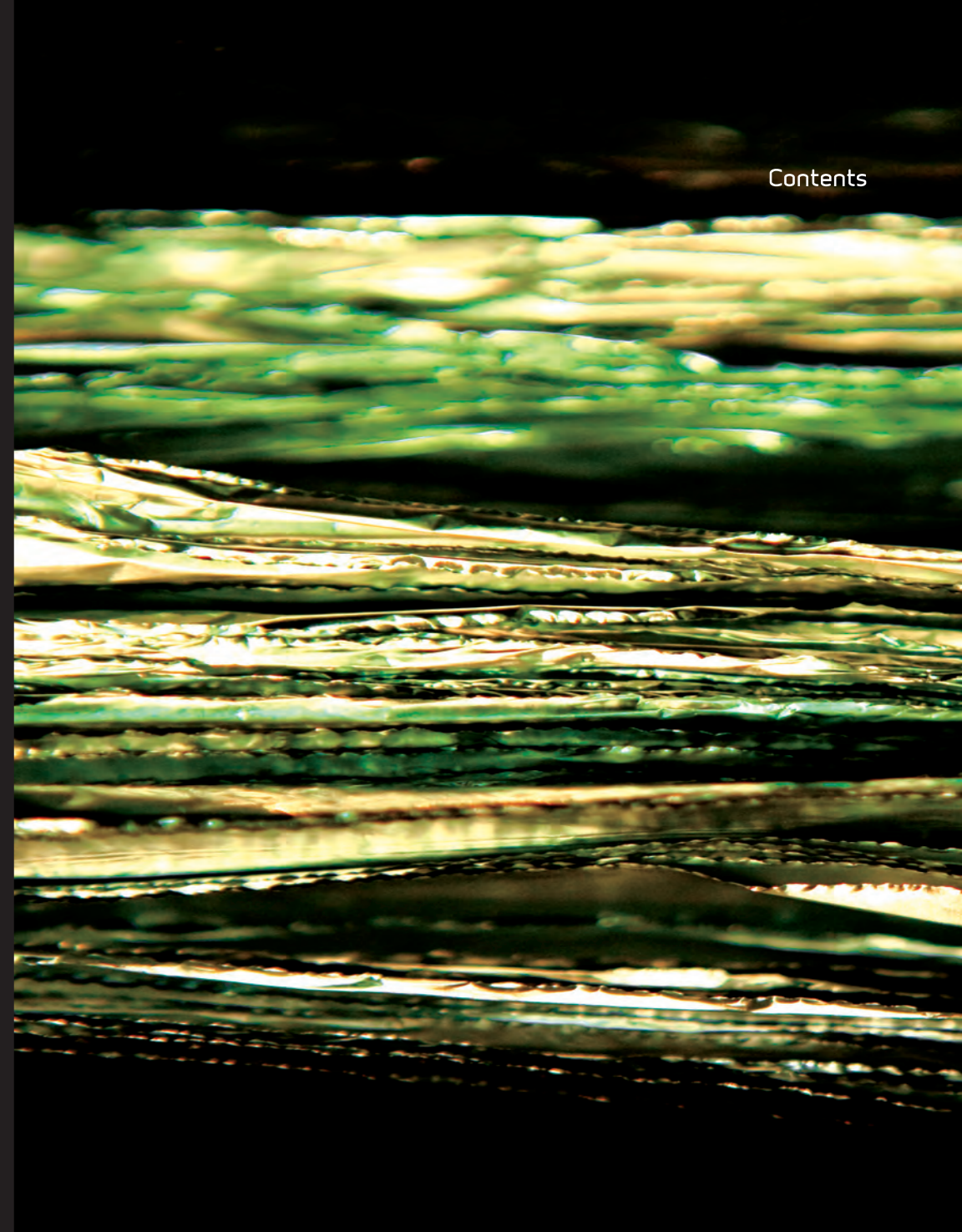


2009 annual report



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p.2	p.4	p.8	p.10	p.12	p.14	p.17
Chairperson's Report	Chief Executive Officer's Report	National Quality Assurance Manager's Report	HITO Qualification Advisory Committies's Report	Graduates 2009	Apprentice Statistics	2009 Financial Statements

Contents



NEW ZEALAND HAIRDRESSING TRAINING INDUSTRY ORGANISATION INC.



mission

to establish and
maintain the
achievement
of high quality
and relevant barbering,
beauty and
hairdressing
qualifications
as an essential
investment for the
industry and its clients.



purpose

nz hairdressing industry training organisation inc.
exists to provide leadership
within the barbering, beauty and hairdressing
industries so that
trainees and employers experience
the benefits of an
excellent professional standard
of qualifications and ensuring that training
is meeting the needs of
employees, employers, industry
and the tertiary education commission.

CHAIRPERSON'S REPORT

Roy Griffiths | HITO Chairperson



BEAUTY

This year HITO increased its scope to include Beauty, which has signalled to government that we wish to grow and reflect the direction that our industry stakeholders are following. Historically, we have strengthened the New Zealand qualifications and these are now highly respected within the Hairdressing and Barbering communities and now are focused on higher level qualifications to develop the career paths that are available.

The Beauty industry of New Zealand deserves highly respected national qualifications that are an accurate and true measure of the skills that this industry requires to continue to develop and grow. We are excited by the Beauty industry's eagerness to work closely with HITO and to take a major role in the development of these qualifications.

The Board realises that HITO's constitution must reflect the inclusion of the Beauty industry as members and must also have representation at Board level. This reflects the Tertiary Education Commission (TEC) expectations and will facilitate the organisations representation of stakeholder's influence in moving the organisation to further these goals in the new decade.



The HITO Board has been working long and hard on molding a new constitution to ensure that all stakeholders across the barbering, beauty and hairdressing industries have equal representative roles within the organisation and that the constitution has improved clarity and transparency to all members.

HITO will continue to work with the NZARH and other industry representatives to ensure that we continue to meet their needs.

INTERNATIONAL RECOGNITION

Not only are HITO developing the industry representation locally, with the inclusion of Beauty, the Board continues to support HITO's international involvement. Through the International Professional Standards Network (ipSN), HITO aims to gain international qualification benchmarking and recognition in 2010.

CLOSER RELATIONSHIP TO STAKEHOLDERS

This year the Board continued to liaise with industry stakeholders (hairdressing) and plans to broaden and develop these relationships (beauty and barbering) with more communication to ensure accurate representation of the industries' wants and needs. This will ensure that HITO Board is leading the organisation in the future direction of these industries.

ANNE MILLAR

(HEADQUARTERS, REMUERA)

LYNDSAY
LOVERIDGE

(HEADQUARTERS HAIR BY DESIGN)

hito ambassadors

**“Invest in
apprentice training
as they are the
lifeblood
of hairdressing.”**



ANNUAL AWARDS

In the role of providing industry leadership, HITO held the second Annual Awards celebrating industry successes and bringing the training side of our industry together.

