



The Federation of NZ
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ANNUAL REPORT 2008

The Federation

The purpose of the Federation is entirely to support and serve the SeniorNet Learning Centres, each of which maintain their full independence, except for their commitment to meet the Federation's Quality Assurance requirements, which are as required by the Tertiary Education Commission.

Meetings held during 2008:

- The 2007/2008 management committee held its final face to face meeting on 23rd January 2008.
- The 2008 Federation Annual General Meeting was held on the morning of the 7th May 2008 at 10.30 am.
- The 2008/2009 management committee held its first face to face meeting at 1.00 pm on 7th May 2008 after the AGM
- The management committee met by teleconference on 22nd of September and 8th of December 2008

In addition to these meetings, much communication between committee members took place by email.

Appointment of Management Committee:

Committee members were appointed at the AGM to fill the four positions of members who retired by rotation.

They were:

Waikato/BOP	Lyndsay Noble	Te Aroha	(Re-elected)
Wellington	Colin Young	Porirua.	(New member)
Canterbury	John Butler	Garden City-Christchurch.	(Re-elected)
Otago/Southland	Bruce Smart	South (Invercargill)	(Re-elected)

Appointment of Officers:

Officers appointed by the management Committee at its meeting on 7th May were:

Chairman	Ian Turner.	(Re-elected)
Vice Chairman	Selwyn Jebson	(Re-elected)
Secretary	Ray McDonald	(Re-elected)
Treasurer	Lyndsay Noble	(Re-elected)
Minute Secretary	Duncan Fuller.	(Re-elected)

The Federation -- Management

Grant Sidaway's contract as Executive officer continued throughout the year. Grant provides all national office services and national quality assurance monitoring.

He maintains an office in Wellington and employs such support staff as he requires.

His contract covers all costs necessary to run the National Office and includes:

- National Office accommodation
- All office fixtures including computers, printers etc
- Presentation equipment – data projectors, laptops, screen, sound equipment etc.
- Communication – Telephone, 0800, Internet, mobile phone
- Postage, stationery, office consumables, printing etc.
- Website hosting, development and maintenance
- Executive Officer salary
- Administration Officer salary (part-time position)
- Travel to Learning Centres for presentations and QA purposes
- Travel to Regional Meetings
- Travel to Tutor Training Sessions
- National advertising, display banners etc.
- All incidental costs

Negotiations with the Tertiary Education Commission:

Negotiations with the Commission continued throughout the year.

As part of new government policy we were required to submit an Investment Plan covering the years 2009 to 2011. This was completed by the Chairman and Executive Officer in consultation with the committee and accepted by the Commission.

In this Plan we sought:

- An increase in the base grant to fund the Federation central administration and to cover general cost increases.
- Amounts to cover course development, improved Learning Centre accommodation, and to allow for administration, technical and tutorial support staff for the Learning Centres.
- A grant for a program to increase enrolments of ethnic groups other than NZ/Europeans.

The disappointing result of the Investment Plan submission was that the 2009 grant remains the same as the 2008 base line grant. The one-off grants received in 2008 were not repeated.

This has left the Federation in a difficult position.

Prior to 2007, the Tertiary Education Commission funded SeniorNet Learning Centres through the Aoraki Polytechnic. In the process, the Polytechnic retained at least sufficient to cover the cost of administration of the grant.

Since 2007, due to policy changes, the grant has been forwarded through the Federation.

However, in re-directing the funding, the Commission has reduced the level of the base line

grant. It has not included the amount that the Polytechnic retained. That is, the base line grant for 2008 is the amount the Learning Centres received from the Polytechnic in 2006.

As a result, to maintain the national office, the Federation has necessarily had to reduce the funding to the Learning Centres to cover administration costs.

In an effort to assist the Federation, the Commission contracted Martin Jenkins & Associates Limited to report on the Federation's funding requirements.

