based Apprenticeship Management System were combined into one cloud based system supplied by Sydney based company, Job Ready. This was a very big change

for almost all full and part time staff and as with any significant system change presented a range of unexpected issues that needed to be approached with patience and worked through one by one. By the end of the year the new system was working well with most staff coming to terms with what it has to offer and enjoying the on-line availability. I am sure our "investment in people" activities helped maintain morale at a high level during this testing time.

A function was held early in the New Year to celebrate 25 successful years of business. The evening was a great success, enjoyed by all who attended, and a fitting acknowledgement of the efforts of all who have played a part in the history of our fine organisation.

Finally from me, thanks again to our Board, our staff and their spouses, our hosts, our sponsors, our partner schools, our partner suppliers and our supporters. And a big thank you to our apprentices and our students. Work hard, study hard and learn heaps. The future has never looked brighter for good, keen, competent electricians.

Peter Rushworth  
Chief Executive

*The future has never looked brighter for good, keen, competent electricians.*



# Health & Safety

## Brian Cleûr National Health & Safety Manager

The health, safety and wellbeing of our employees, students and visitors has continued to be a high priority within our business during the 2015 year and this has been strongly supported by the Board and the Senior Leadership Team.

We have continued to communicate to all employees that their health or safety must not be compromised at any time and that they must 'speak up' if they have concerns. It is important that our employees feel safe at work and that any concerns they have are always promptly addressed.

During the 2015 year we had a particular focus on reducing the number of reported back injuries due to a higher incidence of this type of injuries in the previous year. Additional instruction was given during induction training and a safety handout was provided to all apprentices and hosts which focused on planning before undertaking a lift, good lifting practices and the consideration of other manual handling aids. The extra effort has proved beneficial with the number of back injuries reducing by 50% compared to the 2014 year.

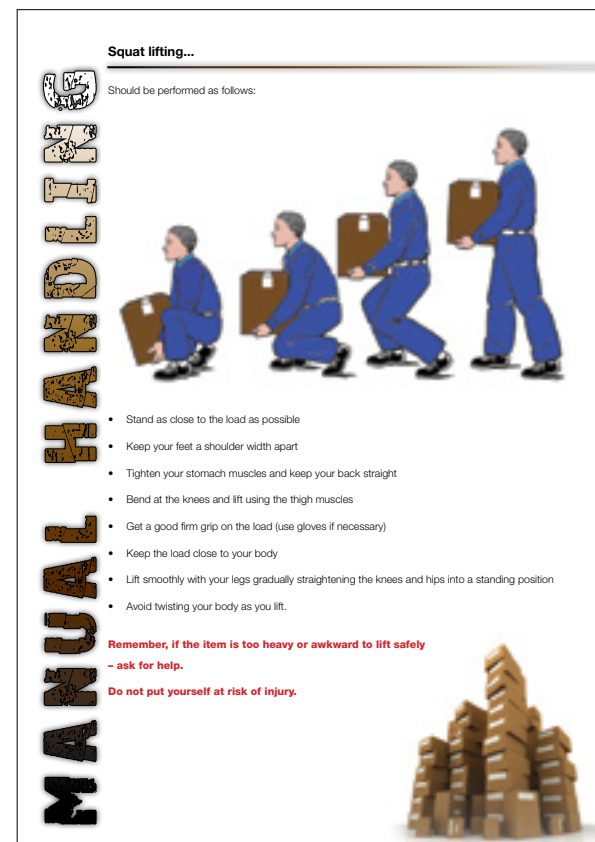


The total number of accidents reported overall in 2015 reduced by 21%, in comparison to 2014, which was a pleasing result and we want to continue this trend.

It has been an overall team effort to achieve this reduction, so I thank everyone (at all levels of the organisation) who have contributed towards achieving this reduction in accidents and for helping to keep our employees healthy and safe at work.

In particular, I would like to say thank you to the members of the **etco\*** health and safety committee, managers, staff and apprentices who have willingly contributed their time during the year and provided valuable feedback to help improve health and safety at **etco\***.

**The total number of accidents reported overall in 2015 reduced by 21%, in comparison to 2014, which was a pleasing result and we want to continue this trend.**



# Operations

## Roger Rowley General Manager Operations

Reflecting on what I wrote last year, 2015 has followed a similar theme.

Our Business Plan for 2015 had 4 primary objectives:

- “Business as Usual”, plus a tactical response to the growing demand for apprentices in Christchurch and Auckland
- Investment in Our People
- A re-engineering of our current off-job training model
- Further development of systems & processes.

During the year it became evident that the demand expected out of Christchurch was not occurring so we modified our growth plan to reduce the risk of excessive downtime.

Our focus on people development also continued across a number of fronts. For our apprentices, the work from 2014 continued and we ran two residential programmes for at-risk apprentices at our Martynsfield facility. The majority of apprentices enjoyed what the courses had to offer in terms of coaching and mentoring as well as the ability to catch up on their off-job studies.

What has been learnt – and most likely what we already knew – is that the key determinants towards our young apprentices being successful are:

- them keeping up to date with their training
- **etco\*** delivering training that is engaging and interesting
- and the strength of the relationship between the apprentice and the support network we provide.

For staff we started the Integrity Coaching programme in June. The first groups to go through the programme were the Senior Leadership Team and the Coordinators.

*“People don’t care how much you know until they know how much you care”*

The coaching programme is one part of our overall strategy to improve apprentice retention and success. Its purpose is to give our Coordinators tools that help them to connect better with their apprentices and also help the apprentice to help themselves.



***“People don’t care how much you know until they know how much you care”***

2015 also saw the start of a long term, and very exciting, project around a change in the way we delivery our off-job training. Face to face learning is, we believe, critical to student success. We are working to enhance the face to face experience by bringing in e-learning components and modifying the learning environment itself. Both of these projects are explained in more detail in the Training section.

The JobReady project which was started in 2014 culminated with us going live on May 18th 2015. This saw operational changes occurring across the business as we combined multiple systems into one. A huge amount of work went on in the background by the project team to ensure the data migration went smoothly. A big thank you to all those involved who rolled their sleeves up and put in the hours. Over the rest of the year we bedded in the system, got to understand its capabilities more and looked for opportunities to enhance our use of the system. Like any modern software system, there are always improvements, tweaks and developments that can be made and we continue to do this.



