Annual Report











CHAIRPERSON REPORT

Allison Murray | HITO Chairperson



2011 HAS BEEN A YEAR OF HUGE PRESSURE ON HITO, ON BOTH THE STAFF AND THE BOARD.

Following the non-acceptance of HITOs proposed changes for the constitution at last years' AGM, the board convened a working party to re-examine the whole constitution, take on feedback from the AGM and present the board with a workable solution. The working group and the board committed to an exhaustive consultation process to reach as many stakeholders as possible and enable greater understanding of the constitution. We engaged Sharon van Gulik and Maria Clarke to put the constitution into workable terms and bring that to members. Their work and engagement with industry has been greatly appreciated. We have continued to work alongside NZARH and I thank the executive for their patience and input around delivery of information to industry. Communication has been the key word this year and although hairdressers are great communicators in their workplace the challenge for us has been finding the method that works best in order to reach everyone. In the end it may have seemed like overkill but a combination of email, website, facebook, and hard copy posting was undertaken.

HITO made a commitment to WorldSkills over the last few years and the fruition of this was Laura Simpson representing New Zealand at the international competition in London. Although unplaced Laura represented us well and the board remain committed to the concept as it can only move forward from here.

The Targeted Review of Qualifications continues and we look set for changes to our barbering and hairdressing qualifications. This process was mandated by government policy. Because hair has been one of the first industries to be targeted we have chartered the path for others to follow. It will be interesting to follow the review process and outcomes for other industries over time.

HITOs three year Strategic Plan (2012-2014) has been developed and gives five key goals to be achieved.

- 1. Increase industry funding of training and qualifications.
- 2. Increase industry training activity in all sectors.
- 3. Develop and maintain high quality apprenticeship programmes and qualifications.
- 4. Secure industry support and engagement in industry training.
- 5. Provide leadership and liaise with stakeholders around industry training.

Our statement of intent identifies that 'By 2014 HITO will be a leading ITO that represents beauty, barbering and hairdressing. HITO will have high levels of funding and engagement by industry, and high quality programmes and qualifications which are valued by all sectors.' In the current economic climate there will need to be clever planning and work to enable us to achieve this.

The challenge to develop and provide direction to the beauty qualifications continues. Our co-opted beauty board member, Jaye Clark has worked with the Beauty Advisory Group to bring these to fruition. The beauty sector has had the targeted review process delayed until 2013. HITO supports the work of the advisory group as they aim to have work done in advance of this review which will lessen the impact and utilise the work undertaken during 2012. While challenging, government decisions can not be changed. The HITO board continues to work with these changing policies.

The industry awards, held in Auckland, produced an excellent evening to celebrate success. The joint approach between HITO, NZARH and Kitomba meant the awards encapsulated all facets of our industry. It was truly an event we should be proud of, our industry is in good shape for the future.

The proposed new constitution outlines that the board will undergo changes. In light of this I would like to express that it has been my privilege to have spent six years involved with the HITO board. The challenges, the frustrations, the highs and the lows have enriched me enormously. My thanks to the board; Anne, Blair, Chris, Elaine, Jaye and Ria who have worked so well and made my role as chair a pleasure. Also an enormous thanks to Erica, the management team, Jason, Rob, Bobby and Renee, and all the HITO staff who make HITO what it is.











CHIEF EXECUTIVE OFFICER REPORT

Erica Cumming | Chief Executive Officer

THE 2011 YEAR FOR HITO HAS BEEN ONE OF INCREASED FOCUS ON POLICIES AND PROCEDURES WITHIN THE ORGANISATION AND THOSE TO MEET STAKEHOLDERS REQUIREMENTS.

The need for transparent processes and auditing has been in the forefront of our minds during the year. Also the work that the HITO board have undertaken to ensure that HITOs constitution will meet the changing needs of HITO and of industry training moving forward. All of this has been undertaken in a slightly unsettled market place where business's are being required to more closely monitor their planning and business practice to ensure that they have the capability and capacity to succeed in the future.

During the year there has been significant media placed around ITOs and their performance. As part of this the Tertiary Education Commission (TEC) undertook focused audits on ITOs to determine the accuracy of the data provided to TEC and the appropriateness of funding being provided to all ITOs. As part of this process HITO underwent a focused audit. While we had hoped that all of our files were in order we did have some people still in training agreements who were not progressing. This triggered a further review of all of HITOs learner files and has resulted in upgraded audit procedures that will ensure that all learners remain active. Naturally learner engagement and progression is the key purpose of these people being in training agreements and this year has seen a closer analysis of all learners.

One of the on-going reminders of the year is the need to continue to look to the future of for the developments within all of the sectors we cover, barbering, beauty and hairdressing to ensure that training and skill development remain in the forefront of our minds. While there have been many challenges facing businesses, training of staff remains one of the areas that evidence shows that this will continue to produce dividends to businesses.

