



## **ANNUAL REPORT 2010**

### ***Purpose of 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.*

### **Election of Management Committee:**

Four committee members were elected at the 2010 AGM to fill the positions of members who retired by rotation.

They were:

|                 |                 |                |                     |
|-----------------|-----------------|----------------|---------------------|
| Waikato         | Lyndsay Noble   |                | <i>(Re-elected)</i> |
| Wellington      | Colin Young     |                | <i>(Re-elected)</i> |
| Canterbury      | Alan Rutherford | Canterbury Mac | <i>(New)</i>        |
| Otago Southland | Bruce Smart     | Invercargill   | <i>(Re-elected)</i> |

### **Election of Officers:**

As required by the Federation Constitution, the following Officers for 2010/2011 were elected by the Management Committee at its first meeting (11th May):

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

**Management Committee Meetings held during 2009/10:**

- The management committee held face to face meetings at 1.00 pm on 11<sup>th</sup> May 2010 (after the AGM) and at 10.30 am 3<sup>rd</sup> Feb 2011.
- The management committee met by teleconference at 9.00 am on 17<sup>th</sup> of November and 13<sup>th</sup> of December 2010

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

**Development Plan:**

At the meeting on 3<sup>rd</sup> February, the committee considered priorities for 2011.

It was considered that the revitalisation of Learning Centres would be the over-riding priority for the year. Accordingly, the committee recommends a number of activities that are set out in the Plan to be tabled at this year's AGM and the provision for these activities included in the proposed budget.

**The Federation - Management**

Grant Sidaway's contract as Executive officer continued throughout 2010 and has been confirmed for 2011. Grant provides all national office services and national quality assurance monitoring. This arrangement saves the Management Committee much administration detail and the need to own any equipment.

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

His contract, for which he receives one all-inclusive monthly payment, 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.*
- *All Accounting services including arranging audit.*
- *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*

A more detailed report on these activities is included below.

**Negotiations with the Tertiary Education Commission:**

Although Government policy saw a major reduction in funding for Continuing Education from January 2010, the base line grant for the Federation was continued during 2010 and has been confirmed for 2011.

The TEC, following the Government's requirements, brought out in late 2010, revised Priorities for ACE funded organisations.

In the past there had been four priorities and it was sufficient to meet one of them. For 2011, three new priorities were set up and it was necessary to meet all of these.

These priorities are:

- Targeting learners whose initial learning was not successful,
- Raising foundation skills,
- Strengthening social cohesion.

A special response document was required by the TEC and we were successful in having it accepted.

Again we were required to submit an Investment Plan covering the years 2011 to 2013. The Plan was accepted by the Commission. In view of the financial outlook we requested no funding for new initiatives in the Plan.

Although a grant at base line level was approved, there were no increases or one-off grants approved since 2009.

The Federation is still concerned that the base line funding provided over the last years has taken no recognition of the necessary activities of the Federation central administration. Such funding was made available to the Aoraki Polytechnic when funding was channelled in that way.

At this point there is no certainty about grants for 2012 and beyond.

#### **Marketing:**

Our contracts with the Chilli Marketing Company have resulted in a new logo and directions for changes to the web site. The new logo is in use and has been well received. The web site has been redeveloped. Our contracts with Chilli have now finished.

#### **Quality Assurance:**

The Federation maintains procedures to meet TEC requirements 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.

There has been no audit by the NZQA this year.

The Federation Quality Assurance Manual has been edited to take into account the new ACE priorities.

#### **Statistics:**

##### **Learning Centre Growth:**

|                                     |    |
|-------------------------------------|----|
| Number of Learning Centres in 2010  | 87 |
| Number that closed during the year: | 0  |
| Number of new Learning Centres:     | 1  |