Industry supported this event and the Board supports this as an annual date on the HITO calendar. We will liaise with beauty for consideration of their inclusion.

BOARD FOCUS

The focus for the Board continues to be the five major strategic goals:


1. To provide quality training and learning opportunities in the workplace.
2. To ensure the continual development of the range of national qualifications.
3. To promote barbering, beauty and hairdressing as professional industries with a range of valued career pathways.
4. To provide leadership to industry by working in partnership to meet industry training needs.
5. To build HITO organisational capacity and sustainability.

The Board will continue to monitor government legislation, listen and liaise with industry, strategically direct industry

training and influence wherever we can to reflect industry wants and needs.

With the new Tertiary Educational Strategy, the Board will continue to align the organisation's strategic direction with government requirements.

On behalf of the Board, I would like to take this opportunity to thank the excellent work of our CEO, the management team and rest of the HITO operational team on their commitment and continued support.



"excited by the Beauty industry's eagerness to work closely with HITO and to take a major role in the development of these qualifications"

CHIEF EXECUTIVE OFFICER'S REPORT

Erica Cumming | Chief Executive Officer



2009 has been a challenging year with the recession and many employers being more cautious about employing additional staff. This however has not been a nationwide trend with some regions remaining engaged with apprenticeship training which will ensure that they have the trained staff after the effects of the recession calm down.



For HITO a lot of focus has been placed on raising the profile of HITO, valued apprenticeship training and ensuring that the qualifications are current and relevant. HITO's key roles are to:

- Develop standards and qualifications for the industries that we cover
- Make arrangements for training and assessment (this is covered through the management of the apprenticeship programme), and
- Provide a skills leadership role for the industry identifying current and future skill needs.

With the inclusion of beauty into HITO the year has been one of information gathering while NZQA transferred over the five existing beauty related qualifications and associated documents.



We finished the year with a lower number of trainees and people completing than had hoped. However 2009 showed some success

with 232 people completing their National Certificate in Hairdressing Practice and eight completing their National Certificate in Barbering. This reinforces the research that indicates that trainees do see huge value in completing their qualification. The challenge remains how we encourage completions, recognise and value these people in their efforts in order to raise the professionalism of the Barbering and Hairdressing industries.

I have excluded Beauty at this stage as HITO is only beginning to determine what the industry needs in terms of qualifications and training. Sadly the industry is rather fragmented in terms of the use of differing qualifications, therefore there is much work to be done to ensure that the National qualifications are recognised as being valuable.

The international work has finally proved successful with the International Professional Standards Network (ipsn) now determining the components of awarding an international certificate. This represents many years of negotiation and recognition of the National Certificate in Hairdressing Practice. There have also been discussions with the European Union (EU) and it is likely that the work with the ipsn will extend the recognition opportunities into the EU. Work is now commencing to benchmark and recognise the respective beauty qualifications.

RIA WIKIO

hito apprentice of the year
overall winner - 2009

“The key is to
see yourself as a
hairdresser
from day one,
and see your apprenticeship
as an opportunity
to learn
everyday.”



Over the years, HITO has undertaken numerous pieces of research to help inform HITO of the direction that we should be taking and the necessary developments to consider. This research has been influential in the branding of the Qualification by Experience opportunity, the review of HITOs brand and consideration for the service that we provide. This year HITO commissioned research to review the current apprenticeship programme. The outcome of this identified that on the whole the programme is working well but that we need to continue to review this. It was heartening to hear that since the previous research HITO is seen as being more professional and that there has been positive progress with a number of different programmes. We remain challenged by the role that HITO should play regarding the relationship between the employer and the apprentice as HITOs role is to oversee the training aspect however invariably employment related issues can influence how well things are going.

As a way to support employers, HITO again ran a series of successful Employer Professional Development sessions. These were initially focused on training however a large number of employers wanted to gain more information about Employment Relations related matters.



“the challenge remains how we encourage completions, recognise and value these people in their efforts in order to raise the professionalism of the Barbering and Hairdressing industries.”

CHIEF EXECUTIVE OFFICER'S REPORT

Erica Cumming | Chief Executive Officer

This clearly indicates to HITO that employers are hungry for more information and that the industry needs to continue to learn to ensure that staff can be well trained in a safe working environment. This year we were fortunate to have the Department of Labour support HITO by providing resource materials and Lesley Scher from The Insurance Brokers sharing her knowledge during those sessions as well.

During the year HITO continued our support of the WorldSkills concept where a number of training sessions were held around the country to train some trainers. The focus of this was to ensure that there would be people able to support apprentices or those eligible to enter WorldSkills for the regional competitions in 2010. The goal is for New Zealand hairdressing to have a competitor at the WorldSkills in London in 2011. This is a great opportunity for skills training to be recognised on the competition floor. A special thanks for Niq James for taking a key role in this activity.

Following a successful awards event in 2008, HITO held what will now be Annual HITO Awards at the end of 2009. It was again heartening to have a fantastic lineup of finalists and very worthy recipients of the awards. This year saw two new awards



for the Training Salon of the Year and the Tutor of the Year. I am very confident that the industry is in good heart and hands with the wealth of enthusiasm being evident in these people.

It is vital to recognise that HITO's success comes from the commitment of many people in the industry who support HITO by contributing in advisory capacities, offering practical assistance and engaging with the programmes that we offer. Thanks for your support.

Work at a governance level has been more intensive this year and I thank the Board for their continued direction and belief in HITO. A special thanks to all of the HITO staff as the work undertaken by HITO is a team effort and everyone contributes wholeheartedly.

We have had some staff leave over 2009 as they have moved to further their careers and we have been fortunate to attract a new group of professionals to the HITO bringing fresh ideas. The longer standing

members of HITO continue to offer a depth of knowledge that makes HITO effective.

2010 will be one of diversity for HITO, offering a wider range of qualifications. We will look at how to best work with employers to determine what education and training will assist to grow the skills of their staff. This will naturally need to help build their business. The scope of the programmes and qualifications that HITO now have to offer range from foundation skills for secondary school students to management qualifications.

Additionally HITO has combined with five other Service Industry Training Organisations to develop and offer the KiaOraMai programme to help raise the level of customer service for the client in the service industries.

We will also continue to undertake necessary research to ascertain what the industries need in terms of skills training, qualifications and what changes are likely to affect the educator sector.

A close-up, low-angle shot of a hair curler. The metal barrel is on the right, and the heating coils are on the left. The lighting is warm and dramatic, with many bright, out-of-focus light spots (bokeh) scattered across the scene. A semi-transparent red rectangular box is positioned in the upper left quadrant, containing white text.

