

HITO's Proposed New Constitution — Guiding Principles, Recommendations, and Workshop Feedback

HITO needs a constitution to set out legally who we are and what we do. Our constitution needs to cover HITO's present responsibilities and allow us to develop in the future. The constitution needs to clearly set out the legal basis for our training and skill development roles in the hairdressing, barbering, beauty and related areas.

This paper summarises the guiding principles and recommendations developed by the HITO working group on the new proposed constitution. It also summarises feedback received from workshops with members.

We held workshops throughout New Zealand in October and early November 2011 to consult with members on the guiding principles and on some of the implications of the proposed changes. We asked about:

- Consequential changes for NZARH's constitution
- Fees paid to NZARH, and the current contribution to HITO by members of NZARH
- How we will manage the changes to board membership and elections
- Membership fees for 2012 and beyond.

How this paper is set out

In the first column we outline the guiding principles and related recommendations. Column 2 has summaries of feedback received from the workshops on each of the guiding principles. The third column lists the related clauses in the constitution that give the legal details.

We also attach a **Questions and Answers** document with more information.

Principles	Feedback from workshops	New DRAFT Constitution Clauses
<p>Objects of HITO</p> <p>The objects should be as wide as possible to:</p> <ul style="list-style-type: none"> - Define the scope of the organisation - Allow for future development - Meet tax and government requirements (such as charitable status – in this case education) <p>They should be clear that HITO exists for training and all it entails. They should embrace the current sectors of hairdressing, beauty and barbering and encompass others relating to wellbeing, style, presentation and personal appearance.</p>	<p>The objectives need to:</p> <ul style="list-style-type: none"> - Be clear, concise, and simple - Focus only on training and industry skill development - Allow for the new HITO to embrace other sectors if it chooses to do so without major constitutional implications or review - Be sufficiently different and separate from NZARH objectives, to minimise confusion about roles 	<p>Section 4 – Objects</p>
<p>Membership</p> <p>Membership should be as broad as possible to include everyone with an interest or stake in the objects of HITO. This includes:</p> <ul style="list-style-type: none"> - Business owners and employers - Associations (national, regional and local) - Employees - Trainees - Students - Corporates (including secondary and tertiary education providers, PTEs, business, and suppliers) - other individuals <p>A combination of full membership (with full rights including speaking and voting rights); and associate membership (with limited rights).</p> <p>All members will have obligations, including a code of ethics, and will receive a range of benefits from membership.</p>	<ul style="list-style-type: none"> - Strong support for proposed membership structure - Agreement that employer members (employers in salons and clinics) should be full members and all others associate members, recognising that a membership system based solely on Association membership could not work with the new sectors in the future - Support for an ongoing role for Associations as members and proxies - Support for all members having speaking rights at the Annual General Meeting (agreed by HITO Board and constitutional working group) - Support for meetings other than the AGM that members can also take part in noting the limited role of AGMs (and the items of business transacted there). 	<p>Part II – Membership, Sections:</p> <ol style="list-style-type: none"> 6. Categories of membership 7. Employer members 8. Association members 9. Other members 10. Duration of membership 11. Members Rights and Obligations 13. Register of Members 14. Resignation and Termination of Membership

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<p>Membership Fee</p> <p>All members should pay a membership fee but this should be low and not be a deterrent to membership.</p> <p>Fees should be set on the basis of employer, association, corporate and other individual members paying a flat fee. Students, trainees and employees should pay a low percentage of that full fee (from 10-30%).</p>	<ul style="list-style-type: none"> - Concern that fee should be reasonable and not a barrier to joining (agreed) - Noted that this removes the need for NZARH to make a ‘contribution’ to HITO, but they may wish to still do so - Completely separate from Service Fees for apprentices – membership status is independent from having trainees or not - Those employers with trainees may have their membership fee waived 	<p>12. Membership and Other Fees</p>
<p>Voting rights</p> <p>Voting rights need to be fair and encompass all employers from all parts of the industry. Voting rights must be future-proofed to allow for other sectors joining HITO in the future.</p> <p>The working group recommended individual voting with employers having one vote (in person at the meeting or via postal or electronic vote), to be made as an individual or by proxy through an association, or another employer who is a member.</p> <p>Associations do not have a vote in their own right, but could be a proxy for members, should the member give them their proxy. This respects the role Associations have played and different organisational structures within the sectors.</p> <p>Gives all businesses/employers a vote and choice re how they have use that vote (either individually or via an Association of which they are a member)</p>	<ul style="list-style-type: none"> - Strong support for one employer member, one vote - Strong support for Associations having the ability to be proxy for members - Some PTEs and tertiary training providers felt that they should also have a vote (this was not agreed to by HITO Board and constitutional working group) 	<p>Section 23 – Voting at General Meetings</p>

Principles	Feedback from workshops	New DRAFT Constitution Clauses
<p>Board membership and appointment process</p> <p>The Board will include:</p> <ul style="list-style-type: none"> - An independent chair - 5 members chosen for their skills and attributes (taking into account diversity, experience, governance, industry skills and knowledge and leadership) - An employee representative. <p>A Board Appointment Panel (BAP) will:</p> <ul style="list-style-type: none"> - Assess and appoint the Chair and two other Board members - Assess and recommend three others for election by the AGM. Any applicant seeking election (whether or not recommended by the Panel) can be elected. <p>Anyone can apply to be on the Board or be nominated by others.</p>	<ul style="list-style-type: none"> - Strong support for Board composition and appointment process proposed - Industry skills not a prerequisite for Board appointment, but that AGM election of some members would ensure industry skills represented - Important to ensure the right governance for the organisation - Some suggested all should be appointed by independent panel - No one in favour of all being elected by AGM as this doesn't guarantee the appropriate skill set required 	<p>Section III – Governance, Sections:</p> <p>15. Board Composition and Membership 19. Appointment and Election of Board Members</p> <p>33. Inaugural Board</p>
<p>Board Appointment Panel – Membership and Appointment</p> <p>The appointment panel will include:</p> <ul style="list-style-type: none"> - The current HITO Board Chair or their representative - A representative as appointed by the Institute of Directors or another equivalent organisation with directorship/governance expertise - One other member from the industry approved by the Board but who is not a Board member. <p>The Constitution will outline factors the panel must take into account when appointing and recommending candidates for election.</p>	<ul style="list-style-type: none"> - General support for Board appointment panel composition and appointment process - Wanted to understand transition arrangements (will be included in the draft constitution) and how the other member would be appointed 	<p>18. Board Appointments Panel</p> <p>33.5 Inaugural Board Appointments Panel</p>