**Activity Levels:**

| <b>Enrolments:</b>                                      | <b>2008</b>  | <b>2009</b> | <b>2010</b> |
|---|--------------|-------------|-------------|
| Learner Hours claimed for grants                        | 135,627      | 138,960     | 141,854     |
| No of enrolments in all activities                      | 25,279       | 23,788      | 25,068      |
| Number of Learning Centre members enrolling in courses  | 10,677       | 9,203       | 9,547       |
| Average enrolments per enrolling member                 | 2.37         | 2.58        | 2.63        |
| Average Learner Hours attended by each enrolling member | 12.91        | 15.1        | 14.86       |
| Percentage of members enrolling in at least one course  | 66.1%        | 64%         | 58.1%       |
| <b>Demographics:</b>                                    |              |             |             |
| Number of Males enrolling in courses                    | 3,419 33%    | 3,242 35%   | 3,311 35%   |
| Number of Females enrolling in courses                  | 7,258 67%    | 5,961 64%   | 6,236 65%   |
| Number under the age of 50                              | 0            | 0           | 0           |
| Number age 50 and under 60                              | 895 8%       | 660 7%      | 696 7%      |
| Number age 60 or over                                   | 9,782 92%    | 8,543 93%   | 8,851 93%   |
| Number of New Zealanders and Europeans                  | 10,377 97.2% | 8,872 96%   | 9,174 96%   |
| Number of Pacifica                                      | 16 0.15%     | 37 0.4%     | 27 0.3%     |
| Number of Asian   | 65 0.6%      | 75 0.8%     | 98 0.4%     |
| Number of Maori   | 180 1.7%     | 185 2%      | 215 2.3%    |
| Number of other nationality                             | 39 0.4%      | 34 0.4%     | 33 0.4%     |

*(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 noted above.)*

We are pleased to report a small increase in claimed learner hours. This increase is equivalent to 90 enrolments in four week, two hours per week courses. The increase over 2008 is equivalent to 195 enrolments in four week, two hours per week courses.

**Financial:**

The Federation audited Annual Accounts are attached.

**Income:**

The Tertiary Education Commission grant in 2010 was the same as 2009 and funding for 2011 has been approved at the same level

- **There is no certainty with regard to TEC Grants beyond 31st December 2011.**
- Since the restructure of the Tertiary Education System in 2008 further funding beyond the base level is unlikely.
- The Ministry of Social Development Grant (2090) was a 'one off' unlikely to ever be repeated.
- The Lottery Grant Board Sponsorship – received \$36,000.00
- Bank Interest is down as interest rates and cash flows continue to decrease.
- Other income figures all show very pleasing increases.
- Donations - Mighty River Power \$5000.00, and Gore SeniorNet donated the 'top up' payment of \$176.00 back to the Federation. Sadly Gore SeniorNet is no longer operating.

**Income, Grants and Sponsorships from: Telstra Clear, the Group Insurance scheme, Lotteries Grants Board, all show increases over that for 2009.**

**Now for the bad part**

- (1) The 2011 grant from the Tertiary Education Commission is the same as for 2010. The grant that we may or may not receive for 2012 is unknown.
- (2) For this reason the rate per learner hour to be paid to Learning Centres for 2011 has been set at \$2.00 (+ GST where applicable). Please note there is no assurance that there will be another Christmas 'wrap up'.
- (3) Reduction in interest **income**. The Tertiary Education Service now pays us at more regular intervals. Therefore we have been unable to build up of cash able to be placed to Term Deposit.

**Expenditure:**

Will always show an increase in expenditure in the present economic climate

**Accountancy Expenses**

Doubled. In 2010 we used a different Accountancy firm to produce our end of year accounts to the firm used in 2009. Additionally we used the Accountancy firm to roll over the MYOB system. It would appear the firm used in 2009 gave the Federation some discount to what the actual rate would normally be, as we are a charitable organisation. The firm used in 2010 applied standard accountancy rates.

**Audit expenses**

Reduction of \$300.00

**Executive officers contract payments were increased**

- (a) The Lotteries grant provided for the increase.
- (b) The Management Committee believed the contract should be increased.

**Grants to Learning Centres**

In accordance with accounting practice the Profit and Loss statements are GST excluded. ("Non GST" and "GST" entries are the ex GST amounts paid to Centres that are, or are not, registered for GST.)

Learning Centres received 71% of the TEC grant monies paid to the Federation.

**Marketing – Printing**

**There is a considerable increase**

The Federation provided Learning Centres with teaching resources which were obtained for free, but which required duplication and then had to be posted to Learning Centres.

The "Mouse Training Coy" and "Cheryl Price" publications.

Then there were extra marketing costs associated with the work done by Chilli Marketing.

**Meeting and Travelling Expenses**

Considerable reduction over that for 2009, when there were extra meetings in Wellington with Chilli Marketing.

### Regional Meeting Expenses and Volunteer Reimbursements

These all relate to direct costs for Regional Meetings in 2010. There were NINE.