Their report, dated October 2007, indicated that Learning Centres are not readily able to either increase income or to reduce expenditure. Further, they reported that other sources of income are essentially not available to SeniorNet. They also reported that the service provided by SeniorNet Learning Centres cannot be provided in other ways. They thus reported that without an increase in the grant there would be reduction in quality and/or quantity, unless the Commission increased the base line grant.

Unfortunately, the Commission has not been able to act on this report and increase the grant.

In addition to this difficulty, it must be recognised that with a change of government and straightened economic times, there are further uncertainties about funding for the future.

Learning Centre Accounts: January to December 2008

Data from Learning Centre 2008 accounts were collected. The accounts show that in total:

	2008	2007
Income from Membership Subscriptions:	\$290,759	\$325,792
Income from Course Fees:	\$310,778	\$310,793
Federation Grants:	\$453,382	\$277,755
Other grants	\$333,248	
Other income (2008: Interest)	\$95,807	\$305,567
<u>TOTAL:</u>	<u>\$1,483,973</u>	<u>\$1,219,907</u>
Cost of rents:	\$324,669	\$323,871
Other costs of running learning activities:	\$733,816	\$674,468
<u>TOTAL:</u>	<u>\$1,058,485</u>	<u>\$998,339</u>
Surplus before Depreciation:	\$425,488	\$221,568
Allowance for Depreciation:	\$364,266	\$350,788
Surplus (Deficit) after Depreciation:	\$61,222	(\$129,220)

These figures show a substantial increase in income, due to higher grants being available. The sources of these were:

- The higher one off grant from the TEC to the Federation,
- Greater success by the Learning Centres in obtaining local grants.

Costs increased, but the increased income resulted in an after depreciation minimal surplus of less than \$1000 per Learning Centre.

These figures suggest that Learning Centres will have to reduce their expenditure in 2009, as grants from the Federation will be reduced as a result of the reduced grant from the TEC.

If Learning Centres have less success in obtaining local grants, this will also place pressure on them. Interest income is also likely to fall sharply.

Special Grant from the Lotteries Grants Board:

An application by the Federation to the Lotteries Grants Board to assist with general operations had some success. The amount of \$23,300 plus GST was granted for general administration, and the costs of regional tutor training.

Research Grant:

We are pleased to report that an application by the Executive Officer made on behalf of the Federation for a research grant to the Lotteries Grants Board has been successful. This research, now being conducted by professional researchers, will investigate problems older people have in learning to use their computers.

Quality Assurance:

The Federation maintains procedures to ensure that the quality of teaching and learning in the Learning Centres is maintained. This is a central feature of the visits of the Executive Officer to the Centres. The Federation's procedures have been reviewed and the result is to be presented at the 2009 AGM.

For the first time, the Federation's procedures were audited formally by the NZQA this year. The Chairman and Executive Officer met with the NZQA quality audit team in Wellington on the 9th of October and responded to their requirements. This meeting concentrated on the national level factors.

The auditor also visited the Hibiscus Coast Learning Centre on the 20th November to check on the face to face work of a Learning Centre.

The report by the auditor to the Tertiary Education Commission suggested some small improvements, but otherwise was excellent.

The audit was completed at no cost to the Federation, but the Federation is to be audited again this year and will be required to meet the cost.

Statistics:

Number of Learning Centres in 2007	85
Number that closed during the year:	2
Number of new Learning Centres:	2

Activity Levels:

The number of Learner Hours claimed for grants from the Federation in 2008 was: 137,937 (2007:135,400)

Although the increase is small, we are pleased to report the small increase in the level of activity in 2008. This represents approximately an additional 210 people attending 12 hour courses.

(Note: A number of Learning Centres did not require funding, so that the total Learner Hours worked by all Federation Learning Centres was higher than this.)