The devastating effects of the Christchurch earthquake hit many salons in the Christchurch with a number of these having apprentices. It was amazing to hear the support that salons offered each other to endeavour to maintain business and try to keep staff employed. The demise of both training providers in Christchurch created some challenges for HITO as we tried to support the apprentices through this time. Special recognition goes the tutors and support staff of Avonmore and CPIT as they took up the challenge to keep off job training going even without their own sites. During this time HITO was able to provide funds to secure delivery sites for off job training and locate salons that were prepared to offer their premises for assessments to occur. None of this could have happened without the extensive support of the HITO staff in the Christchurch region and the funds that the HITO board released for this additional support to occur. One of the most notable aspects of this was the way that people put their own personal circumstances on hold as they worked to support the apprentices continue with their qualifications in spite of what everyone was experiencing.

The progression of learners to gain their full national certificates appears to have increased again this year with 331 people gaining their national certificate in hairdressing or barbering. In this time of economic pressure the desire for people to gain their full qualification continues as this helps provide some surety of employment in the future. It has been rewarding to hear of the progression of some of our graduates in their salons where their confidence has grown and they have contributed more to the turn over of the salon and general profitability. This can only be a good thing for the industry long term.

As HITO gains government funding for our learners in training agreements, this required HITO to undergo an external evaluation and review that was conducted by New Zealand Qualifications Authority (NZQA). This process was focused around the governance of HITO, the engagement with the beauty programmes and full processes regarding the support of learners signed up to gain their national certificate in hairdressing. This process included a review of HITOs evaluation documentation and then on-site analysis of HITO including interviews with eight different stakeholder groups from apprentices, employers, training providers, assessors, moderators and others. HITO was successful in gaining a positive report with no recommendations made. What was identified was the need to continue to engage with the beauty industry to ensure that they are well represented and recognised in their qualifications, leadership and arrangements for training.



As identified in the board chairs report and that from the National Quality Assurance Manager, the Targeted Review of Qualifications (TRoQ) has been a major undertaking for the hairdressing and barbering industries this year. Following a directive from the Minister of Tertiary Education, NZQA set in place mandatory reviews of qualifications to reduce the proliferation of qualifications registered with NZQA. This directive resulted in hairdressing (and barbering) being chosen as one of the industries to be reviewed, as there were over 130 qualifications registered. The number of qualifications included the six National Certificates that HITO has worked with industry to develop, along with the other local qualifications registered by training providers. The key to the review is to reduce the number of qualifications to ensure a more defined qualification structure and clarity of options by those seeking to enter the industry. For this to be a robust review feedback from all stakeholders has been (and still will be) required to ensure that the qualifications meet the needs of all engaged. One of the most significant challenges in the process has been to accurately hear the voice of industry while still recognising that of the training providers and other potential stakeholders. At the end of this review it is hoped that hairdressing and barbering will have qualifications that clearly outline what the graduate will be able to do and what career pathways they will have both in terms of career options and additional qualifications. As the mandatory stakeholder, HITO is committed to ensuring that these qualifications will enhance the industry long term.

As the TRoQ process is required across all qualifications and industries, the beauty review of qualifications is also required which has been set down by NZQA for the start of 2013. It is intended that some of knowledge gained through the hairdressing and barbering reviews will assist in the beauty review.

The introduction of WorldSkills into HITO over the last few years reached a significant milestone in 2011 with New Zealand hairdressing being represented at this international competition. Laura Simpson represented New Zealand well and while not placed has returned from London committed to utilising her skills and knowledge to support a future competitor. Niq James was tireless in his support to Laura as the key trainer and also one of the judges at the WorldSkills competition in London. This representation at international level came at a cost but was supported by a number of people around New Zealand who were committed to "Getting Laura to London". What has been of extra reward for HITO is to see a number of those engaged in the regional competition in 2010 go on to gain national and international competition awards, gain their qualification and support other competitors. Further recognition of the skills learnt from this type of training and competition are the comments from employers who have identified the higher quality of finish on clients hair within the salon on a daily basis.

CHIEF EXECUTIVE OFFICER REPORT | Erica Cumming | Chief Executive Officer

The beauty industry has now been part of HITO for three years and while to date we only have minimal numbers of learners signed into HITO there has been a great deal of research and liaison occur with the beauty industry, especially this year. One of the key undertakings has been to conduct continued surveys of the beauty industry to gather more information about the sector. To extend this further a group of Business Relationship Managers were appointed to visit beauty salons/clinics to gain more in-depth information about the beauty business's around New Zealand. This information included aspects pertaining to the salon training culture and business plans including staffing. HITO now has a detailed database of salons in the country that will enable us to better engage with this sector in the future.

The Industry Awards were held in Auckland at the end of the year and again provided a fantastic chance to recognise a number of people in the industry. As this was a shared event with NZARH/ Kitomba the awards recognised business and training within the hairdressing and barbering sectors. It is yet again rewarding to see the calibre of those receiving the awards and to be encouraged that the future of the industry continues to grow in professionalism. This year's HITO awards recognised a number of people well known to the hairdressing industry with HQ Hair by Design owned by Lyndsay Loveridge being the Training Salon and Hair Scene the runner up, Claire Allan from Servilles as the Tutor of the Year, Niq James the new Trainer of the Year award. From those in training Marianna Brown was the recipient of the Jasmine McBeth Memorial Scholarship with Natasha Lynskey the runner up of the Apprentice of the year and Laura Simpson as the 2011 HITO Apprentice of the Year.