“it is vital to recognise that HITO’s success comes from the commitment of many people in the industry”

Jason Hare | National Quality Assurance Manager



2009 has seen many developments in the Quality Assurance area to meet the needs of a changing HITO. The moderation team this year included Kerry McBride as Assessment and Moderation Assistant and Margaret Gardiner as Assessment Support (including Gateway).

Firstly, the hairdressing qualifications revision and update was completed and registered with NZQA.

The National Certificate in Hairdressing (Salon Support) was increased to level 3, more clearly identifying the depth of skills required. This qualification is designed to represent a range of skills required by a salon assistant. This qualification can be gained while an apprentice is working towards the level 4 qualification or signed into a shorter apprenticeship to specifically complete this level 3 qualification.

The National Certificate in Hairdressing (Professional Stylist) has had a name

change from Hairdressing (Practice). The new name more clearly identifies this as the qualification required to work as a senior stylist, trainer and educator. The new qualification includes more industry specific service standards and a realignment of the levels of the units.

The National Certificate in Barbering was updated to reaffirm the true barbering skill-sets required in a commercial barbering shop. In addition to this, the Qualification Advisory Committee (QAC) will be developing a qualification in men's styling that meets modern barbering requirements including some chemical work in 2010.

The National Certificate in Hairdressing (Management) was also reviewed with no changes at this stage as the QAC are working on the new higher level qualifications as discussed at a previous AGM. The first of these, the National Certificate in Advanced Cutting, was completed and others are in development, including advanced colouring and competition work.

The end of 2008 confirmed that HITO would be the standard setting body of Beauty Therapy Standards for New Zealand. We intended that the moderation of these standards would

commence at the beginning of 2009, however the transition of the final documentation such as the updating of the Accreditation and Moderation Action Plan (AMAP) took longer than anticipated with NZQA. HITO was able to implement a small amount of moderation near the end of the year. Looking forward, HITO plans to implement a moderation system that better quality assures the standards including some site moderation for those engaged with assessment against the national qualifications in Beauty.

HITO has arranged a Beauty Industry Advisor group to start the revision of the current five national qualifications. This includes representatives from the HITO Board and industry as well as private and polytechnic training organisations. Review of these qualifications will continue through 2010.

I was able to attend a conference of International Cosmetology Training and Social Dialogue held at the end of last year. This helped confirm some of the trends seen in HITO surveying as truly international and also assisted in getting a broader understanding of some of the issues facing cosmetology and beauty therapy worldwide. This information will be valuable when revising the qualifications and ensure that these will be long lasting.

GABRIELLE BUNDY-COOKE

(SPECTRA)

hito training salon
of the year – 2009

**“Without training,
I don’t have a business.
That is the bottom line.”**

**“I love what I do.
I expect excellence.
With the right support & training,
excellence will happen.”**





“embedding literacy has become a focus of the education within the Hairdressing industry”

Literacy projects that have been running throughout 2008 and 2009 ensured embedding literacy has become a focus of the education within the Hairdressing industry. We are now working on ensuring salon trainers have this same information to enable them to better tailor their training to make the best use of their limited training time and apprentice's skills. At present, we are looking at developing a tool that the salon can use to help identify areas where literacy may be causing frustration and/or loss of income. More information about this will be available later in 2010.

Provider moderation continues to be a major focus for the Quality Assurance team. Providers who have retained staff over a long period generally maintain the standard of assessment, however there remains concern where providers are constantly changing staff. These providers and their assessors often lack knowledge about the standards, assessment practices and jeopardise the quality of the hairdressing qualifications.

A small group of providers continue to urge to assess the final standards 2759 and 2757 within a full time programme so that they can offer the full hairdressing qualification to students.

This year, industry assessors attended a workshop as part of the annual assessors training. The day included two workshops, the first an introduction to embedded literacy facilitated by Ginnie Denny and secondly, how to conduct a guidelines meeting facilitated by Lyndsay Loveridge. Both workshops provided a lot of valuable information. They have assisted the assessors in their delivery of information for candidates attempting the two final assessments.

Last year, the NZQA audit identified that the registration process for industry assessors may benefit from a review. Industry Moderators discussed this during 2009 and HITO will implement changes as required in 2010.

The International Professional Standards Network (ipn) progressed this year with

the completion of the mapping of four countries. One of the major benefits for HITO this year is the inclusion of discussions regarding challenges and developments facing the hairdressing industry in each country. This has generated valuable information for the qualifications review and allowed HITO to better meet the possible changes within the salon.

The requirements for the ipn certification for hairdressing have now been finalised. Applicants will need:

- The National Qualification of the country of origin
- At least 12 months commercial experience either immediately prior to and/or following becoming qualified.

We expect to be able to start issuing the certificate in 2010.

The Quality Assurance team look forward to another exciting and challenging year ahead as HITO continues to grow and support the industries it represents.

HITO QUALIFICATIONS ADVISORY COMMITTEE REPORT

Andrea Bullock | Chairperson | Qualifications Advisory Committee



The Qualifications Advisory Committee (QAC) can feel proud of the achievements they have accomplished over a very productive year.

UNIT STANDARDS AND QUALIFICATIONS REVIEW

We gratefully acknowledge the support and feedback that we continue to receive from all sectors of our industry. We are confident that what we have developed reflects the ongoing focus and needs of industry.

Gateway units still fit the foundation needs for secondary schools and leading students into our industry.

We have given a new name to our National Certificate; it is now the National Certificate in Hairdressing (Professional Stylist) which suits our industry. We are very pleased with our new hairdressing specific salon skills units that better reflect the actual workings of a professional operating salon. It is worth noting that our new unit on sustainability has come in for considerable praise recognising that we have been proactive and leading other industries in this area.

The National Certificate in Hairdressing (Salon Support) is now at level three. There is potential for first year apprentices to undertake this Salon Support training

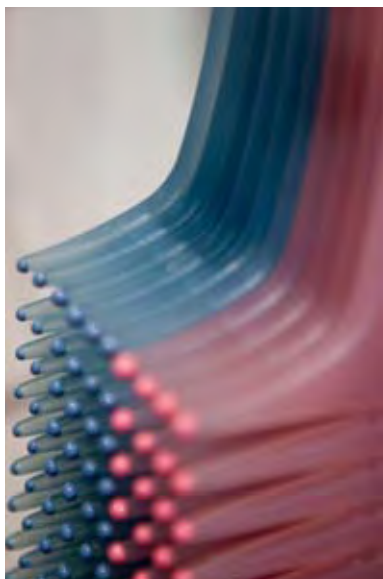
and it gives the apprentices a chance to gain a smaller qualification and then move onto further training. A new training agreement has been developed to accommodate those who work in smaller salons and may not have the opportunity to train to the National Certificate (Level 4).

The National Certificate in Barbering is now registered and we have been promoting Qualifications by Experience (QbyE) to capture all those who are working in this sector who do not formally hold any qualifications that reflect their industry experience.