## • Recruitment

### Ian Ross National Recruitment Manager

We continue to work with our partner schools as part of our “Direct from School” strategy. Schools are encouraged to recommend their best 5 students, who we then guarantee to employ once they meet our entry criteria and are ready to leave school.

While we are looking for suitable candidates for the current year, we also look out for candidates for positions in the following years. We are actively engaging with students from Year 11 onwards.

In talking with younger students we encourage them to choose subjects that will enable them to meet our academic entry criteria. We also encourage them to get their driver licence process started as soon as they turn sixteen.

As part of our developing recruitment model, in 2015 Coordinators have begun meeting with candidates and their parents, usually in their family home, to discuss the opportunities and benefits of an **etco\*** electrical apprenticeship, in a more relaxing environment. This helps the family better understand what **etco\*** has to offer, and with family support behind them enable our young apprentices to be successful.

By the time the apprentices start with us, they already have a relationship with their Coordinator smoothing the pathway between school and work.



Current apprentices demonstrating basic Electrical Principles at “Got a Trade - Got it Made” day

***By the time the apprentices start with us, they already have a relationship with their Coordinator smoothing the pathway between school and work.***



We supported the “Got a Trade – Got it Made” campaign run by the ITO consortium and have encouraged the organising body to continue with the annual event. At an industry level we certainly need the exposure to encourage young New Zealanders into worthwhile and rewarding careers – with no student loan attached!



## • ELITE

### Luke Boustridge Martynsfield Manager

It was an exciting year for the Martynsfield team. The venue was base for thirteen 12 day ELITE Induction Courses, two new 5-day Encouraging Better Performance Courses and an Apprenticeship Conference, plus host for the inaugural Integrity Coaching Course and the World Skills NZ International Team Camp.

All of this activity had a residential component and the facility, and the staff coped well and provided a comfortable environment for all participants. The facility was also base for Cameron Shailer's preparation for the International World Skills Competition, plus a useful venue for day meetings when attendees travel from Auckland and the central North Island. A small number of external organisations used it for this purpose.

The thirteen ELITE Courses, held from January to November, produced 157 graduates. Each course covers:

- Financial Literacy
- Drug and Alcohol Education
- Safe Working Practices
- Heights and Harnesses
- Building and Construction Passport
- Safe Lifting and Back Care
- Pre-Employment Medical including Fitness Assessment
- Hand Tool Skills
- Power Tool Safety
- Practical Electrical Project
- Electrical Theory
- Communication and Presentation Skills

preparing each graduate for employment with **etco\*** and placement with our host companies.



**Heights and Harnesses course run by Site Safe and delivered at etco\* Martynsfield**

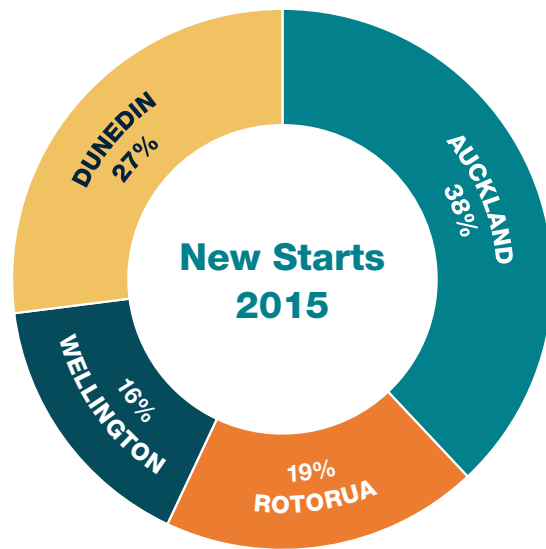


***The facility was also base for Cameron Shailer's preparation for the International World Skills Competition.***



## • Apprenticeship

**Murray Samson**  
National Apprenticeship Manager

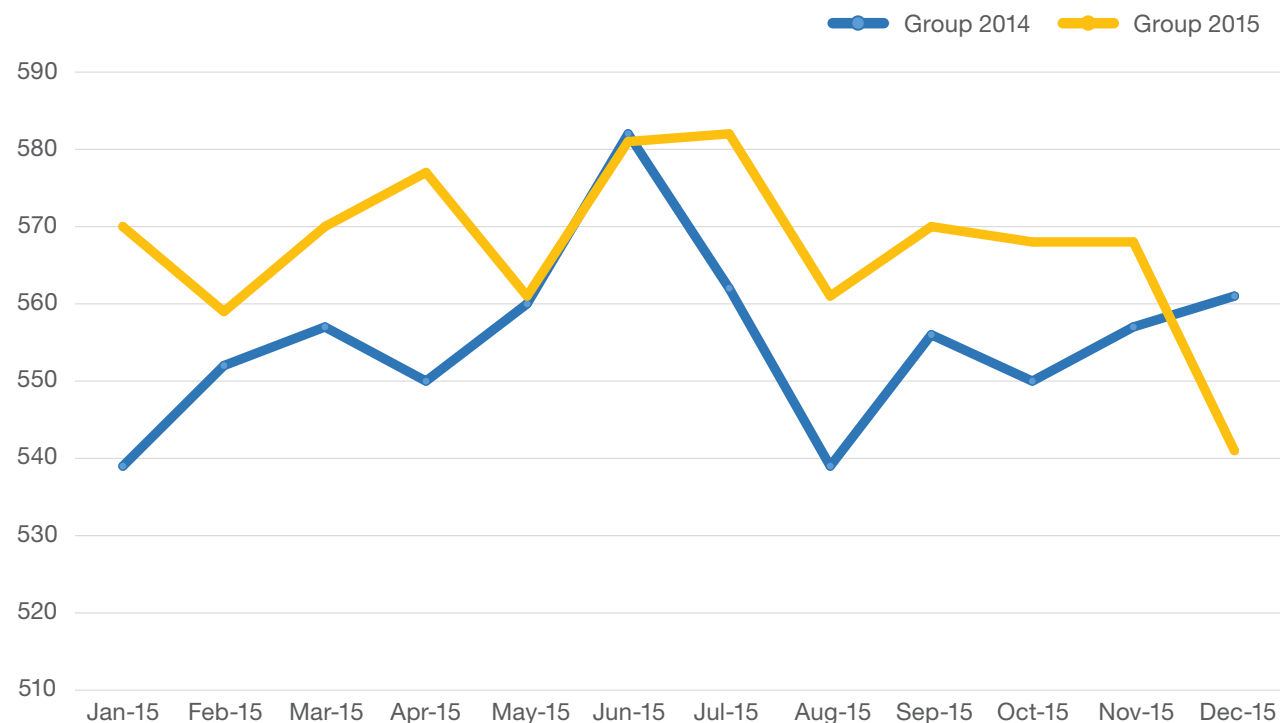


157 new apprentices commenced employment in 2015, averaging 566 throughout the year and ending the year with a total of 542. The lower end-of-year figure was due to a high number of completions in December and the new apprentices from the last Elite course not starting employment until the New Year.