To end this report I wish to offer my thanks to the HITO board for their continued efforts during the year as they have worked to ensure that HITO will be a robust organisation in the future. They have been committed to seeking solutions especially with the need to continue to work with members to gain acceptance of a constitution change.

Further I offer my sincere thanks to all of the HITO team as we have had been audited by our financial auditors, TEC and NZQA, and commenced the targeted review of qualifications.

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All of this has resulted in positive outcomes for HITO but does take additional work by the staff to be able to provide the information that the auditors and others need while continuing with their roles. We have had some staff leave HITO to undertake new career paths and others join the team with immediate commitment to organisation.

As I look to the future I feel confident that HITO is an organisation that has the ability to support businesses in the future and our team are committed to undertaking that role. The demands for increased professionalism within the barbering, beauty and hairdressing industries will be well serviced by skills and training development which will see business grow in the coming years. HITO understands that the challenges facing businesses remain but are ready to support them.







NATIONAL QUALITY ASSURANCE MANAGER REPORT

Jason Hare | National Quality Assurance Manager

LOOKING BACK OVER 2011 THERE HAS BEEN MANY SUCCESSES FOR THE QUALITY ASSURANCE (QA) TEAM.

Not least the growing engagement with the beauty industry resulting in qualifications that are truly informed by and represent the industry and its specialisations. Thanks must go to the industry advisory groups who collect feedback and ensure this is represented within the qualifications.

The QA team for 2011 included Kelly Slater - Moderation Assistant, Tania Berryman - Beauty Moderator, Lorna Lapsley and Margaret Gardiner as Moderation contractors. This team has ensured that all assessing bodies are aware of the standards set by the advisory groups and have been ensuring moderation has also been a time to discuss and challenge assessment practices. The moderation carried out has included preassessment moderation of selected assessment material prior to use, post assessment moderation of assessments completed by candidates and on site moderation enabling observation of assessment practices and "real time" feedback. This makes the HITO system one of the most intensive moderation systems and has been used as a model for other standard setting bodies to follow. The moderation process for the last two years has included the beauty training providers. This has been a major change to the moderation activities for beauty and has been well received.

Qualification by Experience, the recognition process for hairdressing and barbering skills towards qualifications continues to grow. We are pleased to be able to offer a similar process for members of the beauty industry who would like their expertise recognised towards the National Certificate in Beauty Services in either Nail Technology, Cosmetology or Beautician.

We have continued to be involved in the Targeted Review of Qualifications where the content and structure of the Hairdressing and Barbering Qualifications have been reviewed, challenged and redesigned. This has included feedback from the industries and other stakeholders including training providers and product companies.



The Targeted Review of the Beauty Qualifications has been postponed until 2013 however the Beauty Advisory Group are committed to starting the consultation now to ensure this progresses as quickly and smoothly as possible. While work is starting on the consultation for the review the Advisory Group has continued to work on aligning the existing beauty qualifications with the industry requirements.

As a member of the ipsn group HITO has been able to recognise many qualified hairdressers with the ipsn certificate enabling international recognition of New Zealand's hairdressing skills and knowledge. The benchmarking that forms the base of this recognition has continued to expand and now includes beauty therapy and nail technology. We look forward to being able to provide international recognition to the beauty sector very soon.

Finally I must urge you to have your say in the Targeted Review of our industry qualifications. The review will affect the way your qualifications look in the future.



"As a member of the ipsn group HITO has been able to recognise many qualified hairdressers with the ipsn certificate enabling international recognition of New Zealand's hairdressing skills and knowledge"

JASON HARE | NATIONAL QUALITY ASSURANCE MANAGER







HITO HAIRDRESSING ADVISORY GROUP REPORT

Andrea Bullock | Chairperson | Hairdressing Advisory Group



2011 HAS BEEN A VERY INTERESTING YEAR FOR THE HAIRDRESSING ADVISORY GROUP COMMITTEE AND OUR BEST INTENTIONS TO DEVELOP ADDITIONAL HIGHER LEVEL QUALIFICATIONS WERE OVERTAKEN BY TROQ (TARGETED REVIEW OF QUALIFICATIONS).

The new Advanced Cutting qualification has been going well. The first wave of trainees has been established and their progress monitored this will form part of the development for future trainees, the Moodle platform has received positive comment on its ease of use. The Advanced Colouring qualification is now approved and will be delivered in the same format as Advanced Cutting. After the review of the Workflow Unit was completed the new version will be updated in the Training Record Book and Employers Manual.

WorldSkills: Laura Simpson represented us on the world stage and performed with credit, this has sent out a positive message to future trainees about the experience and skills that they can strive for while on their apprenticeship. The Nationals were held in September 2011 and it was pleasing to see the high standard and commitment of the participants and view the new skills and confidence that they had gained.

The Educators Conference was hosted by Wintec and Waikato School of Hairdressing.

HITO played an active role and ran workshops to update Educators on all new developments, a great platform for everybody to hear updates and the result is informed participations taking the message back to their respective providers.

The Hairdressing Advisory Group Committee continue to provide clarification for queries that arise from delivery and assessment. It is pleasing to note that we are receiving good feedback when sought and all stakeholders are comfortable to contact their representatives on the committee to raise any questions.



