



Reform of Vocational Education (RoVE)

New Zealand Hair and Beauty Industry Training Organisation Incorporated (HITO) Transition Plan (Second Version)

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Version: 1.1

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Part 1: Introduction

The purpose of the plan is to describe the transfer of responsibilities for HITO's Arranging Training and Apprenticeship Training Activities to a vocational education and training provider, Te Pūkenga, as required by legislation.

The document covers transferring responsibilities for activities, learners and employers, assets, and staff. The plan shows how HITO will manage transition, including showing how disruption will be minimised for learners, employers, industry groups and HITO staff.

HITO is a small, national organisation with a clear focus on employer-led apprenticeships in hairdressing, barbering and beauty therapy. As qualifications within these industries are not required, an important role for HITO is to encourage and motivate employers and learners to complete NZQA qualifications, rather than only doing the minimum training required to meet business requirements.

HITO currently has approximately 1500 apprentices, supported by 30 staff. While employers train apprentices on the job, HITO provides a range of support and services to ensure progress and qualification requirements are met.

Section 1: Transition Approach

1.1 Overview of transition approach

Use this section to identify the Receiving Organisations that will take on the transferring activities, and describe the legal and commercial mechanisms that will be used. Summarise the key transition events or stages, and planned timeframes, and identify key assumptions, dependencies, risks and mitigations. If any of this information has changed since the first version of the Transition Plan, please ensure this change is clearly stated.

How the transition will occur and to where

Provide a general overview of how the transition will occur, and to which providers and WDC(s), including any work required to develop capabilities at the Receiving Organisation prior to transition.

HITO will transition all 'arranging of training' activities using a 'lift and shift' transition into a separate Business Division within the WBL subsidiary of Te Pūkenga.

All relevant staff, functions, activities, assets, and liabilities will transfer, including the Senior Leadership Team and HITO brand, so there is no need to develop additional capabilities at Te Pūkenga to ensure seamless continuity of training through the reform process. This 'lift and shift' approach ensures that the current apprenticeship service model is maintained in the short to medium term and there is the least disruption to our learners and employers as possible from the transition.

Note: all HITO apprenticeships and industry trainee service models are employer-led.

HITO's arranging of training activities include:

- a. Activities for developing and maintaining arrangements for the delivery of work-based training through employers for on-job components, providers for off-job components, and industry assessors for capstone assessments
- b. Apprenticeship training activities
- c. Gateway programmes
- d. Industry Advisory Panel and stakeholder group activities

e. Operating and delivery models, national reach, and sector-based services

f. Organisation of Industry Awards and events with industry suppliers.

The criteria used for this decision by the HITO Board ensured that the best option for our industries now and for the future was selected from the available alternatives. Due to the unregulated nature of the industries that the HITO Board represents, it is important to minimise disruption to the current positive approach to achieving qualifications that has been built over the past 6 years.

HITO has already transitioned all standard setting functions to Toi Mai and Toitū te Waiora.

Once the transition of the arranging of training functions of HITO have been transitioned to Te Pūkenga, the HITO Board will decide whether to wind up the current organisation. There will be no further arranging of training activities carried out by the residual organisation.

A business plan for 2023 will be developed prior to transition and 9(2)(b)(ii)

Apprenticeships within the hairdressing industry have a history of over 50 years and it is very important to the industry that these qualifications are treated with respect and acknowledgement of the employer's role in them.

When the transition will occur and why

Describe when the transition will occur and explain the rationale for the proposed timing.

It is HITOs intention to transition on **19 September 2022**.

The original preference for timing was later in the year to ensure that HITO had sufficient time to bring the industry along with the decision after the formal transition announcement at the HITO AGM in June. This timing has been brought forward at the request of Te Pūkenga. The industries that HITO represents were very keen to pursue the PTE option, rather than Te Pukenga. Their first choice was to set up as a PTE, which was discouraged by TEC early in the process. Their second choice was to join a PTE, however the due diligence process has indicated that this would not be in the best interests of the respective industries.

The industry experience with the quality of learners that come from the various ITPs that make up Te Pūkenga means that they do not have a good perception of provider-based training. HITO will use the available time between the formal announcement and the transition date to communicate with the industries

new organisation, the intent of RoVE, and the 'lift and shift' transition of HITO staff, service models and systems as a separate business division within the organisation is the best possible option for vocational education and training in their industries.

As HITO is a very small organisation with less than 30 employees, we do not believe that a long lead in time is required for transition prior to the end of 2022.

Other relevant activities

Describe how any other relevant activities (including Government-funded activities such as Trades Academies) will be delivered during and after transition.

The lift and shift model will allow the HITO Business division to continue the other relevant activities on behalf of our industries, industry partners, and secondary schools. These activities include:

- a. Provision of support and materials for Gateway programmes in Schools.
- b. Activities to support the awareness and understanding of apprenticeships in our industries with employers and potential apprentices.
- c. Organisation and support for industry events, awards, and opportunities that build understanding of the needs of our industries and relationships with them.

Relevant post-transition activities

Provide high-level information about relevant post-transition activities (if these are known).

HITO's transition as a going concern is designed to ensure minimal disruption to learners and employers through the implementation of RoVE actions.