The National Certificate in Hairdressing (Management) has been rolled over and this will be one of our main focuses for 2010.

The two Limited Credit Programmes; Train the Trainer and Advanced Hairdressing Skills continue to grow and we have successful completions on both programmes.

We have also developed units for a new certificate in Advanced Cutting. This has been submitted to NZQA awaiting unit sign off and qualification registration. These units cover research, portfolio and platform work and we are confident that this will be well received. In 2010 we will be looking at creating a similar National Certificate in Advanced Colour work.



LOUISE WEBB

jasmine mcbeth memorial
scholarship recipient - 2009

"Apprentices are in the salon
so you're seeing and
experiencing new things
all the time.
You're always learning."

"If you are already in an apprenticeship
you have your foot,
in the door
and get a head start
over people who
are just learning in the classroom."



We will be working on another initiative in response to the Government looking at options to keep students at secondary schools but still provide trade based unit standards and opportunities.

With STAR and Gateway courses already in place, intermittent units would be required in areas such as communication, personal presentation and beauty. These could be a good option for us to proceed with.

At NZQA workshops our new Accreditation and Moderation Action Plan (AMAP) has been held up as a Best Practice document which recognises our diligence in quality matters. The AMAP has been reviewed and continues to identify the requirements for anyone delivering and assessing hairdressing and barbering standards.

A lot of effort has gone into updating our Employers Training Manual and Training Record Book to reflect the changes to the units and our qualifications. Transition arrangements are in place for all apprentices who are currently working under a different version of the qualification to ensure that they can complete their National Certificate successfully.

A clear directive has been sent to all providers of Off Job Training detailing which

units that will be delivered and assessed over the three years of training.

I was pleased to be invited to take part in the industry Future Directions meeting this year and I strongly believe that this networking will strengthen our qualifications and industry. It is vital that collaborative discussion on future development takes place; this will ensure that HITO provides New Zealand with relevant qualifications.

Our key focus remains on increasing the number of qualified hairdressers and providing them with transportable skills that will be recognised globally.

I would like to personally thank everyone for providing feedback. The QAC represents every one of you and the support of HITO is very much appreciated.

“key focus remains on increasing the number of qualified hairdressers and providing them with transportable skills that will be recognised globally”



GRADUATES IN 2009 - HAIRDRESSING

The following people have achieved the final assessment unit standard 2757 in 2009

Aaron Nott	Bianca Beauchamp	Elizabeth Dugdale	Janine Jansen	Kerryann McIlwraith
Abbey Pryde	Brooke Sturgeon	Ellen Johnstone	Jaylene Pita	Kerryn Wilson
Abby Way	Bryony Cole	Emily Schipper	Jemma Wilson	Kimberley Dawson
Aimee Hampton	Canaa Woodhouse	Emma Feather	Jenna Parlane	Kimberley Hall
Aimee Ryan	Carlee Hewlett	Emma Gyenge	Jennifer Kim	Kimberley Marsh
Aleisha Hamlin	Carlene Armstrong	Emma Kennedy	Jenny Rosacker	Kiri Williams
Álexa Wiersma	Caroline Kingi	Erin Cowan	Jeremy Scarle	Kirsten Orono
Alexandra Williams	Cassie-Lee King	Erin Taylor	Jessica Barrow	Kristin Mackey
Alice Butcher	Chantelle Kitt	Fiona Liley	Jessica Rawlinson	Kristin Scott
Alicia Hampton	Charlene Van Vurren	Gabrielle Docherty	Jessica Rogan	Kylie Ballantine
Alicia Townsend	Charlotte Walker	Gemma Van Echten	Jessie Sowman	Kylie Mills
Alissa Graydon	Chelsea Mascelle	Georgia Carr	Joanna Russell	Kylie Tittleton
Alyssa Stieller	Cherkera Rongonui	Haley Duffy	Joanne Todd	Kylie Waller
Amanda Ellis	Chevy Wawatai-Creach	Haley Meechan	Johanna Esztl	Laura Girling
Amanda Walker	Chloe Couper	Haley Scandrett	Jolene Hanna	Laura Wilson
Amanda Williams	Corrina Whitaker	Hannah Langston	Jordon Watene	Laurelle Foster
Amba Payne	Courtney Maling	Hayley Kelly	Kate Hurrell	Leonie Grennan
Amelia Rush	Daneka Stowe	Hayley Melis	Kate Lindsay	Lien Lai
Amie Tullett	Danielle Excell	Hilary Burt	Kate McPherson	Lisa Armstrong
Amiee Paget	Danielle McGough	Hoang Anh Thomas	Kate Nicholson	Lisa Watt
Andrea Thomson	Danielle Olliver	Holly Crofskey	Kate O'Hagan	Louise Webb
Angela Mitchell	Danielle Orme	Holly Gleeson	Kathryn Tozer	Lucy Barlett
Angelica Verlaan	Danielle Servantie	Holly Pointon	Katie Heibner	Lynda Ballisat
Ani Seath	Darnelle Buckland	Huong Nguyen	Katrina Wills	Lynelle Thomas
Anna Thomson	David Hollick	Ivan Shew	Kauri Marsden	Maree Scott
Ardita Rakovica	David Peni	Jacinda Bassett	Kaye McMillan	Marsha Uogleva
Ashlei Stadlander	Debbie Pearce	Jade Ogle	Kayla Davidson	Maurice Bell
Ashleigh Jones	Dicky Oberoi	Jaime Thompson	Kelly Russ	Meagan Hunter
Ashleigh Jury	Donna-Marie Tuckerman	Jaimee Mott	Kelsey Lane	Mei Li
Ashley Waddick	Dorien Van Den Berg	James Ross	Kelsey Lyons	Melanie Smith
Awhina Tuhi	Duana Williams	Jamie De Garnham	Kerrie Berg	Melissa Harvey

Melissa Reinke
Melissa-Jade Middleton
Mellony Hughes
Mia Langen
Mindy King
Molly Manson-Smith
Monique McKenzie
Natalie Bowman
Natasha King
Nicki Strampel
Nicola Richards
Nicole Pawsey
Nicole Tarasiewicz
Olivia Sinnott
Paula Taylor
Penelope Smith

Penny Reid
Petrice Smith
Phillipa Fraser
Phillipa Robinson
Phoebe Hall
Poppy Barua
Rachel Crosbie
Rachel Doe
Rachel Huitson
Rebecca Fisher
Rebecca Mudgway
Regan Andrews
Renee Berlips
Robyn Dunbar
Robyn Hyde
Samantha Handcock

Samantha McCaskie
Samarah Dobbie
Sarah Boyer
Sarah Dawson
Sarah Harris
Sarah Montile
Sarah Pouls
Sarah Thomson
Sarah-Anne McInley
Satwinder Kaur
Selina Max
Shannon Cardie
Shantelle Williams
Sharne Wright
Sierra Dolamore
Simone Johnson

Sophie Parsons
Stacey Jordan
Stacey McTaggart
Stacey Tarrant
Stacey-Lee Clark
Stevie McCormack
Suzanne McCallum
Suzanne McKay
Tabitha Geary
Tamarra Hodgkinson
Tara-Lee Mitchell
Teena Bell
Teresa Tucker
Tina Cross
Tina Fraser
Toni-Lee McGlone

Tracey Hartigan
Trudy Kydd
Vernon Stuart
Victoria Laing
Victoria Palenski
Xuan Zhang
Yinzi Li
Yvonne Jonker
Zihe Chen
Zoe McCormick

GRADUATES IN 2009 - BARBERING

The following people have achieved the final in Salon Barbering Assessment in 2009

Jayne Hill
Jessica Robinson
Jo Rosvall

Merran Kopua-Duff
Paul Dudfield

Stacey Parkes
William Hunapo

There were others who completed their finals who have chosen not to be identified in this report.