The TRoQ process put the committee on pause as we can't proceed with any new initiatives until the TRoQ process is complete. We need to reduce the current 67 Qualifications down to a manageable level. Everyone involved is focused on achieving a quality outcome that meets the needs of all Stakeholders involved and ensuring that we have the best qualifications to offer our industry moving forward.

I would like to thank the Hairdressing Advisory Group Committee for their input and professionalism throughout 2011 and we look forward to 2012.

Andrea







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HITO BEAUTY ADVISORY GROUP REPORT

Jaye Clark | Co-opted HITO Board Member



HITO WAS EXTENDED THE SCOPE OF COVERAGE TO INCLUDE BEAUTY THREE YEARS AGO.

As part of HITOs role is to develop the standards it was identified that a number of the New Zealand Beauty Qualifications needed upgrading to better meet industry needs and were due to expire.

There are a number of International branded programmes, delivered by providers in New Zealand, of which HITO has no jurisdiction as far as quality and delivery of content. Setting and maintaining national standards is a role of HITO while working with stakeholders to meet industry needs.

With the recent publicity of the public receiving services that are potentially causing harm, it is an even more critical time for the industry to focus on robust training with safe and purposeful outcomes.

HITO manages national qualifications that ensure providers have the vital requirements to deliver qualifications that will provide the minimum standard of education for trainees resulting in professional outcomes and client safety.

The Beauty Advisory Group (BAG) has continued to work through the existing qualifications, reviewing the content in light of current industry needs and feedback received through extensive consultation and research completed during the year. In 2011 the Beauty Advisory Group reviewed, developed and completed an independent nail technology qualification with a cosmetology qualification in the review process with NZQA.

It has been clearly identified that a career pathway from secondary school through to post graduate level is seen to be a positive way forward. Gateway based units provide for personal presentation, customer service taught at secondary school level. Maintenance therapist



(first year outstanding waxing, manicuring, pedicuring, eye grooming base facial skills as well as brilliant retail and personal skills). Advanced (second year) facial therapist, massage and body therapist, electrology IPL laser therapists. Trainee's may choose to specialise in one stream or all of the advanced training streams. Currently gateway and the maintenance qualifications are being reviewed.

Sometimes the cogs of change seem to move slowly. Taking the time to ensure the new qualifications are robust and developed to ensure client safety and satisfaction is the Beauty Advisory Group's focus, as well as ensuring full and extensive consultation with stakeholders is undertaken.

It is envisaged that 2012 will see the completion of this review and redevelopment of the current qualifications.

Taye



"Taking the time to ensure the new qualifications are robust and developed to ensure client safety and satisfaction is the Beauty Advisory Group's focus"

JAYE CLARK | CO-OPTED HITO BOARD MEMBER





GRADUATES IN 2011 | HAIRDRESSING

The following people have achieved National Certificate in Hairdressing

Abby Ann Hook
Aimee Karen Stuart
Alana Erin Breckon
Aleshia Batt
Alexandra Alma Louisa Holschier
Alice Emily Crighton
Alice Hampson
Alicia-Ana Fagg
Alysha Jane Crabtree
Alysse Holman
Amanda Blackler
Amanda Lee Groufsky
Amber Parkinson
Amelia Hennessy
Amy Connolly

Amy Connolly Amy Dougherty Amy Louise Dudarko Angela Dunsmuir

Anna Elizabeth Best Anna Thomas

Anneliese Saskia Smith Ardenne Cornell-Gowland

Arna Ward

Ashalea Ellen Meek Ashlee Alexandra Retter

Ashleigh Elizabeth Webster-Wells

Ashley Lynn Robertson Bessie Anne Quigley

Beth Robinson

Bianca Sosofina Karam-Whalley

Bonnita Viljoen Brenda Tracey Gallon Brianne Sarah Greaves Brittany Saunders Candice Baggaley Carly Fonda Fleming Casey Lee Guest

Casey-Lee Joy Tomlinson

Catherine Kean Caytee Louise Robbins Cazzandra Simone Lawson

Charelle Brieanna Walker

Charvel Edwards
Chloe Hegan
Chloe Jade Evison

Christopher Robert Gibson

Chrystal McLean Clare Janette Mead

Clare Louise Grace Wohlers
Clayton James MacDonald

Coralie Jane Wood

Courtney Ashleigh Scott-Rigden

Courtney Gate
Courtney Louise Jones

Daina Kathleen Turner
Dana Leigh Harding
Danielle Jaime Heywood
Danielle Pene-Jillings

Dayna Gilbert

Deanna Joy Aitchison

Deborah Kate Van Asch

Denise Beverly Louise Thorby

Dimitrios Traicos

Dominique Estelle Whittaker Ebony Rose Sowman Elisha Marie Evans Elizabeth Mary MacDonald Emily Louise Begg Emma Jane Willemen Emma Joy Harris

