

HITO Annual General
Minutes of the Meeting held on Monday 1 May 2017
From 10.15 – 12 noon at Mac's Conference Centre, Wellington

ATTENDANCE:

Employee Member Attendees:

Pene Burns	Forever Young
Allison Murray-Travers	Hair Technique
Maureen Bowring	Haircraft
Craig Stinson	Calibre
Carol Carrasco	Blue Cactus
Carol Hayward	Chanel Ltd
List Ussher	Powder Room
Adele Butler	Zeal
Angeline Thornley	Rodney Wayne, Lambton
David Shields	David Shields Hairdressing

Other Attendees:

Frank Buchaflor	Vivid Williston
Cherry Tierney	Servilles Hairdressing College
Frances Stead	Board Nominee
Melissa Lange	UCOL
Leatie Young	Vivid
Jade Scott	Vivid
John Dorgan	TEC
Deirdre Moran	NZARH
Elaine Edwards	ONZL (Minute Taker)

HITO Attendees:

Kay Nelson	CEO
Deborah Hawkins	GM Stakeholder Engagement
Wanda Menchi	National Quality Assurance Manager
Michelle Ruddenklau	Beauty Product Development Manager
Rob McMaster	Administration Manager

Board Attendees:

Flora Gilkison	(Chair)
Sharon van Gulik	(Deputy Chair)
Louise Gray	
Amelia London	
Julian Maloney	
Anne Millar	
Wayne Smith	

Apologies for Absence:

Jacqui Broughton	Jax Hair Studio
Natasha Bird	Mphosis
Gabrielle Bundy-Cooke	Spectra
Brenda Ardern	Cutting Edge Hair
Courtney Hayston	Revive Hair and Beauty
Grant Bettjeman	Bettjemans
Ben Scott	
Sarah Deadman	Fuchsia Hair Design
Joanne Plant	Exile Hair Design
Nickki Irving	Karamella Hairdressing

Pauline De Thierry	Pamper Me
Caren MacKay	Do Hair by Caren McKay
Jess	House of Hair
Melanie Hofstede	House of Hair and Beauty
Christine Waller	Coiffure Salon
Vicki Woodrow	Vibe Hair and Beauty
Samantha Turpin	Headlines Studio
Bernie O'Neil	Surrender Hair and Beauty
Tracey Pavey	Voco Hair
Adele Wilkins	Artico
Larissa Macleman	Timely
Lynette Karam-Whalley	Team 7
Niq James	Headspace
Philip Millar	Headquarters Remuera
Pip Grundy	NZARH
Julie Mackey	Mangaieno Area School
Cathy Davis	Vivo

At 10am the Chair advised all present that as there was not a quorum, she would delay the start of the meeting until 10.15am in the hope that additional members would arrive.

The Chair confirmed in the event a quorum was not achieved the meeting would proceed as planned, with any decisions being formally ratified at a Special General Meeting (SGM) to be arranged at a later date, and which required a smaller quorum.

At 10.15 it was confirmed that employer representatives present comprised eight individuals and there were no proxies. Therefore a quorum was not present.

1.0 WELCOME, INTRODUCTION

The Chair formally opened the meeting and gave a warm welcome to guests, delegates HITO staff and introduced the Board members. The Chair outlined housekeeping, health and safety and the agenda to be adopted for the meeting.

It was moved that the apologies for absence as noted above, be received.

Moved: Julian Maloney Seconded: Deirdre Moran Carried Unanimously

2.0 CALL FOR GENERAL ITEMS OF BUSINESS

There were no items of general business.

3.0 MINUTES OF PREVIOUS AGM HELD ON 1 MAY 2016

Due to the lack of quorum it was not possible to move to accept the minutes, however the minutes were confirmed as an accurate record of the meeting.