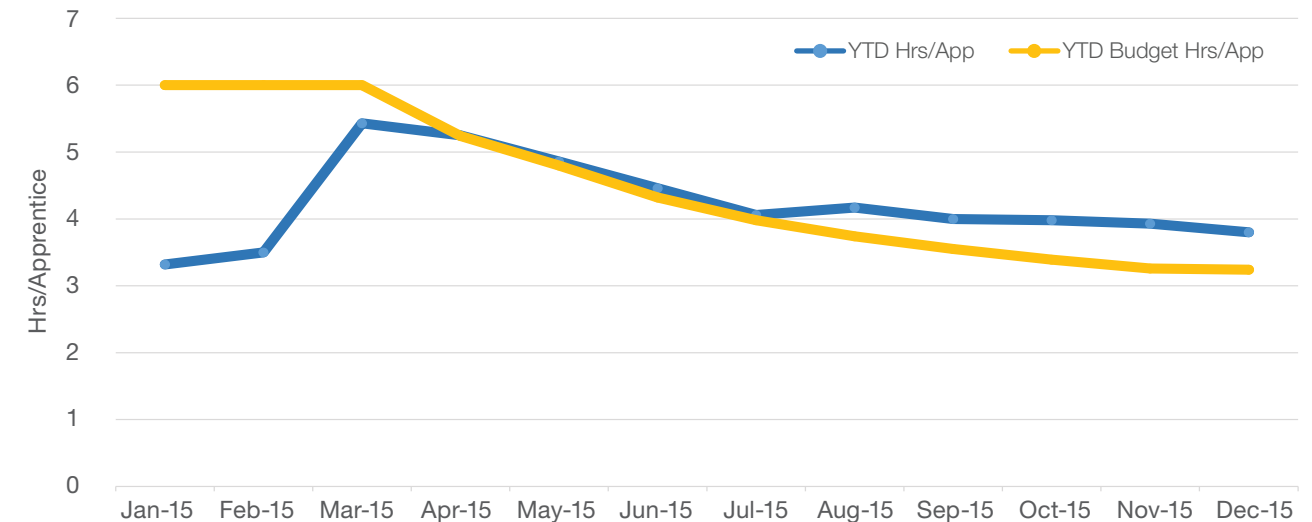
We continue to see a reduction in Modern Apprentice numbers as they complete successfully, and an increase in New Zealand Apprentice numbers with each new intake. Our last group of MA's are due to complete in mid-2017. As at the end of the year, we had 233 Modern apprentices and 309 NZA apprentices.

We had 131 apprentices complete successfully and gain registration as electricians during the year, 89% on time.

### Apprentice Numbers - 2015



### Downtime Hours



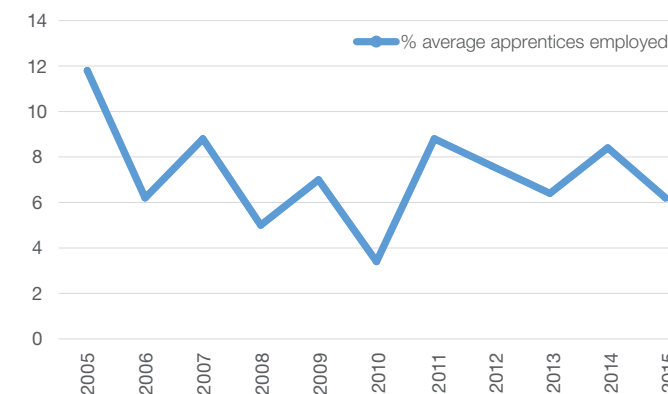
Forecasting the level of downtime is always challenging. After a very good start to the year, March and the latter part of the year proved to be difficult. As a result we did not meet our target by year's end.

The financial impact of the downtime was off-set by a record number of 1,039,149 billable hours in the year.

two, one-week courses at Martynsfield for this group, refocusing the participants and covering study technique, catch up with off-job and behavioural modification. We will continue to focus on at-risk apprentices, targeting early intervention and the provision of the necessary encouragement and support.

To help achieve this, the High Performance Centre were engaged to provide the Integrity Coaching programme to upskill our SLT and Coordinators to better support ourselves and our apprentices.

### Early Leavers as a percentage of Average Apprentices employed



Early Leavers is a measure of the number of apprentices who either resign or are dismissed before successful completion of their apprenticeship. 36 apprentices were classified as Early Leavers in 2015, a significant improvement over the 47 the previous year.

We continued the work started in 2014 with apprentices at risk of not completing. The work put in by the team contributed significantly to the reduction in the number of early leavers. We held

**We had 131 apprentices complete successfully and gain registration as electricians during the year, 89% on time.**

The course began in May, with staff attending a 1.5 day training session followed by fortnightly two hour sessions. The programme challenged people's beliefs, why they do the things they do and how to help people break through self-limiting paradigms. The training produced a consciousness and an ability to further help apprentices, family and themselves to improve their productivity, generate better performance and communicate in a more productive manner. Plans are in place for further training in 2016.

Our continuation rate remains above 90%, achieving a year end result of 91.8%.

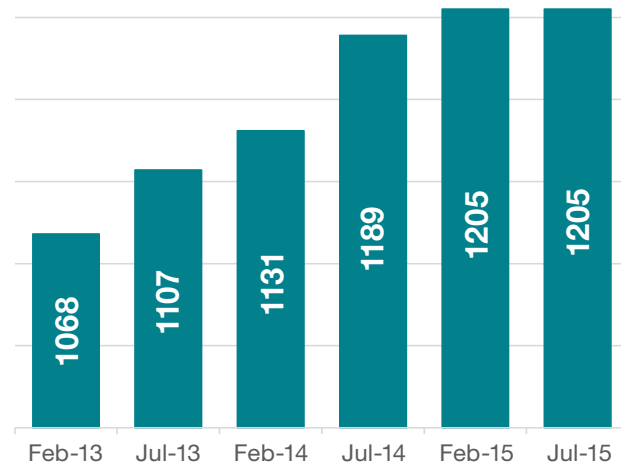


## • Training

### Gary Whittaker National Training Manager

The number of students in training increased in 2015, which we believe reflects the value students and employers see in choosing etco\* as their preferred provider. Our commitment to our mission and its subsequent plans, objectives and activities has helped our students achieve outstanding results in their desired outcomes.