Emma Kate Pickard

Fmma Rebecca Smith

Emma Smith

Frances Catherine Wegener

Gemma Tarrant

Georgina Mairead Michael Hall

Gillian Karen Hooper

Hannah Carter

Hannah Elizabeth Gordon Hannah Kate Dudley

Hayley McCaw

Helena Katherine Yaxley

Hser Paw Thin

Ivan Malcolm Lee Sang

Jacinda Cannon Jacinta Anne O'Learv

Jacinta Paige Harpur Jade Maria Ramaekers

Jade Telysia Banks

Jaime Rewa Te Aroha Fuller

Jamie Lee Winters
Jamie Rhea Ditchburn
Jasmine Bronwyn Epiha
Jazmin Stratmore

Jenna Convery
Jenna May Herrick
Jessamine Vodanovich

Jessica Anne Saville Jessica Crowley Jessica Eden

Jessica Kate Digby Jessica Kate Murphy

Jessica Lee Mence

Jessica Mauricette Bernadette Bourgeais

Joanna Kathleen Staden-Lea

Jock Robson
Jody Ann Le Noel
Jonesy Huang
Jordan Alicia Cooper

Justine Frances McCormick

Kady Rennel Brown Kahlia Renee Bint Kara Ormsby

Karaina Wihongi-Court
Karen Marie lenton
Kate Hope O'Malley
Kate Margaret Bryant
Katelyn Amanda Stoupe

Katie Bason

Katie Sarah Johnston

Katrina Taylor

Kayla Lee Crimp-Palmer Kayla Sharee Green Kayla Wikitoria Garner Kayleigh Marie Purvis Kellee Lee French Kelly Cairney Kelly Gihon

Kelly Rosemarie Hopkins Kelsey Devereaux Saville

Kerri Kempthorne

Kerry Anne Penisula-Spain

35

Kieran Joseph Knight Matthew John Forsman Kim Cancare Melanie Stevenson Kim Letha McCahon Melissa Dawn Lovell Kimberlev Jill Tunnicliff Melissa Diane Prins Kimberley Loren Charlotte Ngaropo Melissa Kate Cambus Melissa Lee Struiksma Kiri Te Rina Frances Wati Kirsty Abbott Melody Moira Glasgow Krissy-Lee Pearce Meredith Joy Jones Krista Danielle Jenkins Michaela Willis Kristy Anne Ross Michele Ann Shanlev Mihi Tiananga Kristy Stroud Krystal Jade Quested Monique Ryan Kumudini Athukorala Morgan Jean Liddell Kylie Hough Nadia Lauren Pearce Kylie Monique Vedder Narelle Lee Tait Lamva Slaiman Natasha Jade Andrews Laura Finch Ngareta Rachel Hesketh Lavken Ann Wood Nicayla Bryan Leeza Nicoll Nicavla Brvan Leigh Williams Nicholous Connolly Leon Greaory Nicole Kelly Bright Lesa Cheri Gibbon Olivia Grace Ternent-James Leticia Ann Radcliffe Olivia Marvse Kerr Lillian Marie Davy Paige Morgan Hodges Lisa Victoria Allan Paul Jason Odell Louise Suzanne Sievewright Philippa Jane Heger Lucy Jane Nottingham Phillip James Graham McKinnon Pinkiben Patel Lucy Marie Forsyth Rachel Dick Lynder Hooper Rachel Mackessack Lynette Burlison Mairead Fox Rebecca Anne Hagen

Makavla Ashleigh Te Reo

Maria Peacock

Rebecca Laine Mozel

Rebekah Kinge

Renee Woodman Ricky Arras Rosemary Fleur Mason Rosie Victoria Coates Sabrina Tamara Oblak Sacha Joell Leigh Samantha Alice Graham Samantha Holley Scott Samantha Morris Samantha Rae Johnson Samara Leigh Murcott Samuel Paul Dobnev Sandra Lorraine Edwards Sara Jov Bialostocki Sarah Adele Forshaw Sarah Angela Turnwalk Sarah Ann Smith Sarah Anne Elizabeth Weaver-Cogger Sarah Barrett Sarah Dewes Sarah Frost Sarah Glad Smith Sarah Hargood Sarah Harrison Sarah Louise Baxter Sarah Manning Sarah-Lee Eastwood Shannan Elyse Wallace Shannyn Lee Halstead Shea Kerrvn Sonter-O'Connor

Sondra Mairee Grimmer

Stacey Putt

Renee Asha Farmer

Stacey Thompson Stefanie Javne Noble Stehanie Jan Marie Winter Stella Jov Smith Stephanie Patricia Shrimpton Stephanie Rosamond Davies Suzannah Ruby Van Woerkom Symone Alisha Hart Tabitha Burgess Tai Charles Weaver Tanva Marie Simmons Taree Laulu Teresa Fox Tersha Wilson Tessa-Marie Hunter Thi Xuan Nauven Tonee Mihaere Tracev Leigh Clayton Tracev Rachel Van Lent Trudy Ann Fellows Trudy Gilmour Victoria Shine Victoria Thrussell Whitney Helen Eenshuistra Yan Rong Chen Yvonne Shirley Cold de Hoog Zara Ladene Couper





GRADUATES IN 2011 | BARBERING

The following people have achieved National Certificate in Barbering

Amii Paula Savage Frank Mark Hindmarsh Jason Donald Stone Joanne Hughes Kendall Brown Lucinda Cecelia Herlihy Melissa Lesley Back Patolomea (Pat) Tupuola Taryn Catherine Stevens