APPRENTICE STATISTICS

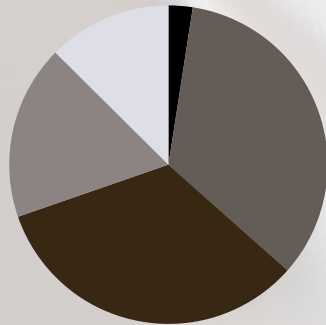
NATIONAL CERTIFICATES ISSUED

YEAR	HAIRDRESSING	SALON SUPPORT	BARBERING	MANAGEMENT
2007	304	104	4	1
2008	356	156	9	3
2009	232	57	8	2

These figures are based on graduates who have been issued a copy of their National Certificate in the period January to December 2007, 2008 and 2009.

NOTE: This is not in any way reflective of the number of people who completed a national qualification but rather those who chose to have their certificate issued.

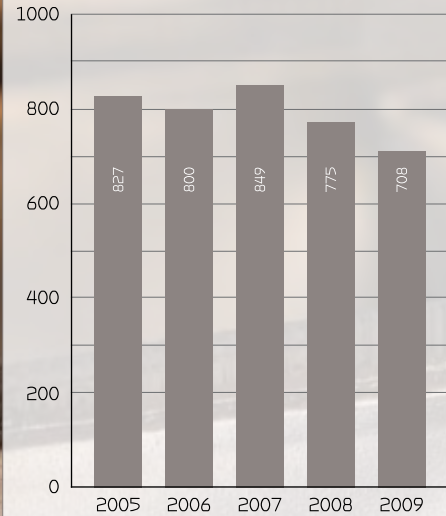
CREDITS ACHIEVED 2009



■	Level 1	2%
■	Level 2	33%
■	Level 3	33%
■	Level 4	18%
■	Level 5	14%

LEVEL	NO. OF CREDITS
Level 1	1,622
Level 2	22,680
Level 3	22,191
Level 4	11,969
Level 5	9,525

NEW APPRENTICES

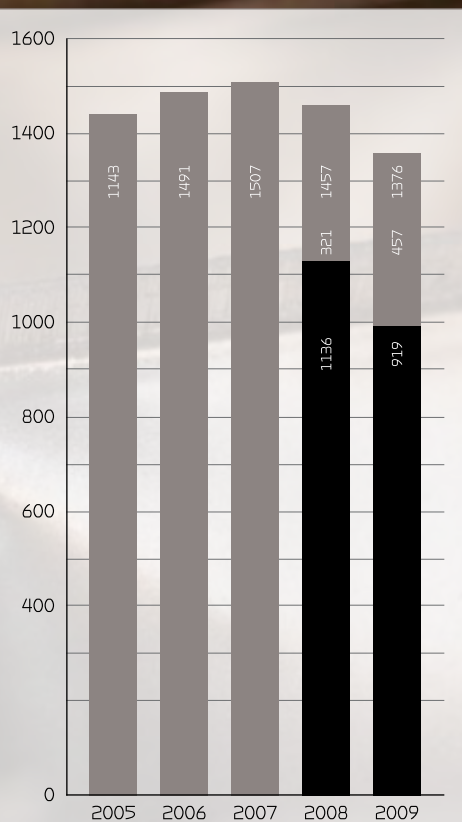


National figures based on the number of new Apprentices in a calendar year (including Modern Apprentices).

YEAR COMPARISON

CREDITS ACHIEVED	2008	2009
Level 1	2,778	1,622
Level 2	38,148	22,680
Level 3	36,109	22,191
Level 4	18,152	11,969
Level 5	9,580	9,525

CONTINUING APPRENTICES



The 2008 and 2009 bars are in different colours for the split between Contemporary and Modern apprentices.

- 2008 Contemporary Apprentices (1136)
- 2008 Modern Apprentices (321)
- 2009 Contemporary Apprentices (919)
- 2009 Modern Apprentices (457)

APPRENTICE ETHNICITY

ETHNICITY	2006	2007	2008	2009
European/Pakeha	77%	77%	78%	79%
Maori	14%	15%	14%	14%
Pacific Island	2%	3%	2%	2%
Asian	3%	2%	2%	2%
Other	2%	2%	2%	2%
Not Known/Stated	2%	1%	2%	1%