#### Total students per intake



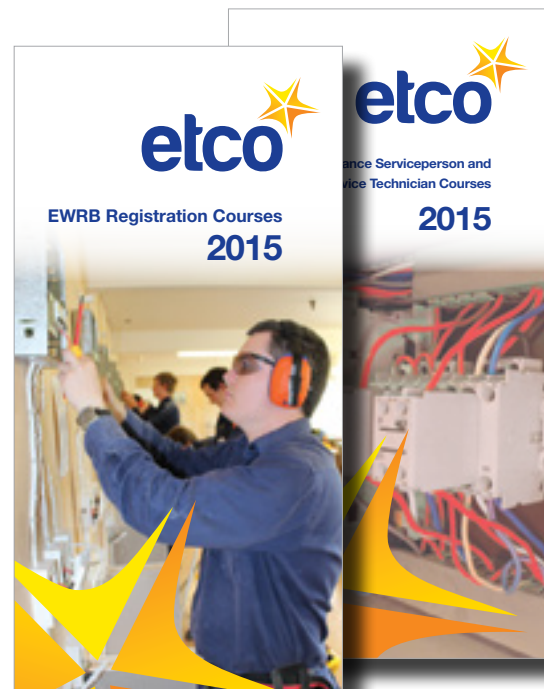
Compared to 2014 there was little change in the geographic mix of students. However, Wellington and Dunedin Regions both increased their market share by 2% each.

Besides organising, planning and delivering 93 night classes per week and 190 weeks of block courses, the four main training centres also had to accommodate growth in the number of attendees enrolling in industry relevant short courses.

A change to the EWRB rules regarding the Practising License renewal cycle meant the number of attendees on the associated Competency Course increased from 668 in 2014 to 1806 in 2015. To accommodate the increased numbers the Regional Training Managers did an exceptional job in planning and organising the presenters and first aid providers needed throughout the country.

In addition to the above, we continue to provide training for the following courses:

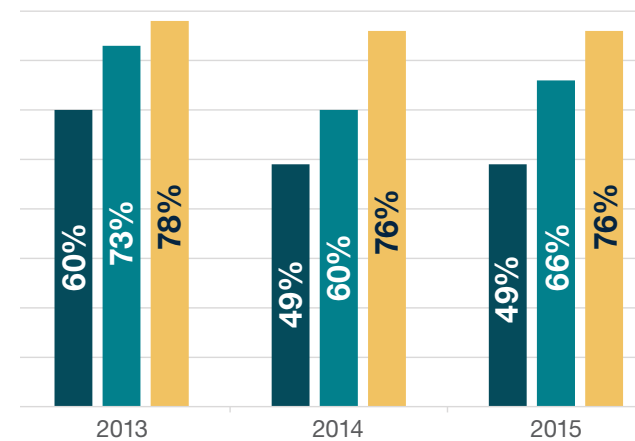
- EAS/EST
- EWRB Practical Assessment Stages 1, 2 and 3
- Revision courses
- Block courses for TOPNZ



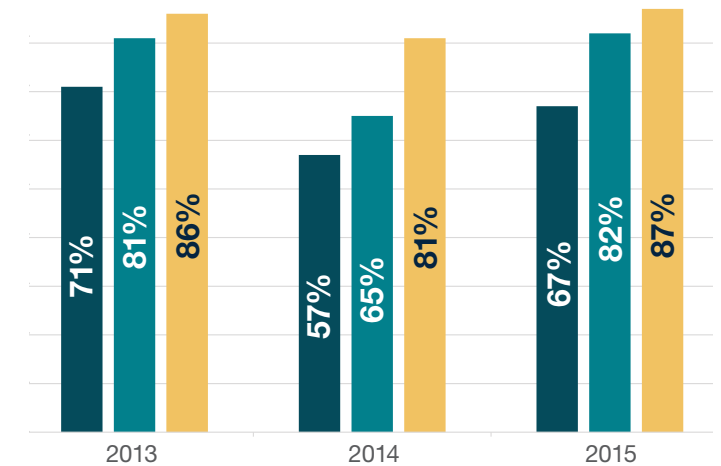
Apprentices performed well above the national averages for both the EWRB Theory and Regulations exams.

### EWRB Exam Pass Rates

#### Theory



#### Regulations



■ National ■ etco\* students ■ etco\* apprentices

Similarly, in the EAS and EST exams, our students performed well.

In early 2015, we started developing the Inspector's course and the first course started in July with 80% of those enrolled passing the exam. We are continuing to improve the delivery method and practical equipment based on student feedback. The introduction of the Inspector's course is a precursor to a full Level 5 programme to be developed in the near future.

In July we launched the Blended Learning project with a pilot of Level 2 etco\* apprentices. The project brings components of e-learning into the curriculum to enhance student engagement and learning. The students' results, engagement and feedback is monitored and analysed to establish the benefits that the students have compared to those that are doing just face-to-face. This is a year long pilot and results will be due in the middle of 2016.



Inspector's Course workshop station

***The introduction of the Inspector's course is a pre-cursor to a full Level 5 programme to be developed in the near future.***



# Auckland's new learning centre

Work has started on a project to design a modern classroom learning environment that changes both the physical layout of the room and the way the tutor interacts with the student. It also brings the theoretical and practical closer together by bringing elements of the workshop into the classroom.



The ideology behind this is to move away from the “chalk and talk” style of teaching to engage young learners by assisting them in learning-by-doing.

Modern half-circle desks double as whiteboards so a tutor can work with one or more students in small pods and calculations can be written directly on the desk.

The entire end wall has also been converted to a whiteboard providing ample space for tutors to utilise during classroom sessions.



The electrical panels have been designed with single and three phase SELV (Separated Extra Low Voltage) so that the power can be on at safe voltage levels and students can't harm themselves.



# Worldskills

As winner of the Domestic / Commercial section of the 2014 Master Electricians Challenge, Cameron Shailer earned the opportunity to represent New Zealand at the International Worldskills Competition in São Paulo, Brazil in August 2015.

