

# HITO Board Chair's Report 2016

A very eventful year with change the number one topic. In July we farewelled our long standing CEO Erica Cumming and welcomed our new CEO Kay Nelson in November. The organisation was held in good stead by Rob McMaster during the intervening time.

Change has been happening in the ITO sector with NZQA instituting the requirements for New Zealand Certificates to have a variety of pathways for young New Zealanders to complete their qualifications. Apprenticeships are but one pathway. We have seen the extreme growth of institutional learning compared with apprenticeships over the last few years. This has been paralleled by a decline in apprentice numbers and a decline in the number of employers being prepared to take on apprentices. The HITO Board firmly believe along with many in our industry that apprenticeship training is the best way for our industry, it guarantees a job, means the newly qualified hairdresser, barber or beautician has commercial skills, understand how to handle a full day of work and already has a strong client base. Plus the added benefit of no student loan. Why then the decline in numbers when other ITOs are experiencing growth. The Board and new CEO have looked long and hard at why the "HITO training offer" is not being snapped up as it is a fantastic entry into an amazing, creative, stable set of industries.

Our offer and the way we have been delivering it is no longer an enticing offer, the training material, method of delivery, costing and the way we communicate all need to undergo change if we are to bring back the demand for apprenticeships. HITO has been an internally focused organisation with an organisation design to match. To compete and fulfil its legislated obligations HITO needs to be more externally focused more customer centred and more progressive. These were the drivers for change. The change of CEO allowed the Board to look at how we move forward and we believe that we now have the right drivers in place to allow this change to occur. It's exciting, but the proof will be in the eating and so we need to keep on communicating with our stakeholders to ensure we gain the benefits.

There have been areas of outstanding performance during the year. The award for the Online Vue programme was something the Board was very proud of and thanks all involved. The Awards Evening at the Langham in November was another highlight and very satisfying to see the depth of talent coming through. Congratulations to all our award winners and graduates, a tremendous achievement.

The Board has welcomed its first co-opted Board member Louise Gray who will bring relevant beauty industry skills to the board arena. This is an area of huge potential and for a variety of reasons we have been slow to adopt programmes which the beauty industry will support and take on apprentices. 2017 will see real progress with the beauty industry.

Health and safety is an important focus for all organisations and the culture of being prepared starts at the governance level. To assist this the Board have all undertaken health and safety training through the Institute of Directors as well as undergoing board evaluations to check that we have the right governance profile and work well together as a team.

Change is costly and the Board are aware that to get the changes required will cost. As such we are prepared to run another year of deficit, i.e. spending some of our balance sheet cash asset. The Board is focused on value added spending and will report on these to you during the year.

I must also acknowledge the tremendous work and commitment we have had from our retiring board member Sharon van Gulik. Sharon has assisted HITO over many years, most notable was her contribution to the major Constitutional change which really helped to unleash the organisation. She has been a very loyal and able supporter of HITO, bringing to the board many innovative ideas,

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always focused on what is best for trainees and the industry. Her commitment to the Association and how HITO works hand in hand with the industry is an example of her dedication and loyalty. She has been a fantastic support to me as Deputy Chair, always available for a phone call or email. I'm sure all the board will really miss her once she completes her time on the board.

My grateful thanks go to all HITO staff and fellow Board members. It's been an eventful year and we have all managed to pull in the same direction.

A handwritten signature in black ink, appearing to read 'Flora Gilkison', with a stylized flourish at the end.

**Dr Flora Gilkison**

HITO Independent Board Chair