Some Learning Centres are close and do not claim mileage others are extremely distant and are small and attending regional Meetings can be a considerable cost.

### Learning Centre Finances:

An analysis of figures (which include GST) provided by Learning Centres is as follows:

|   | <b>2010</b>        | <b>2009</b>        | <b>2008</b>        |
|---|--------------------|--------------------|--------------------|
| Income from Membership Subscriptions:         | \$278,668          | \$320,076          | \$290,759          |
| Income from Course Fees:                      | \$270,985          | \$316,519          | \$310,778          |
| Federation Grants: (Inc GST where app.)       | \$347,636          | \$391,535          | \$453,382          |
| Other grants -- Operating Exes**              | \$149,075          | \$191,904          | \$333,248          |
| Other income                                  | \$ 70,702          | \$ 67,057          | \$ 95,807          |
| <b>TOTAL:</b>                                 | <b>\$1,117,066</b> | <b>\$1,287,091</b> | <b>\$1,483,973</b> |
| Cost of rents:                                | \$319,827          | \$327,059          | \$324,669          |
| Other costs of running learning activities**: | \$584,946          | \$685,388          | \$733,816          |
| <b>TOTAL:</b>                                 | <b>\$904,773</b>   | <b>\$1,012,44</b>  | <b>\$1,058,485</b> |
| Surplus before Depreciation:                  | \$212,293          | \$274,644          | \$425,488          |
| Allowance for Depreciation:                   | \$352,727          | \$370,404          | \$364,266          |
| <b>Surplus (Deficit) after Depreciation:</b>  | <b>(\$140,434)</b> | <b>(\$95,760)</b>  | <b>\$61,222</b>    |

\*\* Data related to capital movements was collected in 2010 for the first time:

|                                   |           |
|-----------------------------------|-----------|
| Other grants -- Capital Equipment | \$70,702  |
| Expenditure on Capital Equipment  | \$256,537 |

### **Note:**

These figures show a steady decline in income, expenditure and surplus after depreciation. The fact that activity levels are higher indicates careful management

### National Office Activity:

The following tables represent a summary of the National Office and Executive Officer's activities for 2010. It is noted that in most cases the figures are similar to 2009, increased email activity and website visits being offset by a slight fall-off of inbound calls on the 0800 service might suggest our clients and potential clients are making a shift to web based access of information thus mirroring a trend in most other service sectors. Learning Centres and their members continue to take advantage of the many special offers being presented to them, this is seen as a value added reason to belong to SeniorNet. Learning Centres are being encouraged to ensure their members are aware of these special offers via their websites and newsletters however more work needs to be done with this.

The National Office continued to source a number of training resources for Learning Centres. The Mouse Training Company (UK) provided a very concise set of Microsoft Office manuals at no cost; these were distributed to all Learning Centres. Cheryl Price Ltd, the producers of computer training manuals for schools in New Zealand, negotiated deal with the Federation to provide significant discounts on their full range of products. Only a few Learning Centres have taken up this offer. The Federation remains committed to provide further training resources to Learning Centres on a range of subjects in 2011. From feedback at Regional Meetings, most Learning Centres are now in favour of standard manuals and would like the Federation to lead with this.

The Executive Officer undertook a total of 83 presentations to groups throughout the year, 59 of these were to Learning Centres, though there was a growing demand for him to make presentations to other Community Organisations, such as Probus, U3A, Lions and Rotary throughout New Zealand. The positive feedback from Learning Centres continues to suggest that the presentations are welcomed by members and play an important role in motivating Learning Centres to keep the learning process going with emerging new technologies. It is anticipated in 2011 much time will be spent presenting new concepts to Learning Centres underpinning the revitalisation programme which is outlined in the 2011 Plan.

TelstraClear Ltd have provided valuable funding to the Federation and in 2010 an additional \$19,000 (approx) above the 2009 figure ,24,000 (approx.) above the 2008 figure, was gratefully received. In addition, TelstraClear continue to offer significant discounts to SeniorNet Learning Centre members by way of association deals with internet and telephone services. TelstraClear also provide free teleconferencing services enabling the Federation Committee to conduct regular teleconferences at no cost. The association the Federation has with TelstraClear in now in its fifth year, we thank them for their interest and financial contributions, without their financial contribution the Federation would not be able to undertake many of the additional activities throughout the year, an example of this was the production of customised signs for every Learning Centre. These pavement signs would have collectively cost in excess of \$30,000; TelstraClear provided them to us at no cost.