Rotorua-based Shailer competed well on the international stage bringing home a Medallion of Excellence for his efforts after four days of high pressure competition.

Martynsfield Manager, Luke Boustridge also travelled to São Paulo as International Deputy Chief Expert.

Boustridge commented, “Cameron trained hard before the big event and this showed in his performance. He can be very proud of his work.”



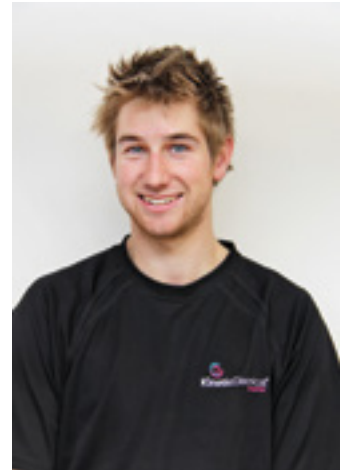
Cameron Shailer with Luke Boustridge



Cameron's workstation during the competition



**Competitor Cameron Shailer completed his apprenticeship with etco\* in February 2015 before heading to the International Worldskills Competition in Brazil (below).**



**“Cameron trained hard before the big event and this showed in his performance. He can be very proud of his work.”**





Founding Director of etco\* and past National President of ECANZ Eddie Eeles with his wife Judith



National President of ECANZ Colin Smith, etco\* Director Paul Parsons and Chief Executive of ECANZ Neville Simpson



Past etco\* Director Pat Coll, etco\* Director Bruce Dalton with his wife Karen, and Kirk Anderson of Kirk Electrical



Candice Glass, Eleanor Jaques, Keri Piercy and Helen Rushworth



Past etco\* Director Lester Ballantine and ECANZ Director Dave Burt



etco\* Chief Executive Peter Rushworth, past etco\* Director Peter Clark, Helen Rushworth and Jane Clark



EWRB Registrar John Sickels with his wife Marilyn



etco\* would like to thank the Host Companies, Partner Schools, Apprentices past and present, Staff, Family and Friends that joined in the celebrations and made the 25th Anniversary Gala Evening such a great success.



Master of Ceremonies, Frankie Stevens

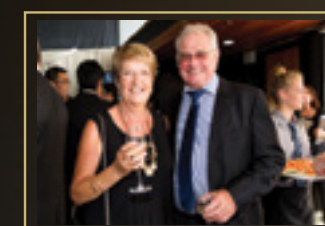
Lance Riesterer of Skills with his wife Erynn



Gateway Teachers and Careers Advisors Stacey Bailey and Kerri Hartley-Jones of Pukekohe High School and Michelle Wilson of Waiuku College



Roger Rowley with Joshua Chiverrell, Terence Bowden, Thomas Leslie and Steve Hallett



Terry Clarkson of Clarkson Electrical with his wife Irene



Steve Hallett with Terence Bowden and Roger Rowley



Steve Hallett with Harry Dennis, Cody Caskey and Roger Rowley

# etco\* 25<sup>TH</sup> ANNIVERSARY GALA EVENING

etco\*'s 25th Anniversary Gala Evening took place on 12th February 2016 at the ASB Showgrounds, Epsom, Auckland



etco\* Board Chairman Steve Hallett with Cody Caskey and etco\* General Manager Operations Roger Rowley



Congratulations to all of etco\*'s Apprentice Awards nominees: Harry Dennis, Cody Caskey, Joshua Chiverrell, Terence Bowden and Thomas Leslie.

A special congratulations to our winners: Apprentice of the Year 2015 - Terence Bowden and the Most Improved Apprentice - Cody Caskey.



# More of our achievers

Every year we are proud to support our apprentices and students that compete in national and international competitions, win awards and excel in exams countrywide. These achievements provide a benchmark for future advancement in the Electrical Industry.

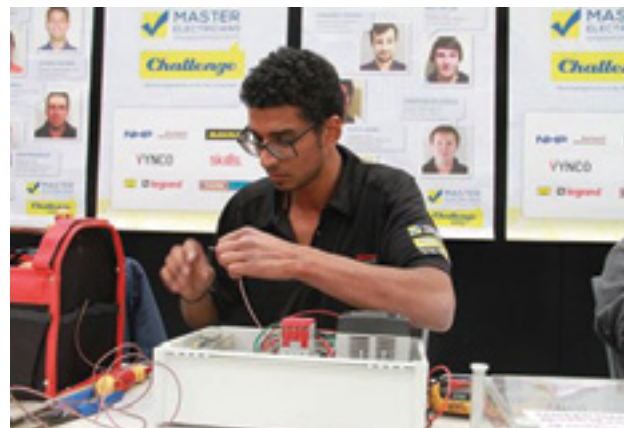
## Master Electrician Challenge 2015

In 2015 the ECANZ Challenge was renamed the Master Electrician Challenge. The competition is designed to test each apprentice's ability to respond swiftly and efficiently to tasks that they will most likely face in their working life. The competition was indeed a challenge – the bar was set at a high level and as such stretched all the competitors to use their knowledge, experience and contacts as they worked through each of the modules.

**etco\*** apprentices performed well and module winners in the Domestic/Commercial category were:

- James Gibson - Plunket Electrical, Dunedin
- Dion Reardon - Aotea Electrical, Christchurch

In the Industrial Category, **etco\*** apprentice Rahul Babu from Dalton Electrical, Auckland, took first place winning 5 of the 6 competition categories.



**Rahul Babu, 2015 Challenge winner for the Industrial Division**



**Steve Hallett, etco\* Board Chairman with Bernie McLaughlin, ECANZ Operations Manager and Rahul Babu**

***Apprentices are rewarded for both excellence in their learning and the successful completion and attainment of their respective industry qualifications.***

## Engineering Taranaki Consortium Apprenticeship Awards



**Commercial Junior winner Hamish Andrews receiving Engineering Taranaki Consortium Award**

The 11th Engineering Taranaki Consortium Apprenticeship Awards took place in November 2015 in New Plymouth. It was a great night of recognising achievement with **etco\*** apprentices taking four awards:

- Hamish Andrews - First Place Commercial Electrical Category (Junior)
- Aaron Scott - Second Place Commercial Electrical Category (Senior)
- Nicholas O'Neill - Third Place Commercial Electrical Category (Senior)
- Scott Howatson - Third Place Industrial Electrical Category (Senior)

These awards strive to ensure that the achievements of the region's electrical apprentices are recognised. Apprentices are rewarded for both excellence in their learning and the successful completion and attainment of their respective industry qualifications.