GRADUATES IN 2011 | MANAGEMENT

The following people have achieved National Certificate in Management

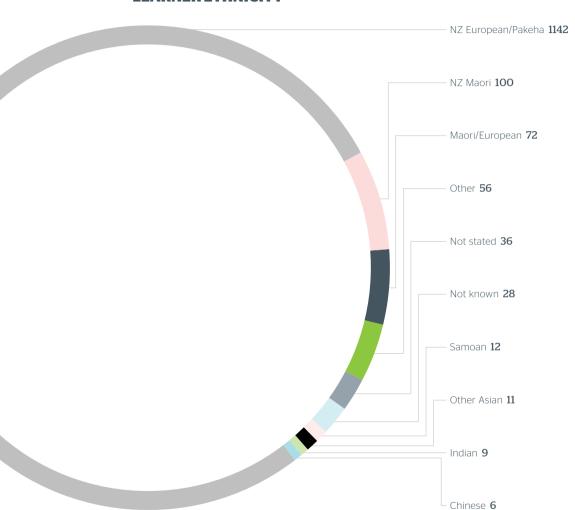
Michael Jason Hare Emma McIntosh Diana Margaret Beaufort Assessment of Hairdressing
Salon Management
Salon Management

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

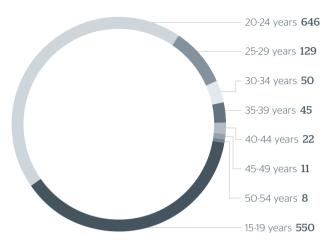




LEARNER ETHNICITY



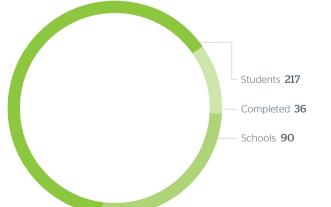
LEARNER AGE RANGE



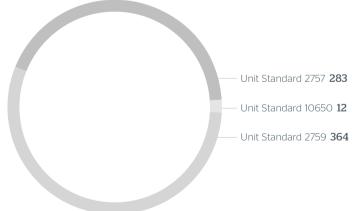
NUMBER OF CERTIFICATES ISSUED IN 2011



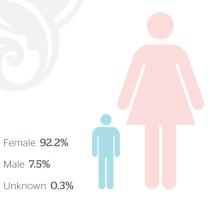
GATEWAY PARTICIPATION



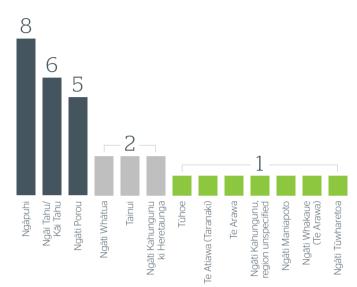
COMPLETED FINAL ASSESSMENTS



GENDER COMPARISON



LEARNER IWI



1252

Female **92.2%** Male **7.5%**

NUMBER OF ACTIVE LEARNERS AT THE END OF 2011



Hairdressing Management

LCP

Barbering

Hairdressing Advanced Cutting

Beauty Nail Technology

Hairdressing

NEW ZEALAND HAIRDRESSING INDUSTRY TRAINING ORGANISATION INC.

NEW ZEALAND HAIRDRESSING INDUSTRY TRAINING ORGANISATION INC

FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDING 31 DECEMBER 2011

NZ HAIRDRESSING INDUSTRY TRAINING ORGANISATION INC

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FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 DECEMBER 2011

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INDEPENDENT AUDITOR'S REPORT

To the Members of New Zealand Hairdressing Industry Training Organisation Inc.

Report on the Financial Statements

We have audited the financial statements of New Zealand Hairdressing Industry Training Organisation Inc on pages 2 to 10, which comprise the statement of financial position as at 31 December 2011, and the statement of changes in equity, and statement of comprehensive income for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Members, as a body, in accordance with the Constitution of New Zealand Hairdressing Industry Training Organisation Inc. Our audit has been undertaken so that we might state to the Members those matters we are required to state to them in an auditors' 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 Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Board's Responsibility for the Financial Statements

The Board are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, New Zealand Hairdressing Industry Training Organisation Inc.

In our opinion, the financial statements on pages 2 to 10, present fairly, in all material respects, the financial position of New Zealand Hairdressing Industry Inc as at 31 December 2011, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New

BDO Wellington Wellington

17 February 2012

STATEMENT OF FINANCIAL PERFORMANCE FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2011

