



**Minutes of the HITO Annual General Meeting held on Monday 23 April 2018  
From 10 - 11.20am at HITO, 107 Customhouse Quay, Wellington**

**ATTENDANCE:**

**Employer Member Attendees:**

Gerard Thornley – Rodney Wayne Lambton  
Phillip Millar – Headquarters, Remuera  
Matt Forsman – Matt Forsman Ltd.  
Adele Butler – Zeal Hair Studio  
Maureen Bowring – Haircraft Centre  
Lisa Ussher – Powder Room  
Amber Linton – Glory  
Julia Aldersley – Essence Salon  
Felicity Bruce – Cocoon Hair Design

**Other Attendees:**

John Dorgan – TEC  
David Patten - Lawyer  
Elaine Edwards – HITO (Minutes)  
Craig Stinson – Calibre  
Peter Wells – Ali Barbers

**HITO Attendees:**

Kay Nelson	CEO
Debra Hawkins	GM Stakeholder Engagement
Priya Patel	Sales & Training Advisor
Kirsten Nagel	Business Development Coordinator
Katherine Hailstone	Executive Support

**Board Attendees:**

Flora Gilkison	(Chair)
Anne Millar	(Deputy Chair)
Louise Gray	
Amelia London	

**Apologies for Absence (Proxy Vote Recorded):**

John Birnie – Balliage Hair Design  
Gowri Perisamy – Hair Ministry  
Emma Wilson – Rodney Wayne, Riccarton  
Tammy Koteck – Head Rush Hair & Beauty  
Grant Bettjeman – Bettjemans  
Victoria Thrussell – Bliss Hair Salon  
Julian Maloney – Maloneys Barber Shop  
Marilyn Whelan – Marilyns  
Amy Cobblestone – Revolve Styling  
Jen Lawton – JB6 Barber Shop Ltd  
Kate Ineson – Grin Hairdressing  
Lynley Bowen – Rodney Wayne, Manners Street  
Charlene Graham – Pearl Hair Design and Day Spa  
Karen Madams – Miss Fox  
Nikki Irving – Karamella Hair

Philippa Adams – Pure Hair  
Penny Burns – Forever Young  
Michelle Marsh – Surreal Hair & Beauty  
Niq James – Headspace (Christchurch)  
Charmaine Jackson – Charmaine on Royal  
Victoria Harrich – BaDARO  
Kristina Muollo – Kristina Raffaele Hairdressing  
Fiona Lane – Maggies Hair  
Phillipa Middleton – Buoy

**Apologies for Absence:**

Wayne Smith - Board  
Jacqui Victor - Board  
David Shields  
Anna Webster – GF Hair Design  
Margot Ferrick – UCOL  
Janine Simmons – Mane Salon  
Rebecca Brent - Willis York  
Alexandra Baker – Snips  
Susanne Avins – Snips  
Michael Petrie – Cuba Barbers  
Katrina Laurent – Angel Hair Studio  
Aaron Campbell – Angel Hair Studio

**1.0 WELCOME, CONFIRMATION OF ATTENDEES AND APOLOGIES**

The Chair formally opened the meeting and gave a warm welcome to guests, delegates and HITO staff. A round table introduction took place and the agenda was adopted without change. The CEO outlined housekeeping and health and safety matters.

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

*Moved: Maureen Bowring                      Seconded: Peter Wells                      Carried Unanimously*

**2.0 CALL FOR GENERAL ITEMS OF GENERAL BUSINESS**

CEO noted she would like to add VET discussion.

**3.0 MINUTES OF PREVIOUS AGM HELD ON 1 MAY 2017 SGM HELD ON 20 JUNE 2017**

*It was resolved that the minutes be confirmed as true and accurate records of the meetings.*

*Moved: Craig Stinson                      Seconded: Maureen Bowring                      Carried Unanimously*

**4.0 MATTERS ARISING FROM MINUTES OF PREVIOUS AGM AND SGM.**

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

**5.0 BOARD CHAIR'S REPORT**

The Chair read her 2017 Chair Report (which was included in the AGM agenda and papers pack). The Chair emphasised in the coming year there would be a major focus on building a sustainable future and transformational leadership across the industry.

*It was resolved that the Chair's report be received.*

*Moved: Felicity Bruce                      Seconded: Adele Butler                      Carried Unanimously*

**6.0 CEO'S UPDATE**

The CEO's update was received and taken as read. The CEO thanked the Board and members for their support. Key points were noted as follows:

- There has been a great deal of organisational change, illustrated by almost a complete change of all HITO personnel.
- There had also been a great deal of investment in IT during the previous year which would drive HITO towards its goal of being a 21<sup>st</sup> century organisation from late 2018.
- HITO is now back on track to achieve the level of funding requested of TEC.