## EWRB exam high achievers

Rowan Cann originally started with **etco\*** as an apprentice in 2009 and completed his apprenticeship in 2013. Upon hearing the news of **etco\***'s new Inspector's course, he enrolled in the first July 2015 programme. After completing the course successfully, Rowan sat the EWRB Inspector's Exam in November 2015 and achieved 87%, the highest mark of the group.



**Rowan Cann at work**

The top marks for **etco\*** apprentices and students in the 2015 EWRB Registration exams were:

- Matthew Quinlan with 90% in the June 2015 Theory exam
- Abdul Razak with 94% in the June 2015 Regulations exam
- John Baily with 95% in the November 2015 Theory exam
- Reuben Izzard with 92% in the November 2015 Regulations exam.

***Every year we are proud to support our apprentices and students.***



# The Year Ahead

## The Building and Construction sector looks likely to continue to grow in most parts of the country in 2016.

Planned development in Auckland alone includes:

- \$2.4 billion City Rail Link from Britomart to Mt Eden
- New Zealand International Convention Centre
- Precinct's Downtown demolition and construction of a 36 level tower
- Furu Ding's 52 level NDG tower, Royal International site
- \$65 - \$100 million Aotea centre upgrade
- Manson TCLM's 30 level tower
- \$200 million dollar Park Hyatt development, Wynyard Quarter
- Many new high density residential housing areas

In addition, work in Dunedin includes significant projects at the university, the hospital and the polytechnic. Queenstown continues to build new homes at an ever increasing rate requiring increased commercial and infrastructure development. Even Wellington looks to be bouncing back after a relatively quiet couple of years and the Christchurch regeneration continues.

In contrast Taranaki and Southland appear to be slowing due to the drop in commodity prices for oil and dairy respectively.

However, increased demand for **etco**\* services in the other areas will more than offset a drop in a couple. The challenge will be keeping the apprentices actively engaged in the slow areas or relocating them to the areas of higher demand.

In reaction to the generally improving market, and considering expected but unquantified funding changes, (as at strategic planning time in October 2015), the following goals were put in place for the 2016 year:

### Goal One – Growth

- The employment of 208 new apprentices, 13 ELITE Courses between January and October
- Modest growth in student numbers
- Additional coordination, training and administrative staff numbers.

### Goal Two – Investment in People

- More Phase One Integrity Coaching training for more staff plus Phase Two for those staff who completed Phase One in 2015
- More Encouraging Better Performance courses for “At-Risk Apprentices”
- New opportunities for “High Achievers” via the establishment of the **etco**\* Excellence Foundation
- Ongoing system training for all users.

### Goal Three – Investment in Training Environments and Delivery Model

- Completion of new pilot learning environment in Auckland
- Evaluation of the Blended Learning Pilot
- Upgrading of the Invercargill training facility and inclusion of new technology
- Repair of the Wellington training facility for water tightness and structural strengthening
- Production of a new Property Strategy to guide future property decisions.

### Goal Four – Further Systems Development

- Finish the move from server based to cloud based systems
- Further development of the Job Ready software system
- Complete fibre availability to all branches.

### Other

- NZQA External Evaluation and Review in May
- Investors in People Audit in June
- ANZETA Board Meetings in April and November
- Master Electricians National Conference and Challenge Final in Taupo in October
- Evolocity National Final in Christchurch in November.





**Janice Smith**  
Accountant

# Financial Statements

for the Year Ended 31 December 2015

<b>22</b>	<b>Auditor's Report</b>
<b>24</b>	<b>Company Directory</b>
<b>25</b>	<b>Statement of Financial Performance</b>
<b>26</b>	<b>Statement of Changes in Equity</b>
<b>27</b>	<b>Statement of Financial Position</b>
<b>28</b>	<b>Notes to Financial Statements</b>



# Auditor's Report



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of The Electrical Training Company Limited

### Report on the Financial Statements

We have audited the financial statements of The Electrical Training Company Limited on pages 6 to 15 which comprise the statement of financial position as at 31 December 2015, the statement of financial performance, statement of changes in equity and notes to the financial statements for the period then ended.

### Directors' Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

Other than in our capacity as auditors we have no relationship with or interests in The Electrical Training Company Limited.



DFK Oswin Griffiths Carlton Chartered Accountants Limited  
100-102, Victoria Street, Auckland 1010

DFK Oswin Griffiths Carlton Chartered Accountants Limited  
100-102, Victoria Street, Auckland 1010 | P.O. Box 100, Auckland 1010 | Tel: +64 (0) 9 373 3800 | Email: info@dfk.co.nz  
www.dfk.co.nz

*We make it happen!*



*We make it happen!*

## INDEPENDENT AUDITOR'S REPORT

To the shareholders of The Electrical Training Company Limited (continued)

### Opinion

In our opinion, the financial statements on pages 6 to 15

- comply with generally accepted accounting practice in New Zealand,
- give a true and fair view of the financial position of The Electrical Training Company Limited as at 31 December 2015 and its financial performance for the period ended on that date.

*DFK Oswin Griffiths Carlton*  
DFK Oswin Griffiths Carlton

Chartered accountants  
Auckland

31 March 2016



# Company Directory

Principal Activities:	Trainer of Electrotechnology Apprentices
Business Address:	24A Allright Place Mt Wellington Auckland 1060
Date of Incorporation:	1991
Address for Service:	24A Allright Place Mt Wellington Auckland 1060
Directors:	Steve Hallett - Chairman Stuart Burgess Paul Parsons Bruce Dalton Dean Addie David Le Mouton
Shares:	2000
Shareholders:	Electrical Contractors Association NZ
Bankers:	Bank of New Zealand - Penrose  Auckland Savings Bank
Auditor:	DFK Oswin Griffiths Carlton Chartered Accountants
Solicitors:	Buddle Findlay

# Statement of Financial Performance

## for the Year Ended 31 December 2015

	Notes	2015	2014
Income		\$	\$
Apprenticeship	2	23 409 292	22 997 012
Training	3	1 414 322	1 836 402
Government Funding	4	4 327 385	3 391 387
		29 150 999	28 224 801
LESS: EXPENDITURE			
Expenditure			
Apprentice Employment	5	18 383 153	17 928 076
Staff Employment	6	4 263 144	4 043 083
Other Employment	7	1 422 567	1 349 652
Course Delivery	8	772 197	898 967
Infrastructure Overhead	9	2 125 788	2 152 186
Finance Costs	10	143 471	127 196
Promotion	11	283 924	238 088
Depreciation		241 352	224 463
Total Expenditure		27 635 596	26 961 711
Operating Surplus		1 515 403	1 263 090
Other Income			
Interest Received		104 731	75 893
Miscellaneous		49 102	76 942
Total Other Income		153 833	152 835
Net Surplus For The Year		1 669 236	1 415 925