Demographics:

	2007	2008
No of enrolments in all activities	22,410	25,279
Average enrolments per enrolling member	2.17	2.37
Number of Males	3,397 33%	3,419 33%
Number of Females	6,919 67%	7,258 67%
Number under the age of 50	0	0
Number age 50 and under 60	858 8%	895 8%
Number age 60 or over	9,458 92%	9782 92%
Number of New Zealanders and Europeans	10,005 97%	10377 97.2%
Number of Pacific Island People	50 0.5%	16 0.15%
Number of Asian	82 0.8%	65 0.6%
Number of Maori	179 1.7%	180 1.7%
Number of other nationality	Not recorded	39 0.4%
Number of Learning Centre members enrolling in courses	10,316	10,677
Average Learner Hours attended by each enrolling member	13.17	12.91
Percentage of members enrolling on at least one course	63.2%	66.1%

National Office Activity:

The following tables represent a summary of the National Office and Executive Officer's activities for 2008. In almost every category an increase in activity compared with 2007 is noted. It is pleasing to report that the benefits to members with additional special offers have almost doubled in value.

Whilst the recalculating of the Learner Hour rate in December 08 from \$2.05 to \$3.00 meant considerable reconciliation efforts the improved level of funding to Learning Centres was very significant, up by 30% (approximately).

Positive feedback from the visits to Learning Centres by the Executive Officer would suggest Learning Centres welcome this involvement and in particular the interactive presentations to their members designed to spur them on with new technologies to learn.

The National Office researched the concept of providing a centralised printing facility for Learning Centres to avoid duplication of copying activities at individual Learning Centres, however after surveying the Centres the majority preferred to continue their own copying (mostly of Teaching

Manuals). The research indicated a considerable nationwide saving could be achieved through a centralised system but would require buy-in from the centres. The Federation has shelved the concept for now but may revisit this in future should the Centres so wish.

Two groups of merchandise were made available to Learning Centres in 2008. Branded apparel; Jackets, Polo Shirts, Caps and branded computer flash drives. The Branded apparel was not well support and was withdrawn, however the flash drives were very popular and the Federation has decided to continue to bulk purchase and distribute on order to Learning Centres through 2009.

2007	2008	Communications (email, phone, website)
3853	4161	Inbound calls on 0800 SENIORNET
12,596	15,895	Inbound call minutes on 0800 SENIORNET
5383	5924	Emails received
9672	7919	Emails sent
64	73	Average visits per day on www.seniornet.co.nz
4.75	4.32	Average visit duration on www.seniornet.co.nz
184	234	Average page views per day

2007	2008	Financial Activity Managed
\$408,570	\$680,733	Total Income (81% from TEC funding)
\$404,357	\$568,515	Total Expenses (71% to fund Centres)
247	311	Payments processed
162	330	Invoices dispatched

2007	2008	Out of Office Visit & Presentations
13	9	Regional Meetings
5	8	Tutor Training Sessions
48	47	Learning Centre Visits
N/A	6	Other Community Groups

2007	2008	Take-up of Special Offers
376	829	Software items purchased (56% MS Home and student 2007)
\$46,725	\$74,562	Total saving over retail price of software
N/A	550	Number of text books purchased
N/A	\$9,624	Total saving over retail price of book
N/A	143	Seats booked with NZSO concerts (five)
N/A	\$4,650	Total savings with NZSO bookings
N/A	1344	Flash Drives purchased (1,4 &8GB)
N/A	\$16,915	Total savings over typical retail price of Flash Drives
60	68	Learning Centres included with Group Insurance Scheme
\$15,750	\$17,000	Total savings for Learning Centre partaking in the Group Insurance Scheme (\$250 per Centre)
\$62,475	\$122,751	Total Savings achieved by the Federation for participating Learning Centres and their members .

Return on Investment

It is useful to consider the overall return on investment achieved for the member societies. Member societies pay \$1.00 per member of their society to the federation to assist with administration aspects. This is the only fee each member society pays. The table below shows the return on investment achieved by the Federation for its members.

2007	2008	Indication of ROI achieved for members
\$14,494	\$14,402	Subscriptions from Learning Centres
\$277,754	\$405,341	Funding to Learning Centres
\$62,475	\$122,751	Value Added items
\$340,229	\$528,092	Total Return
23.5 : 1	36.6 : 1	Return On Investment per dollar invested

Chairman Date

Executive Officer Date