Q: What is HITO doing to address the decrease in the number of people entering the industry?

Chair confirmed HITO are up against private providers. It was noted a large percentage of apprentices from the private providers do not get jobs. There is a need for qualified employers to engage more apprentices. The CEO confirmed there was a multi-faceted marketing plan to bring people into the industry.

The CEO noted the Government and Ministry of Education want to improve information provided to schools to address the perception that the industry is poorly paid and hard work. HITO are working hard to change this perception. Research had been undertaken through BERL which demonstrated that apprentices end up financially better off than those going straight to university. HITO also has partnership plans with MSD and ACC with a view to reaching out to 21 year olds who may be looking for a career change.

Got A Trade: Is a week long campaign in August when there is a focus on influencers to increase their understanding of trades.

Q: Are there plans to change the slogan “Earn while you Learn”? A member suggested the slogan missed the mark and young people did not understand it. The CEO confirmed HITO and the ITO were moving away from the slogan.

Q: Are private provider trainees tracked by the ITO? The ITO representative confirmed it is difficult to track apprentices when they leave the private provider schools. A member suggested the selection process and commercialism needed to change within the schools to become more selective. The CEO confirmed HITO had engaged “talenters” – apprentices of the year, award winning apprentices currently working in industry who would give presentations to high school students about their experiences as an apprentice. Members were encouraged to list vacancies on the HITO website and it was noted a job-matching service was being developed.

*It was resolved that the CEO Report be received:*

*Moved: Philip Miller*

*Seconded: Lisa Ussher*

*Carried Unanimously*

## 7.0 FINANCIAL STATEMENT AND AUDITED ACCOUNTS

The Financial Statement was received.

*It was resolved that the financial statements be opened for discussion.*

*Moved: Maureen Bowring*

*Seconded: Peter Wells*

*Carried Unanimously*

Questions were raised as follows:

Q: Over \$800k was spent under Administration Expenses last year what was that on AND

Q via Proxy – Given there are fewer apprentices, what was an extra \$1.5m spent on? It was primarily on 12-18 month term contract staff, new offices in Auckland and Wellington with increased staffing in Auckland. Also noted policy, systems and process development.

Q: Should members be alarmed that assets had dropped by \$1.5m? No as this is contained within the budget. A Statement of Investment Performance Objectives (SIPO) is being developed by the Board in June, which will state the level assets will not drop below. It was confirmed that financial assets were being utilised to invest in the business. The aim was to break even for the 2018/19 years, however additional expenditure is still required to be invested.

Q: Is working capital held separate to term deposits? Yes and the SIPO will expand on this.

Q: Interest received had increased, but financial institutions were offering 4.6-5%, what rate were the HITO funds invested at? HITO funds are currently invested at 3.5%. SIPO is a new concept for board members it was decided to set the budget and new strategic plan prior to progressing the SIPO. Chair noted there was little investment in the business and technology in the past, to end up in this financial position. The Chair confirmed she did not like to see assets reducing, but development of the new IT systems takes money.

Q: Why was there a large jump in the cost of travel and accommodation? Engaging industry across the country involves a lot of travel. The focus has been on engaging a larger number of employers, particularly beauty and barbering.

*It was resolved that financial accounts.  
Moved by the Chair – Carried unanimously.*

#### **8.0 CONFIRMATION AND APPOINTMENT OF THE NEXT AUDITOR**

The Chair noted a tender would be issued with regard to selection of the auditor for the next financial year (2019).

*It was resolved that BDO be reappointed as auditor for the 2018 financial year.  
Moved by the Chair – Carried unanimously.*

#### **9.0 APPOINT SCRUTINEERS FOR VOTING (X2)**

There was no need to appoint Scrutineers as there was no requirement for voting to take place.

#### **10.0 CONFIRM RETURNING OFFICER (DAVID PATTEN).**

There was no need to appoint a Returning Officer on the basis of no voting occurring.

#### **11.0 BOARD VACANCY AND APPOINTMENTS.**

It was noted there was one employer vacancy following Julian Maloney opting not to seek a further term on the Board. Peter Wells was the only applicant, given Peter's excellent credentials he was confirmed as the elected member to the HITO Board for a term of three years from 23 April 2018. The meeting congratulated Peter on his appointment.

*Anne Millar took over as meeting Chair.*

It was noted the Board Chair position had reached the end of its current term and as such was advertised through the Institute of Directors. Two applications were received from the current incumbent plus another individual. The Board appointments panel met and recommended that Dr Flora Gilkison be reappointed for a further three year term from 23 April 2018. The meeting congratulated Flora on her reappointment.