Throughout 2010 a growing number of other commercial organisations showed willingness to support us many by way of discounts for our members. The Federation website displays the supporters and their discounts. Of significance was the signing of Noel Leemings Ltd. Through their 90 stores nationwide our members can enjoy significant discounts on virtually all items in their stores. In addition they provide a rebate scheme to the Federation which we hope will be a significant revenue stream in time.

Freeview Ltd signed an agreement with the Federation in December 2010. The agreement not only offers discount to SeniorNet members on the purchase of Freeview Television set-top boxes but, with their help, SeniorNet Learning Centres will be promoting and conducting courses to assist our members make the conversion from free to air analogue television service to digital broadcasting.

Late in 2009 an association was forged with the Retirement Commission to assist them with marketing of their website [www.sorted.org.nz](http://www.sorted.org.nz) .In particular helping building awareness programs for the 60 plus campaigns. The relationship continued in 2010 with the Retirement Commissioner making presentations at Regional meetings. The Federation is keen to maintain a marketing relationship with the Commission in 2011.

Through our partnership with GrownUps Ltd, the Federation has been able to promote its operation on their website at no cost. In addition GrownUps provided space for SeniorNet to be promoted at Expos in Auckland and Tauranga – co sharing their stand at no cost to the Federation.

| <b>2010</b>   | 2009   | <b>Communications (email, phone, website)</b>   |
|---------------|--------|---|
| <b>4,017</b>  | 4,316  | Inbound calls on 0800 SENIORNET   |
| <b>19,713</b> | 22,876 | Inbound call minutes on 0800 SENIORNET  |
| <b>7,222</b>  | 6,415  | Emails received   |
| <b>10,319</b> | 9,189  | Emails sent   |
| <b>119</b>    | 81     | Average visits per day on<br>www.seniornet.co.nz  |
| <b>4.62</b>   | 4.45   | Average visit duration on<br><a href="http://www.seniornet.co.nz">www.seniornet.co.nz</a> |
| <b>368</b>    | 293    | Average page views per day  |

| <b>2010</b>      | 2009    | <b>Financial Activity Managed</b>    |
|------------------|---------|--------------------------------------|
| <b>\$568,926</b> | 613,143 | Total Income (68% from TEC funding)  |
| <b>\$543,468</b> | 628,701 | Total Expenses (65% to fund Centres) |
| <b>941</b>       | 596     | Payments processed                   |
| <b>292</b>       | 362     | Invoices dispatched                  |

| <b>2010</b> | 2009 | <b>Out of Office Visit &amp; Presentations</b> |
|-------------|------|--|
| <b>9</b>    | 10   | Regional Meetings                              |
| <b>0</b>    | 10   | Tutor Training Sessions                        |
| <b>59</b>   | 50   | Learning Centre Visits                         |
| <b>15</b>   | 4    | Other Community Groups                         |



| <b>2010</b>      | 2009      | <b>Take-up of Special Offers</b>   |
|------------------|-----------|--|
| <b>971</b>       | 1,056     | Software items purchased (77% MS Home and student 2007)  |
| <b>\$87,250</b>  | \$96,765  | Total saving over retail price of software   |
| <b>0</b>         | 220       | Number of text books purchased   |
| <b>\$0.00</b>    | \$3,300   | Total saving over retail price of book   |
| <b>187</b>       | 115       | Seats booked with NZSO concerts  |
| <b>\$6,731</b>   | \$3,228   | Total savings with NZSO bookings   |
| <b>320</b>       | 1280      | Flash Drives purchased (1,4 & 8 GB)  |
| <b>\$7,695</b>   | \$16,640  | Total savings over typical retail price of Flash Drives  |
| <b>73</b>        | 73        | Learning Centres included with Group Insurance Scheme  |
| <b>\$32,850</b>  | \$19,929  | Total savings for Learning Centre partaking in the Group Insurance Scheme (\$450 per Centre)   |
| <b>\$134,526</b> | \$136,562 | Total Savings achieved by the Federation for participating Learning Centres and their members. |

The figures above do not include the growing number SeniorNet members signed with TelstraClear or the significant savings they achieve.

The Federation is very pleased with its financial return to its member societies and is well positioned for 2011 – the year of Revitalisation.

Chairman ..... Date .....

Executive Officer ..... Date .....