GATEWAY PROGRAMME

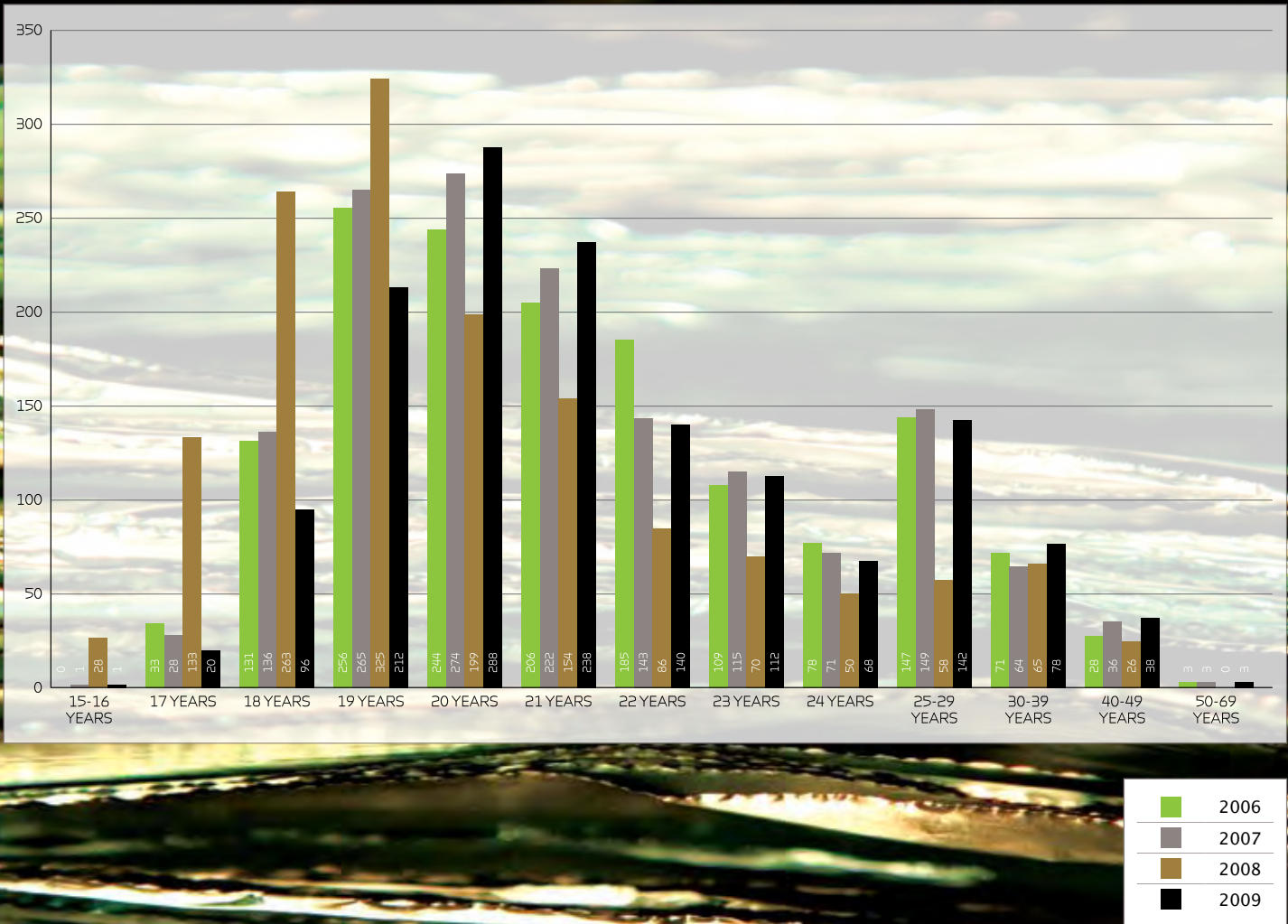
GATEWAY PROGRAMME	2007	2008	2009
Participating Schools	78	103	112
Participating Students	116	169	225
Students completing entire programme	13	21	22
Students achieving Unit Standards	77	123	121

Gateway programme has continued to increase in both numbers of participating school and students.

GENDER COMPARISON

YEAR	FEMALES	MALES
2006	94%	6%
2007	96%	4%
2008	95%	5%
2009	94%	6%

AGE OF APPRENTICES

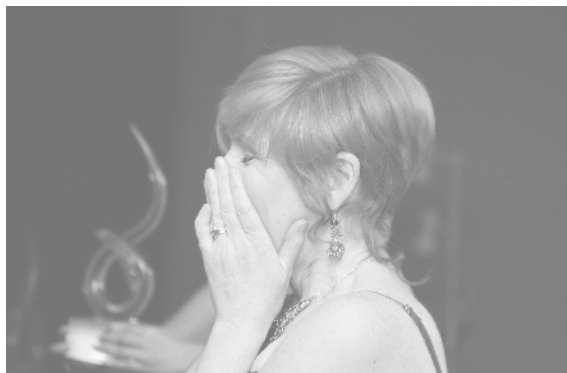


WANDA MECHI

(WELTEC)

hito tutor of the year - 2009

**“I’m supported
by a fantastic team
and couldn’t have done it
without them.
The saying that
the whole
is greater than the sum
of its parts is true.”**





financials

new zealand hairdressing
industry training organisation inc.

financial statements

NEW ZEALAND HAIRDRESSING INDUSTRY TRAINING ORGANISATION INC

NEW ZEALAND HAIRDRESSING INDUSTRY TRAINING ORGANISATION INC

**FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDING 31 DECEMBER 2009**

NEW ZEALAND HAIRDRESSING INDUSTRY TRAINING ORGANISATION INC

NZ HAIRDRESSING INDUSTRY TRAINING ORGANISATION INC

CONTENTS

**FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 DECEMBER 2009**

	PAGES
AUDITORS' REPORT	1
STATEMENT OF FINANCIAL PERFORMANCE	2
STATEMENTS OF MOVEMENTS IN EQUITY	5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF CASHFLOWS	7
NOTES TO THE FINANCIAL STATEMENTS	9





**AUDIT REPORT
TO THE MEMBERS OF
NEW ZEALAND HAIRDRESSING INDUSTRY TRAINING ORGANISATION INC**

We have audited the financial statements on pages 2 to 12. The financial statements provide information about the past financial performance of New Zealand Hairdressing Industry Training Organisation Inc and its financial position as at 31 December 2009. This information is stated in accordance with the accounting policies set out on page 9 of the financial statements.

This report is made solely to the members of New Zealand Hairdressing Industry Training Organisation Inc, as a body, in accordance with the requirements of New Zealand Hairdressing Industry Training Organisation Inc's constitution. Our audit has been undertaken so that we might state to the New Zealand Hairdressing Industry Training Organisation Inc's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the New Zealand Hairdressing Industry Training Organisation Inc and the New Zealand Hairdressing Industry Training Organisation Inc's members as a body, for our audit work, for this report, or for the opinion we have formed.

Boards Responsibilities

The Boards is responsible for the preparation of the financial statements which fairly reflect the financial position of the organisation as at 31 December 2009 and the results of its operations for the year ended 31 December 2009.

Auditor's Responsibilities

It is our responsibility to express to you an independent opinion on the financial statements presented by the Board.

Basis of Opinion

An audit includes examining on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Board in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the organisations circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

In addition to audit services, our firm provides other services in the areas of taxation advice. We have no other relationship with or interests in the organisation. These matters have not impaired our independence as auditors of the organisation.

Unqualified Opinion

In our opinion the financial statements on pages 2 to 12 fairly reflect the financial position of New Zealand Hairdressing Industry Training Organisation Inc as at 31 December 2009 and the results of its operations for the 31 December 2009 ended on that date.

Our audit was completed on 17 of February 2010 and our unqualified opinion is expressed as at that date.