The notes on pages 28 and 29 form part of and are to be read in conjunction with these financial statements



# Statement of Changes in Equity

for the Year Ended 31 December 2015

	This Year	Last Year
	\$	\$
Net surplus For the Year	1 669 236	1 415 925
<b>Total recognised revenues and expenses For the Year</b>	<b>1 669 236</b>	<b>1 415 925</b>
Equity at Start of the Year	4 090 062	2 674 137
<b>Equity at End of the Year</b>	<b>5 759 298</b>	<b>4 090 062</b>

The notes on pages 28 and 29 form part of and are to be read in conjunction with these financial statements

# Statement of Financial Position

for the Year Ended 31 December 2015

	Notes	This Year	Last Year
		\$	\$
<b>EQUITY</b>			
<b>Contribution Capital</b>			
2000 Ordinary Shares		2 000	2 000
<b>Reserves</b>			
Retained Earnings		5 757 298	4 088 062
<b>Total Reserves</b>		5 757 298	4 088 062
<b>Total Equity</b>	<b>14</b>	<b>5 759 298</b>	<b>4 090 062</b>
<b>EQUITY IS REPRESENTED BY:</b>			
<b>Current Assets</b>			
Bank		4 592 094	3 890 721
Debtors		1 731 273	977 601
Inventory		69 736	38 155
Prepayments		200 985	25 333
<b>Total Current Assets</b>		<b>6 594 088</b>	<b>4 931 810</b>
<b>Non Current Assets</b>			
Fixed Assets	12	1 842 723	1 971 959
<b>Total Non Current Assets</b>		<b>1 842 723</b>	<b>1 971 959</b>
<b>Total Assets</b>		<b>8 436 811</b>	<b>6 903 769</b>
<b>Current Liabilities</b>			
Creditors and Accruals	15	2 017 178	2 179 028
Income in Advance		20 205	17 298
GST Payable		640 130	617 381
<b>Total Current Liabilities</b>		<b>2 677 513</b>	<b>2 813 707</b>
<b>Non Current Liabilities</b>		-	-
<b>Total Non Current Liabilities</b>		-	-
<b>Total Liabilities</b>		<b>2 677 513</b>	<b>2 813 707</b>
<b>Net Assets / (Liabilities)</b>		<b>5 759 298</b>	<b>4 090 062</b>

Director:  Date: 29/03/2016 Chief Executive:  Date: 29/03/2016

The notes on pages 28 and 29 form part of and are to be read in conjunction with these financial statements



# Notes to the Financial Statements

## for the Year Ended 31 December 2015

### Note 1

#### Statements of Accounting Policies

##### REPORTING ENTITY

The Electrical Training Company Limited ("the company") is a company incorporated in New Zealand, registered under the Companies Act 1993. The financial statements have been prepared in accordance with the Financial Reporting Act 2013.

##### MEASUREMENT BASE

Unless otherwise stated the accounting policies recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis have been followed.

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand, represented by the New Zealand equivalents to International Financial Reporting Standards and its interpretation and other relevant Financial Reporting Standards.

The company qualifies for differential reporting exemptions based on the following criteria:

- is not publicly accountable and;
- is ‘not large’ as defined by the Chartered Accountants Australia and New Zealand.

The company has adopted all available differential reporting exemptions.

##### SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies which materially affect the measurement of financial position have been applied.

##### 1.1 DEBTORS

Debtors are stated at their estimated realisable value. Debts considered uncollectable are written off. There is no other provision for doubtful debts.

##### 1.2 FIXED ASSETS

Fixed Assets are stated at cost less depreciation.

##### 1.3 DEPRECIATION

Depreciation on fixed assets has been calculated at rates to reduce the book value of each asset to its estimated residual value by the end of its probable useful life.

Depreciation rates used are:

Leasehold Improvements	4 yrs to 7 yrs	SL
Machinery and Equipment	12% to 50%	DV
Office Equipment	8% to 50%	DV
Office Furniture	12% to 50%	DV
Motor Vehicles	25%	DV
Reference Material	22%	DV
Assets under construction	6.5 yrs	SL

##### 1.4 REVENUE

Revenue arises from the rendering of services. Consideration received for those services is initially deferred, included in other liabilities and is recognized as revenue in the period when the service is performed.

##### 1.5 IMPAIRMENT

If the recoverable amount of an item of property, plant and equipment is less than the carrying amount, the item is written down to its recoverable amount. The write down of an item recorded at historical cost is recognised as an expense in the income statement. When a revalued item is written down to recoverable amount, the write down is recognised as a downward revaluation to the extent of the corresponding revaluation reserve, and any balance recognised in the income statement.

The carrying amount of an item of property, plant and equipment that has been previously written down to recoverable amount is increased to its current recoverable amount if there has been a change in the estimates used to determine the amount of the write down. The increased carrying amount of the item will not exceed the carrying amount that would have been determined if the write down to recoverable amount had not occurred.

Reversals of impairment write downs are accounted for as follows:

- on property, plant and equipment not revalued, the reversal is recognised in the income statement; and
- on revalued property, plant and equipment, the reversal is recognised as an upward revaluation.

##### 1.6 TAXATION

The company has been granted charitable status under the Income Tax Act 1994. It is not necessary to provide for income tax on income applied for the charitable purposes as set out in the Constitution.

##### 1.7 GOODS & SERVICES TAX

The financial statements have been prepared on a GST exclusive basis.

##### CHANGES IN ACCOUNTING POLICIES

There have been no specific changes in accounting policies and they have been applied on a consistent basis with those of the previous period.