Moved: Sharon van Gulik Seconded: Allison Murray-Travers Carried Unanimously

4.0 MINUTES OF PREVIOUS SGM HELD ON 4 JULY 2016

Due to the lack of quorum it was not possible to move to accept the minutes, however the minutes were confirmed as an accurate record of the meeting, subject to the following revisions being made:

- *Correction to be made to the spelling of the following names – Flora Gilkison (on final page) and Allison Murray-Travis.*

Moved: Allison Murray-Travis Seconded: Sharon van Gulik Carried Unanimously

5.0 MATTERS ARISING FROM MINUTES OF PREVIOUS AGM AND SGM.

There were no matters arising from the minutes of the previous AGM and SGM.

6.0 BOARD CHAIR REPORT

The Chair read her 2016 Chair Report (which was included in the AGM agenda and papers pack).

The Chair's report was received:

Moved: Angeline Thornley

Seconded: David Shields

Carried Unanimously

7.0 FINANCIAL STATEMENT AS PART OF AUDITED ACCOUNTS

The Chair confirmed revenue and expenditure was slightly above that of 2015, but there was a higher net operating loss.

The Chair confirmed she had discussed finances with other ITOs, who were all having to use cash to develop their organisations due to uncertainty regarding their direction. It was noted in the past ITOs had been conservative in their response to change, but were now embracing the use of digital technology.

The Chair hoped that 2017 would be the last year of having to run a deficit, and was aiming to see a break even result in 2018.

Employer Representative Questions:

P5: Hito always had \$9m in bank, \$750k was spent last year, what was that spent on? The Chair confirmed this was an investment to commence the digital transformation and a greater investment into marketing. The Vue programme cost \$350k and the training manuals were redeveloped. There was also a requirement to pay monies back to TEC due to not meeting the required number of apprentices. It was noted there was the intention to undertake more improvements to the training manuals this year.

P9: Apprentices Engaged, 2a TEC funding – \$201k returned - What does that represent in terms of numbers of apprentices? The CE confirmed it was approximately 100 apprentices less than anticipated. It was noted that apprentices must be in place for at least three months in order to be included in the TEC funding. Apprentices are an employer responsibility, and many drop out within three months or take time out and HITO take care to ensure drop out and stop outs are not included in the figures.

The TEC representative present confirmed the percentage of variances against that funded overall was approximately 6% under. It was confirmed numbers are forecast in August, but it is not until June/July when the actual numbers are confirmed.

P10 – Bad Debts Written Off. The figure is considerable why was that? It was confirmed that debtors should have been chased up earlier. The Board was in the process of setting up a programme to manage alerts of bad debts at a much earlier stage in future.

Have the staff changes settled down? The Chair confirmed some new staff were employed on short term contracts to work on fixed term projects, and there may be further staff changes.

It was resolved that the HITO 2016 Annual Report, Financial Statements and Audited Accounts were received.

Moved: Maureen Bowring

Seconded: Julian Maloney

Carried Unanimously

8.0 CONFIRMATION AND APPOINTMENT OF AUDITOR

It was noted that the auditors would be approved at the Special General Meeting to be arranged.

9.0 APPOINT SCRUTINEERS FOR ELECTION VOTING (X2)

The voting and election process was not possible due to the lack of a quorum. The Chair thanked David Patten for attending to conduct scrutineer duties.

10.0 GENERAL BUSINESS

The Aotea College, Gateway Coordinator acknowledged the effort and support HITO had given Gateway over the years and confirmed that the College really like the programme. It was noted the College have students wanting to come on board with health and beauty, but have a problem in that salons cannot offer experience, and wondered about the possibility of workshops being held on days when salons are closed whereby colleges could share the cost of using the facilities. Additionally the member noted that HITO report the unit standard results to NZQA, and wondered why schools could not show that on their reporting systems?

A member commented on the number of people making it through the industry and becoming hairdressers and the ability for those numbers to keep the industry going. It was suggested the profession could be in dire straits in terms of getting qualified hairdresser numbers in the future.

It was noted that the industry was lucky in that it did not have to amalgamate as happened with some ITOs. Just three ITOs were not amalgamated (HITO being one) so we can retain some direction over the future of where we go.