 BDO WELLINGTON
 WELLINGTON

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009

	Note	2009	2008
REVENUE			
Regional Apprentice Fees		152,888	163,385
HITO Annual Employer Fees		86,620	83,988
NZARH - Association Levy		68,127	61,303
Regional Hook On		111	1,178
Barbering Fees - 10650		2,848	1,653
Appeal on Assessment		791	427
Assessment Fees		104,786	122,219
Workshops - Assessor Training		742	3,316
Workshops for Employers		4,339	0
National Certificate Income		5,761	7,942
Accreditation Recovery		0	97
Credit Fees		22,484	24,834
Moderation Recovery		114,211	69,624
Moderation Education Commission Funding-Literacy Pilot		100,000	71,111
Tertiary Education Commission Funding		4,011,093	3,401,455
	(2)	<u>4,674,800</u>	<u>4,012,532</u>
		42,239	48,527
		(20,424)	(23,042)
		<u>21,815</u>	<u>25,485</u>
PUBLICATION SALES			
Publication Sales		38,320	39,965
Less Cost of Sales		(19,370)	(15,564)
		<u>18,950</u>	<u>24,401</u>
GATEWAY INCOME			
Gateway Income		248,564	382,401
Less Gateway Expenses		0	253
		2,291	3,257
		5,514	8,689
		<u>203,953</u>	<u>0</u>
		460,321	394,600
		<u>5,175,885</u>	<u>4,457,018</u>
OTHER INCOME			
Interest - National & Regional Offices			
Level 5 Income			
Limited Credit Programme			
Sundry Income			
Previous Year Tax Refund			
TOTAL REVENUE			

These Statements are to read in conjunction with the notes on pages 9 to 12
(2)



FINANCIAL STATEMENTS

NEW ZEALAND HAIRDRESSING INDUSTRY TRAINING ORGANISATION INC.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009

EXPENDITURE	Note	2009	2008
Seminar Expenses		37,078	20,559
Advertising/Marketing Material		264,183	234,091
Surveys/Reviews/Projects		173,405	57,784
Regional Hook On Payments		89	733
Assessment Expenses 2759/2757		75,793	94,934
Barbering Fees	(10)	1,782	1,089
Off Job Training Paid		1,139,610	1,124,213
Board & Travel Subsidy		17,884	17,263
National Certificate Costs		5,635	4,263
Accreditation/Credit Fees		21,547	19,009
Moderation Expenses		29,660	20,196
Literacy Pilot		81,009	26,705
Industry Development		77,209	179,443
Qualification Adv Committee		8,368	7,505
Workshops		27,181	26,044
Management - Level 5		370	786
Limited Credit Programme		2,482	3,250
		<u>1,963,285</u>	<u>1,837,867</u>

These statements are to be read in conjunction with the notes on pages 9 to 12
(3 - 4)



NEW ZEALAND HAIRDRESSING INDUSTRY TRAINING ORGANISATION INC.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2009

GENERAL OVERHEADS	Note	2009	2008
ACC Earner/Employer Premiums		4,976	3,051
Accommodation		11,315	10,709
Accounting & Legal Expenses		4,876	7,123
Advertising Yellow Pages		17,232	13,493
Audit Fees		13,280	7,547
Depreciation	(5)	47,632	20,961
Loss on Disposal of Assets		1,431	1,605
Fringe Benefit Tax		0	13
General Expenses	(3)	182,192	117,620
Insurance		10,753	8,945
National Committee Meetings		58,127	39,876
Printing & Stationery		20,987	20,833
Office Rent		50,919	48,917
Lease Expenses		8,105	7,507
Salaries & Wages		1,042,795	906,595
Staff Recruitment		22,240	11,950
Staff Training		45,912	31,574
Telephone & Tolls		38,573	47,222
Vehicle Leases		54,717	44,928
Vehicle Running Expenses		37,875	33,640
TOTAL EXPENDITURE		<u>1,673,936</u>	<u>1,384,109</u>
OPERATING SURPLUS BEFORE TAX		3,637,221	3,221,976
Provision for Taxation		1,538,664	1,235,042
NET OPERATING SURPLUS AFTER TAX		0	(54,001)
		<u>1,538,664</u>	<u>1,181,046</u>

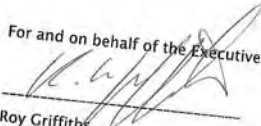
These statements are to be read in conjunction with the notes on pages 9 to 12
(3 - 4)




STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

EQUITY	Note	2009	2008
Equity		<u>6,784,741</u>	<u>5,246,076</u>
CURRENT ASSETS			
Accounts Receivable		484,425	193,698
Stock on Hand		25,124	6,484
Prepayments		11,649	6,312
Bank Accounts - Current		56,729	38,792
Bank Accounts - Call Deposits		1,520,152	1,063,901
Income Tax Refund Due	(4)	0	23,850
		<u>2,098,079</u>	<u>1,333,037</u>
NON CURRENT ASSETS			
Fixed Assets		209,011	42,920
Term Deposits	(5)	6,401,023	5,126,768
	(6)	<u>6,610,034</u>	<u>5,169,688</u>
TOTAL ASSETS		<u>8,708,114</u>	<u>6,502,725</u>
CURRENT LIABILITIES			
Apprentice Fee received in Advance		98,747	119,934
Accounts Payable		1,782,872	1,089,315
GST Payable		41,754	47,400
		<u>1,923,373</u>	<u>1,256,649</u>
TOTAL LIABILITIES		<u>1,923,373</u>	<u>1,256,649</u>
NET ASSETS		<u>6,784,740</u>	<u>5,246,076</u>

For and on behalf of the Executive Board


Roy Griffiths
Chairperson
17 February 2010


Erica Cumming
Chief Executive Officer
17 February 2010

These statements are to be read in conjunction with the notes on pages 9 to 12
(6)



FINANCIAL STATEMENTS

NEW ZEALAND HAIRDRESSING INDUSTRY TRAINING ORGANISATION INC

Statement of Cash Flows For the Year Ending 31 December 2009

	2009	2008
Cash Flow From Operating Activities		
<i>Cash was provided from:</i>		
Receipts from Industry	300,246	145,383
Grants from TEC	5,013,496	5,032,020
Interest Received	267,071	351,529
	<u>5,580,813</u>	<u>5,528,932</u>
<i>Cash was applied to:</i>		
Payments to Suppliers and Employees	3,612,865	3,206,370
Interest Paid	0	0
Income Tax Paid	-23,850	48,099
Net GST	28,202	-18,158
	<u>3,617,217</u>	<u>3,236,311</u>
Net Cash Inflow (Outflow) from Operating Activities	1,963,596	2,292,621
Cash Flow From Investing Activities		
<i>Cash was provided from:</i>		
Sale of Fixed Assets	845	0
	<u>845</u>	<u>0</u>
<i>Cash was applied to:</i>		
Purchase of Fixed Assets	215,999	29,382
Purchase of Investments	1,274,255	2,002,852
	<u>1,490,254</u>	<u>2,032,234</u>
Net Cash Inflow (Outflow) from Investing Activities	-1,489,409	-2,032,234
Cash Flow From Financing Activities		
<i>Cash was provided from:</i>		
Loans Received	0	0
	<u>0</u>	<u>0</u>
<i>Cash was applied to:</i>		
Loans Repaid	0	0
	<u>0</u>	<u>0</u>
Net Cash Inflow (Outflow) from Financing Activities	474,187	260,386
Net Increase (Decrease) in Cash Held	1,102,693	842,307
Opening Bank	1,576,880	1,102,693
Closing Bank	56,729	38,792
	<u>1,520,151</u>	<u>1,063,901</u>
	<u>1,576,880</u>	<u>1,102,693</u>
Bank Consists of:		
Bank Account Current		
Bank Account Call Deposits		