# Notes to the Financial Statements

## for the Year Ended 31 December 2015

### INCOME

Note 2	2015	2014
	\$	\$
Apprenticeship		
Chargeable hours	21 337 054	20 450 353
Allowances	495 862	500 576
Overtime	1 578 906	1 638 919
Consultancy	3 470	4 164
Reboot Initiative	(6 000)	403 000
Total	23 409 292	22 997 012

### Note 3

Training		
National Certificate Student Fees	607 074	1 335 913
Competency Course Fees	185 266	53 431
Other Course Fees	621 982	447 058
Total	1 414 322	1 836 402

### Note 4

Government Funding		
National Certificate Funding	2 632 630	1 624 831
RTW Funding	1 105 999	920 436
Modern Apprenticeship	588 756	846 120
Total	4 327 385	3 391 387

Total Income	29 150 999	28 224 801
--------------	------------	------------

### EXPENDITURE

Note 5	2015	2014
	\$	\$
Apprentice employment		
Holiday Pay	1 437 938	1 409 747
Sick Pay	331 560	314 358
Block Courses	300 479	373 101
Chargeable Hours	15 144 722	14 641 835
Downtime	329 941	237 782
ETCO Time	51 914	42 940
Statutory Holidays	659 259	688 643
Achievement Bonus	127 340	219 670
Total	18 383 153	17 928 076

### Note 6

Staff Employment		
Administration	1 275 359	1 231 777
Regional Training Managers	355 231	348 690
Full-time Tutors	669 699	621 639
Holiday Pay	22 343	16 083
Long Service Leave	(3 108)	817
National Managers	208 504	204 743
Night Class Tutors	623 783	555 729
Coordination	1 111 333	1 063 605
Total	4 263 144	4 043 083

### Note 7

Other Employment		
ACC	147 986	156 899
Accommodation and Meals	164 967	176 411
Other	195 218	158 591
Kiwisaver Employer Contribution	570 300	528 866
Safety Equipment	88 039	89 122
Superannuation	0	12 698
Third Party Labour	65 722	46 149
Tool Expenditure	190 335	180 916
Total	1 422 567	1 349 652

The notes on pages 28 and 29 form part of and are to be read in conjunction with these financial statements



# Notes to the Financial Statements

## for the Year Ended 31 December 2015

Note 8	2015	2014
	\$	\$
Course Delivery		
Contract Tutors	187 427	165 461
Course Materials	82 833	70 130
Reboot Initiative Payment	(14 000)	180 000
EWRB Course Fees	141 308	107 187
TOPNZ Licence Fee	49 000	74 000
NZQA Audit Fees	4 793	6 342
NZQA Fees	87 395	89 945
Delivery Material	233 441	205 902
Total	772 197	898 967

Note 9		
Infrastructure Overhead		
Cleaning	85 685	84 419
Computer Costs/Support	179 849	126 044
Conference	62 849	93 061
Other Infrastructure	136 570	142 780
Lease Costs	356 565	395 215
Rent and Rates	765 785	772 228
Office Expenses	216 434	230 909
Travel	157 772	143 963
Vehicles	164 279	163 567
Total	2 125 788	2 152 186

Note 10		
Finance Costs		
Audit Fees	18 000	18 000
Insurance	67 504	68 560
Other Finance Costs	37 186	22 141
Bank Fees	20 781	18 495
Total	143 471	127 196

Note 11		
Promotion		
Advertising	5 364	3 101
Apprentice of Year Award	13 493	14 633
Marketing	265 067	220 354
Total	283 924	238 088

Note 12	2015			2014		
Fixed Assets	Cost	Accum Depn.	This Year Book Value	Cost	Accum Depn.	Last Year Book Value
	\$	\$	\$	\$	\$	\$
Land	650 000	-	650 000	650 000	-	650 000
Buildings	750 000	-	750 000	750 000	-	750 000
Assets under construction	64 482	-	64 482	248 300	149 433	98 867
Leasehold Improvements	1 062 726	1 043 090	19 637	1 062 726	979 674	83 052
Machinery and Equipment	206 103	169 611	36 492	252 005	206 209	45 796
Office Equipment	1 983 692	1 822 038	161 654	1 734 429	1 554 447	179 982
Office Furniture	547 834	398 278	149 556	520 702	371 054	149 649
Motor Vehicles	144 280	133 406	10 874	144 280	129 703	14 756
Reference Material	1 010	982	28	1 010	974	36
Total Fixed Assets	5 410 127	3 567 405	1 842 723	5 363 451	3 391 492	1 971 959

Note 13		
Transactions with Related Parties		
The company has not undertaken any material transactions with related parties. No related party debts have been written off or forgiven during the year.		

Note 14		
Revenue Reserves		
The following movements in Revenue Reserves have occurred:		
	2015	2014
	\$	\$
Retained Earnings		
Opening Balance	4 090 062	2 674 137
Net Surplus for the Year	1 669 236	1 415 925

Closing Balance	5 759 298	4 090 062
-----------------	-----------	-----------



# Notes to the Financial Statements

## for the Year Ended 31 December 2015

Note 15	2015	2014
	\$	\$
<b>Creditors and Accruals</b>		
Creditors	305 837	500 980
Accrued ACC Levy	(34 302)	24 722
Holiday Pay	1 115 749	1 053 943
Accruals	306 957	281 656
Wages Clearing	322 937	317 727
<b>Total Creditors and Accruals</b>	<b>2 017 178</b>	<b>2 179 028</b>

### Note 16

#### CAPITAL AND OPERATING LEASE COMMITMENTS

##### Operating Lease Commitments - non-cancellable operating leases

	2015	2014
	\$	\$
Commitments under non-cancellable operating leases:		
Current	886 796	858 542
Non-Current	2 078 100	1 886 873
<b>Total Operating Lease Commitments</b>	<b>2 964 896</b>	<b>2 745 415</b>

#### Capital Commitments

There are no capital commitments at balance date. (2015: \$NIL)

### Note 17

#### Contingent Liabilities

There are no contingent liabilities at balance date. (2015: \$NIL)

### Note 18

The External Reporting Board (XRB) has established a new Accounting Standards Framework to be applied by public benefit entities (PBEs). PBEs will apply the new suite of accounting standards based on International Public Sector Accounting Standards (IPSAS) and will be applicable to The Electrical Training Company Limited for the year ending 31 December 2016. The financial impact of the adoption of these standards has not yet been analysed. While changes in presentation and additional disclosures are expected, significant changes to the measurement of the financial performance and position are not, based on preliminary assessment.

# Our Generous Sponsors





# Our People







**The Electrical Training Company Ltd**  
**24A Allright Place, Mt Wellington 1060**  
**PO Box 14-512, Panmure, Auckland 1741**

**Ph: 09 527 6165**  
**Fax: 09 527 6166**

**[etco.co.nz](http://etco.co.nz)**