With regard to the 90 day rule, is it not fairer to wait until the 90 days are up to count the apprentices, so there would be no need to give as much funding back to TEC? The Chair suggested the ultimate aim was for less terminations which comes down to getting the right apprentice, which comes back to the need for more assistance for employers on picking the right apprentice. It was noted a lot of apprentices go to ITPs and PTEs which seems more glamorous, offer a later start in the morning, offer a uniform etc., however the Chair suggested we need to sell the long term view of what you receive at the end not the beginning.

11.0 CEO UPDATE / INTRODUCTION

The CEO confirmed it was a privilege for her to take on the role at this time in a perfect storm for the ITO Sector where the Government were looking for 50,000 more apprentices by 2020, student loans were increasing and the opportunity to learn had never been better. The CEO confirmed it is HITO's job now to sell the offering to get people interested in training.

The CEO confirmed she could not provide a CEO Report on the previous year as she was not there, so she talked about where HITO is heading with a PowerPoint presentation (which was distributed to those present).

The CEO confirmed that the Board has set strategic priorities for HITO, the key point was that HITO is here to make life better for members and to make that happen we need strategic partnerships where everyone wins. The intention is for HITO to:

- Drive professionalism and business success
- Modernise the training
- Provide a successful online learning platform
- Increase qualified industry professionals

Questions:

A member noted to get good quality apprentices there was a need for good quality employers and many apprentices drop out due to poor employment practices.

A member noted the current generation of apprentices want to change careers more often, travel, start a family, often apprentices become qualified and then move on. It was suggested it takes two years before an employer can make a profit from an apprentice. The reverse side was comments that salons cannot find qualified staff.

A member queried if there had been work undertaken to track the 90 day drop off (to see if it was a particular time of year Nov-Jan, and certain employers)? The CEO confirmed the drop off was not only at 90 day, it was at a year and 1.5 years. HITO cannot stop people taking on apprentices as it is not a regulated industry. It was suggested that peer support and advisor support was more important than "dodgy employers".

A member commented that support and networking with secondary schools was excellent and suggested this should be introduced at an earlier stage. It was noted HITO had undertaken research and as a result was reaching out to younger apprentices in areas to ask them to go and talk to secondary schools to tell their career stories.

A member mentioned the BCITO Apprentice Story on Radio and queried if that was something HITO would consider? The CE confirmed there was to be a function at parliament this week to launch “At your service Aotearoa” which is about increasing Ministers and the general public’s recognition of other areas of the service sector, as the BCITO get all the attention.

Comments by the TEC’s Investment Manager for six ITOs.

The TEC Investment Manager confirmed when the ITO merger took place in 2011/12 there were 30, now there are 11. The merger process looked at criteria to assess why ITOs should merge. It was confirmed that HITO are close to industry, high performing with high completions. When TEC are looking at recognition this year, they will be looking at industry support, performance and other aspects which are reported to the Minister to make recommendations. It was suggested the purpose of HITO is to continue that work, embed it in industry, perform highly and develop the sector.

There are a number of things impacting on all ITOs, the economy (enrolments lower than normally), and all ITOs in all sectors are looking for good people. It was pleasing to hear that HITO have a marketing initiative to go and get those people.

With regard to the mid to late 20s age group, many are out of employment and education, it was suggested this is a good opportunity to bring in more mature people who are more likely to stay. There are a number of sectors with high turnover, HITO are not up there, but HITO do have a problem with longer programmes. Research looked at why people drop out and a reason was lack of attention from employers and parents – there was a need to let trainees know that their training is valid, congratulate them and provide reinforcement all along that what they are doing is important. Isolation was another issue, many apprentices feel isolated working on their own and leave, therefore the suggested Facebook forums would assist. Noted a lot of HITO’s planned actions were very encouraging.

The Chair thanked everyone for attending, noted that changes are occurring and these would take a couple of years to bed in. The Chair confirmed the organisation was seeking industry’s authority to the planned changes and needed to hear from the industry regarding what they want, noting a reluctance to move everything online in order to retain the sense of community.

12.0 CLOSE

The AGM closed at 12 noon.

These minutes are accepted as a true and accurate record of the AGM Held on Monday 1 May 2017.

Signed:

Date:

Flora Gilkison (Chair)