These statements are to be read in conjunction with the notes on pages 9 to 12
(7-8)



**Cash Flow Reconciliation Note
For the Year Ending 31 December 2009**

Reconciliation of Operating Surplus (Deficit) with Net Profit

	2009	2008
Net Profit	1,538,664	1,181,042
<i>Non Cash Items:</i>		
Loss on Sale of Fixed Assets	1,431	1,605
Depreciation	47,632	20,961
	<u>1,587,727</u>	<u>1,203,608</u>
<i>Add (Less) Movement in Working Capital Items:</i>		
(Increase) Decrease in Debtors	-290,727	360,391
(Increase) Decrease in Prepayments	-5,337	8,537
(Increase) Decrease in Stock	-18,640	14,324
(Increase) Decrease in Income Tax Refund	23,850	5,902
Increase (Decrease) in Creditors	693,557	687,805
Increase (Decrease) in Fees Received in Advance	-21,187	-1,873
Increase (Decrease) GST Liability	-5,647	13,927
	<u>375,869</u>	<u>1,089,013</u>
	<u>1,963,596</u>	<u>2,292,621</u>
Net Cash Inflow (Outflow) from Operating Activities		

These statements are to be read in conjunction with the notes on pages 9 to 12 (7-8)



1. STATEMENT OF ACCOUNTING POLICIES

These statements have been prepared in accordance with the Incorporated Societies Act 1908.

A. GENERAL ACCOUNTING POLICIES

The measurement base adopted is that of historic cost.

Differential Reporting

The NZ Hairdressing Industry Training Organisation Inc is a qualifying entity within the New Zealand Institute of Chartered Accountants Differential Reporting Framework. The Organisation is not publicly accountable and qualifies under the size criteria. The Organisation has taken advantage of all differential reporting concessions available to it except for GST, the statements are presented exclusive of GST.

B. PARTICULAR ACCOUNTING POLICIES

Accounts Receivable

Accounts receivable are valued at expected realisable value.

Stock

Stocks are valued at the lower cost on a FIFO basis or net realisable after due allowance for damaged or obsolete stock.

Fixed Assets

Fixed Assets are recorded at cost less depreciation to date. All fixed assets are depreciated over their expected useful lives using the straight line method of depreciation, using the maximum rates allowed by the Inland Revenue Department.

Goods and Service Tax

Income and expenditure items are stated exclusive of Goods and Services tax.

Government Grants

All grant monies have been treated in the basis of grants being income rather than capital.

C. CHANGES IN ACCOUNTING POLICIES

There has been no change in accounting policy for the HITO.

These notes are to be read in conjunction with the statements on pages 2 to 8



NEW ZEALAND HAIRDRESSING INDUSTRY TRAINING ORGANISATION INC

2. TERTIARY EDUCATION COMMISSION

	2009	2008
Funding Received	5,013,496	3,870,855
Accrual	110,750	20,000
Overpaid Funding to be returned	(957,577)	(381,156)
Funding Project deferred to next yr	(155,576)	(108,245)
	<u>4,011,093</u>	<u>3,401,455</u>

3. GENERAL EXPENSES

General Expenses are made up of the following expenses:

	2009	2008
Bank Charges	1,987	
Cleaning	909	1,021
Computer Maintenance	73,634	60
Electricity	5,939	21,055
Freight, Courier & Postage	23,985	4,112
General Expenses	4,970	28,421
General Meeting Costs	23,185	5,755
ITO Federation Subscription	16,913	11,630
National Office Expenses	12,851	16,500
Repairs and Maintenance	228	12,396
Travel Expenses	17,591	1,004
	<u>182,192</u>	<u>117,620</u>

NEW ZEALAND HAIRDRESSING INDUSTRY TRAINING ORGANISATION INC

4. TAXATION

HITO registered as a Charitable Trust in June 2008. Taxation Provision was only provided until up to this period. There is no tax provision for the 2009 year.

	2009	2008
Interest Received	0	382,401
Less:	0	(500)
Return Preparation Fee	0	(1,000)
Non Profit Exemption	0	380,901
	0	52,089
Taxation Provision @ 33%	0	61,560
Tax Paid (RWT)	0	9,471
Tax refund Due	0	14,380
2007 refund to be received	0	23,850
Income tax refund due		

5. FIXED ASSETS

COST OR VALUATION	ACCUM DEPREC	BOOK VALUE 2009	DEPREC CHARGE 2009	BOOK VALUE 2008
\$	\$	\$	\$	\$
467,090	258,079	209,011	47,632	42,920

6. TERM DEPOSITS

Westpac Term Deposit 01	\$1,837,663.43	Term: 100 Days	3.50% Interest
Westpac Term Deposit 06	\$1,747,501.71	Term: 92 Days	3.50% Interest
Westpac Term Deposit 08	\$ 815,858.34	Term: 90 Days	3.50% Interest
ASB Term Deposit 0072	\$1,000,000.00	Term: 90 Days	4.15% Interest
ASB Term Deposit 0073	\$1,000,000.00	Term: 121 Days	4.65% Interest
Total Term Deposits	\$6,401,023.48		

These notes are to be read in conjunction with the statements on pages 2 to 8 (11)

These notes are to be read in conjunction with the statements on pages 2 to 8 (10)



NEW ZEALAND HAIRDRESSING INDUSTRY TRAINING ORGANISATION INC

7. OPERATING LEASE COMMITMENTS

The operating lease commitments as at 31 December 2009 are:

Current	2009	2008
Non Current	87,519	105,666
	33,669	121,188

8. OTHER COMMITMENTS

As at balance date, the HITO had not committed to any purchases.
The 2008 Commitment was to Lantech for new Computer Equipment

2009	2008
NIL	\$52,135

9. CONTINGENT LIABILITY

There are no contingent liabilities for the HITO at this time.

2009	2008
NIL	NIL

10. OFF JOB TRAINING

HITO Payments (75%)
Apprentice Contribution (25%)
Total Off Job Training cost

2009	2008
1,139,610	1,124,213
379,870	374,738
1,519,480	1,498,951

11. RELATED PARTY

Angeline Thornley was a member of the Constitution Advisory Committee during 2009. Angeline has been made the General Manager of the NZ Association of Registered Hairdressers as at 1 November 2009. The Hairdressing ITO received Association levies from the NZ Association of Registered Hairdressers totalling \$68,000 during 2009. No other related party transaction were identified.

These notes are to be read in conjunction with the statements on pages 2 to 8
(12)



NOTES

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