*Flora returned as meeting Chair.*

It was noted the employee representative position was also due for reappointment in two months. The position had been advertised and Amelia was the only applicant. Therefore Amelia was elected as Employee Representative for a further two year term. Amelia was congratulated on her reappointment.

#### **12.0 VOTING ON ANY REMITS**

##### **12.1 Remit for Constitution Change**

David Patten confirmed there was no need for a scrutineer or for voting to take place on the changes proposed to the Constitution. The proposed changes were as outlined in the meeting papers and discussed as follows:

- i) *No less than 7 days written notice of proposal to suspend a membership* – noted the change was to include the reason for any suspension.
- ii) *Delete other than email communication* – noted this was added as sometimes it was necessary for the Board to hold an email based meeting.
- iii) *Appointment of Directors* – noted the change was proposed following the Institute of Directors suggestion that it could be problematic with the CEO reviewing applications for the Chair position. It was preferable for Chair applications to be handled by an external organisation independent of the CEO.
- iv) *Quorum* – noted there had been problems achieving a quorum in the past. The proposal that a quorum comprise 10% of members was made on the basis that this percentage would be statistically valid.
- v) *Chair to hold unlimited proxy votes* – noted the proposed change was based on standard practice.

*Moved: Maureen Bowring*

*Seconded: Peter Wells*

*Carried Unanimously*

With regard to the change to allow the Board to hold email meetings, a member suggested it was easy for people to be online and hold Skype meetings. Chair confirmed the change was just to allow for the opportunity should it arise.

*A question was raised by a proxy, raising concern that if the Chair held unlimited proxy votes, the Chair could use them as they saw fit?* The Chair confirmed this was addressed by the Chair being independent with no relationship within the industry.

The CEO noted in 2017 when constitutional changes were made there was an administrative error whereby the revisions agreed were updated to the wrong document, which was provided to the Charities Commission. The Chair confirmed these changes would be corrected along with the revisions made at today's meeting, and an updated Constitution would be provided to the Charities Commission.

### 13.0 GENERAL BUSINESS

The CEO outlined changes proposed by the Ministry of Education. It was noted the Minister wished to make changes across vocational education and training as a whole to do what is best for NZ Inc. The Minister would be seeking input from employers, industry, trainers, and apprentices.

Members present suggested HITO and PTP needed to prove a certain percentage of students were going on to gainful employment. The CEO suggested salons needed a strategy to ensure there were sufficient people being trained in order for businesses to continue to be sustainable. The CEO suggested for example salons needed to talk to the Minister to confirm the need for at least 1,000 Year 1, 2, 3 apprentices constantly in training and therefore the Government should fund at least an additional 250 trainees in each year.

The CEO confirmed an Education Summit would take place in May in Christchurch. Four ITOs had been invited to attend to represent the ITO sector, the CEO was to attend and there was to be a presentation from a successful HITO graduate to dispel the myths around salon work. Following the Summit and other meetings, a proposal would be provided to Cabinet by the end of June.

The CEO encouraged for example all members to put their hands up to offer training in the local areas. A member noted the need for more employers to employ more qualified staff, and the need

for government assistance to employers to do this. It was suggested a small percentage of the millions invested in education could be provided to employers to aid them to employ graduates. The CEO noted the need for 1000 or so salons around the country to offer training.

The ITO representative reiterated the importance of salons engaging in the Minister's consultation process and noted this was a good chance to address the issues discussed and to change Ministry of Education policy. The representative commented that the new Minister was genuinely interested in listening and creating a system of vocational training and was neutral to the ways of delivering it, with the intention of producing the most efficient way of training there is.

Q: Is there a qualification to be developed for trainers/judges? The CEO confirmed this was being considered and HITO were also developing a training plan for use by salons.

Q: How many colleges are engaged in the Gateway Programme? A member had heard anecdotal evidence about a private training provider who had been encouraging people to go to a PTE rather than apprenticeships. The CEO confirmed the number of Gateway schools had been doubled.

Q: What qualifications are required to enter a PTE course? None. It was suggested there was nothing wrong with having unqualified people on the courses, but that PTE courses were only appropriate for one year entry level, not years two and three when students needed to undertake apprenticeships. The Chair's view was that hairdressing is a mixture of art and science, and suggested the qualifications should be increased beyond Level 4. There was discussion that in the past there was a similar issue with regard to the nursing profession.

The Chair thanked members for attending.

**14.0 CLOSE**

The AGM closed at 11.23am.

These minutes are accepted as a true and accurate record of the AGM Held on Monday 23 April 2018.

Signed: .....

Date: .....

Flora Gilkison (Chair)