| REVENUE | Note | 2011 | 2010 | |
|--|------|-----------|-----------|--|
| Regional Apprentice Fees | | 128,102 | 142,171 | |
| HITO Annual Employer Fees | | 107,711 | 128,533 | |
| NZARH – Association Levy | | 48,170 | 65,177 | |
| Appeal on Assessment | | 757 | 1,128 | |
| Barbering Fees | | 1,795 | 2,268 | |
| Assessment Fees | | 119,233 | 115,345 | |
| Workshops - Assessor Training | | 626 | 1,924 | |
| Workshops for Employers | | 839 | 777 | |
| Hair Skills Training Workshops | | 2,452 | 0 | |
| National Certificate Income | | 8,089 | 6,971 | |
| Industry Development Recovery | | 96,869 | 26,804 | |
| Credit Fees | | 45,040 | 24,647 | |
| Moderation Recovery | | 164,763 | 178,425 | |
| Tertiary Education Commission Funding-Literacy Pilot | | 107,278 | 63,990 | |
| Tertiary Education Commission Funding | (2) | 3,521,254 | 4,129,777 | |
| | | 4,352,979 | 4,887,936 | |
| PUBLICATION SALES | | | | |
| Publication Sales | | 51,061 | 65,489 | |
| Less Cost of Sales | | (26,477) | (42,855) | |
| | | 24,584 | 22,634 | |
| GATEWAY INCOME | | | | |
| Gateway Income | | 47,305 | 43,018 | |
| Less Gateway Expenses | | (26,105) | (26,330) | |
| ,, | | 21,200 | 16,688 | |
| OTHER INCOME | | | | |
| | | | | |
| Interest - National & Regional Offices | | 404,290 | 376,897 | |
| Management & Advanced Qualifications | | 2,128 | 0 | |
| Limited Credit Programme | | 4,000 | 7,915 | |
| Sundry Income | | 4,033 | 8,502 | |
| | | 414,451 | 393,315 | |
| | | | | |
| TOTAL REVENUE | | 4,813,214 | 5,320,573 | |

These Statements are to read in conjunction with the notes on pages 7 to 10 $$\rm (2)$$



STATEMENT OF FINANCIAL PERFORMANCE FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2011

| EXPENDITURE | Note | 2011 | 2010 |
|---|--------------|---|--|
| EXPENDITURE Seminar Expenses Advertising/Marketing Material Surveys/Reviews/Projects Assessment Expenses 2759/2757 Barbering Fees Off Job Training Paid Board & Travel Subsidy National Certificate Costs Accreditation/Credit Fees Moderation Expenses Literacy Pilot Industry Development Qualification Adv Committee Workshops Provision for Bad and Doubtful Debts | Note (10) | 2011 33,857 419,050 157,772 108,321 5,300 940,685 18,504 3,734 45,245 30,590 107,278 321,836 13,462 17,552 8,709 | 24,287 323,901 233,854 91,193 3,644 1,080,263 16,571 566 30,524 35,154 35,154 35,554 224,818 15,245 25,484 41,134 |
| Management & Advanced Qualifications Limited Credit Programme | | 4,986 10,816 | 0 |
| - | | 2,247,696 | 2,195,192 |

These statements are to be read in conjunction with the notes on pages 7 to 10 $$\left(3\right)$$



STATEMENT OF FINANCIAL PERFORMANCE FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2011

| GENERAL OVERHEADS | Note | 2011 | 2010 |
|---------------------------------|------|-----------|-----------|
| ACC Earner/Employer Premiums | | 5,754 | 5,412 |
| Accommodation | | 14,381 | 15,457 |
| Accounting & Legal Expenses | | 6,181 | 6,011 |
| Advertising Yellow Pages | | 11,430 | 7,310 |
| Audit Fees | | 13,455 | 11,450 |
| Depreciation | (5) | 147,911 | 130,495 |
| Loss on Disposal of Assets | | 3,590 | 0 |
| Constituition Review | | 123,240 | 22,760 |
| General Expenses | (3) | 278,381 | 284,756 |
| Insurance | | 12,227 | 12,416 |
| National Committee Meetings | | 67,577 | 40,679 |
| Printing & Stationery | | 17,864 | 22,043 |
| Office Rent | | 112,495 | 83,234 |
| Lease Expenses | | 10,366 | 8,025 |
| Salaries & Wages | | 1,174,579 | 1,101,446 |
| Staff Recruitment | | 11,801 | 11,427 |
| Staff Training | | 21,150 | 10,462 |
| TROQ Expenses | | 26,918 | 0 |
| Telephone & Tolls | | 54,659 | 42,261 |
| Vehicle Leases | | 57,138 | 56,377 |
| Vehicle Running Expenses | | 43,817 | 38,477 |
| | | 2,214,912 | 1,910,500 |
| TOTAL EXPENDITURE | | 4,462,608 | 4,105,691 |
| OPERATING SURPLUS BEFORE TAX | | 350,606 | 1,214,881 |
| Provision for Taxation | | 0 | 0 |
| NET OPERATING SURPLUS AFTER TAX | | 350,606 | 1,214,881 |

These statements are to be read in conjunction with the notes on pages 7 to 10 $\,$ (4)



STATEMENT OF MOVEMENTS IN EQUITY FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2011

Note

2011

2010

Equity At Start of Period

7,999,621

6,784,740

Net Operating Surplus After Tax

350,606 1,214,881

EQUITY AT END OF PERIOD

8,350,228 7,999,621

These Statements are to be read in conjunction with the notes on pages 7 to 10 $\,$ (5)



STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

| EQUITY | Note | 2011 | 2010 |
|---|------|-----------------------------|-----------------------------|
| Equity | | 8,350,228 | 7,999,621 |
| | | | |
| CURRENT ASSETS | | | |
| Accounts Receivable Stock on Hand Prepayments | | 277,735 12,660 29,056 | 616,326 19,032 16,923 |
| Bank Accounts - Current | | 64,922 | 55,122 |
| Bank Accounts - Call Deposits | (6) | 1,391,577 7,968,667 | 2,525,067 6,661,519 |
| Term Deposits GST Refund | (6) | 3,803 | 0,001,319 |
| OST Returne | | 9,748,420 | 9,893,988 |
| NON CURRENT ASSETS | | | |
| Fixed Assets | (5) | 256,667 | 318,886 |
| | | 256,667 | 318,886 |
| TOTAL ASSETS | | 10,005,087 | 10,212,875 |
| CURRENT LIABILITIES | | | |
| Apprentice Fee received in Advance | | 78,041 | 87,267 |
| Accounts Payable | | 1,576,817 | 2,058,197 |
| GST Payable | | 0 | 67,790 |
| | | 1,654,858 | 2,213,254 |
| TOTAL LIABILITIES | | 1,654,858 | 2,213,254 |
| NET ASSETS | | 8,350,228 | 7,999,621 |

the Executive Board

Allison Murray Chairperson
17 February 2012

Erica Cumming Chief Executive Officer 17 February 2012

These statements are to be read in conjunction with the notes on pages 7 to 10 $\,$ (6)

BDO

BIDO WELLINGTON

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

These statements have been prepared in accordance with the Incorporated Societies Act 1908 and the Financial Reporting Act 1993.

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

The Financial Statements are stated exclusive of Goods and Service tax except for Accounts Receivable and Accounts Payable which have been stated inclusive of Goods and Services tax.

Government Grants

All grant monies have been recognised as income when earned and any unearned amounts have been recognised as income in advance.

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 6



2. TERTIARY EDUCATION COMMISSION

| | 2011 | 2010 |
|-------------------------------------|-----------|-------------|
| Funding Received | 4,691,902 | 5,099,099 |
| Accrual | 0 | 393,556 |
| Overpaid Funding to be returned | (594,007) | (1,217,223) |
| Funding Project deferred to next yr | (576,641) | (145,655) |
| | 3,521,254 | 4,129,777 |

3. GENERAL EXPENSES

General Expenses are made up of the following expenses:

| | 2011 | 2010 |
|-----------------------------|---------|---------|
| Bank Charges | 2,278 | 2,110 |
| Cleaning | 1,907 | 0 |
| Computer Maintenance | 87,739 | 70,043 |
| Earthquake Expenses | 11,031 | 0 |
| Electricity | 8,966 | 5,393 |
| Freight, Courier & Postage | 33,345 | 28,891 |
| General Expenses | 8,891 | 8,415 |
| General Meeting Costs | 42,086 | 54,566 |
| ITO Federation Subscription | 18,000 | 16,913 |
| National Office Expenses | 15,495 | 14,885 |
| Office Relocation/Costs | 3,541 | 45,873 |
| Repairs and Maintenance | 422 | 1,695 |
| Travel Expenses | 44,481 | 35,972 |
| | 278,381 | 284,756 |

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 2011 year.

These notes are to be read in conjunction with the statements on pages 2 to 6 (8)



5. FIXED ASSETS

| | 2011 | 2010 |
|---------------------|---------|---------|
| COST OR VALUATION | 786,533 | 706,881 |
| ACCUM DEPRECIATION | 529,866 | 387,995 |
| BOOK VALUE | 256,667 | 318,886 |
| DEPRECIATION CHARGE | 147.911 | 130,495 |

6. TERM DEPOSITS

| | 2011 | 2010 |
|-------------------------|-----------|-----------|
| Westpac Term Deposit 01 | 2,004,646 | 1,913,272 |
| Westpac Term Deposit 06 | 1,887,514 | 1,818,895 |
| Westpac Term Deposit 08 | 1,884,190 | 849,288 |
| ASB Term Deposit 0072 | 1,091,670 | 1,038,776 |
| ASB Term Deposit 0073 | 1,100,647 | 1,041,287 |
| Total Term Deposits | 7,968,667 | 6,661,519 |

7. OPERATING LEASE COMMITMENTS

The operating lease commitments as at 31 December 2011 are:

| | 2011 | 2010 |
|-----------------------------------|---------|---------|
| Current | 185,786 | 148,896 |
| Non Current | 216,464 | 181,707 |
| Total Operating Lease Commitments | 402.250 | 330,603 |

These notes are to be read in conjunction with the statements on pages 2 to 6 $\ensuremath{\mbox{(9)}}$



8. OTHER COMMITMENTS

As at balance date, HITO had no other committed payments.

011 2010 NIL 37,907

CONTINGENT LIABILITY

There are no contingent liabilities for HITO at this time.

2011 2010 NIL NIL

10. OFF JOB TRAINING

| | 2011 | 2010 |
|-------------------------------|-----------|-----------|
| HITO Payments (75%) | 940,685 | 1,080,263 |
| Apprentice Contribution (25%) | 313,562 | 360,088 |
| Total Off Job Training cost | 1,254,247 | 1,440,351 |

HITO Payments are paid on behalf of apprentices to providers. Apprentice Contributions are paid directly to the providers.

11. COMPARATIVES

Certain comparatives have been amended to ensure consistency with current year presentation.

These notes are to be read in conjunction with the statements on pages 2 to 6 (10)



| 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. |
| |
| |



HITO NATIONAL OFFICE

Level 1
95 Thorndon Quay
Wellington 6011
PO Box 11 764, Manners Street
Wellington 6142
T: (04) 499 1180 | F: (04) 499 3950
www.hito.org.nz