HITO intends to participate constructively with Te Pūkenga in the design and implementation of the new operating model, along with ensuring engagement with stakeholders (learners, employers, staff, industry influencers, assessors, and industry suppliers) throughout the process.

Any reserves transferred from HITO within the HITO Board approved 2023 Business plan will be ringfenced and used for projects identified and defined by the HITO Board for the benefit of the industries they currently represent.

9(2)(b)(ii)

9(2)(b)(ii)

1.2 Alignment with learner, employer, and industry needs

Alignment with learners' needs

Describe what is important for your learners (including under-served learners) in terms of the Arranging Training and Apprenticeship Training Activities you currently provide and how the proposed transition approach supports these needs:

The proposed transition approach ensures that HITO's current service model for arranging training remains until such time as Te Pūkenga seeks to change this following transition.

HITO provides nationwide support for learners and employers.

It is important to all learners that they are supported through their apprenticeship. The following table outlines the support provided by HITO and how the proposed transition approach continues to support this.

Table 1: Learner needs

What's important	How proposed transition approach supports these needs
Visits from regional Sales and Training advisors to ensure employers and trainers understand their responsibilities, have an appropriate environment, necessary equipment and suitable trainers before signing into a training agreement.	Current regional sales and training advisors continue in their role, providing the same functions.
Visits from regional Sales and Training Advisors who are experienced within the hair and beauty industries (4-6 visits per year, 4 face to face visits).	Current regional sales and training advisors continue in their role, providing the same functions.

Setting individualised training plans with learners and trainers to meet business and individual requirements.	Current regional sales and training advisors continue in their role, providing the same functions.
Provision of user-friendly training support materials for learners and trainers in physical copies and on-line or through Facebook, as appropriate to learner requirements.	Current Learning and Development and communications staff involved with training material design, development and printing to continue to support this.
Mentoring, motivation and encouragement from Sales and Training Advisors who are experienced within the industry.	Current regional sales and training advisors continue in their role, providing the same functions.
Provision of pastoral care and providing individualised support for learning difficulties and issues, as required from specialists and subject matter experts, as required.	Current regional sales and training advisors continue in their role, providing the same functions.
Provision of Off Job Training at no cost to the apprentice to provide opportunities for theory learning and assessment at times that are not disruptive to employment/opportunities for the learner to earn. (10-12 days per year for 3 years for hairdressing and 5 days per year for 2 years barbering).	Current staff to arrange Off Job Training to support programme requirements
Provision of mapping of achievement from a provider to the apprenticeship so they don't have to repeat work	Current staff (Learning and Development and STAs)to continue to support these activities.
Monitoring and documenting progress against training plans, including setting interim goals to keep learners on track.	Current regional sales and training advisors continue in their role, providing the same functions.
Regular communications with apprentices through direct emails, newsletters, and apprentice Facebook group.	Current communications, events and training material staff to continue to support these activities.
Encouraging participation in industry events and activities such as apprentice of the year and New Zealand Fashion Week to expand skills and experiences of apprentices.	Current communications, events and training material staff to continue to support these activities.
Celebrating progress and success throughout the apprenticeship.	Current staff to continue to support these activities.
Promoting the value of completing the qualification to ensure apprentices get the opportunity to continue with the qualification even when the apprentice has enough skills to satisfy the employer requirements (particularly as the industry is unregulated).	Current staff to continue to support these activities.
Arranging capstone assessments and industry assessors	Current Learning and Development programme staff and Industry support coordinators to continue to support these activities.
Providing markers that have individual conversations with apprentices when more evidence is required to help them understand what needs to be achieved.	To continue with current contracted markers who understand the HITO system for marking and feedback.

Alignment with employers' and industries' needs

Describe what is important for your **employers and industry** in terms of the Arranging Training and Apprenticeship Training Activities you currently provide and how the proposed transition approach supports these needs:

Industry and employers have been clear that they would like the current service model to continue, preferably until the end of the apprenticeships which have just recently been signed into, which could up to 3-4 years.

The following table, Table 2, shows the employer needs in terms of Arranging Training and Apprenticeship training and how the proposed transition approach supports these needs.

Table 2: Employer needs

What's important	How proposed transition approach supports these needs
Providing capstone assessments and arranging capstone assessments with industry assessors to ensure consistency between apprentices and appropriate industry standards are met	Current academic and Learning & Development staff continue to provide these assessments. Current industry support coordinators continue to arrange the capstone assessments.
Providing a job site so employers can advertise available positions at no charge. Assisting employers find apprentices or gateway students.	Current HITO functions and staff to continue to provide these services.
Visits from regional Sales and Training Advisors who are experienced within the hair and beauty industries (4-6 visits per year, 4 face to face visits).	Current regional sales and training advisors continue in their role, providing the same functions.
Setting individualised training plans with employers, learners and trainers to meet business and individual requirements. This is planned so the training provides the most benefit and least disruption to the business and employer. Experience in the industry and an understanding of how these businesses run is necessary to provide this service.	Current regional sales and training advisors continue in their role, providing the same functions.
Provision of Off Job Training at no cost to the employer or apprentice to provide opportunities for theory learning and assessment at times that are least disruptive to the employer, usually on Sunday or Monday. (10-12 days per year for 3 years for hairdressing and 5 days per year for 2 years barbering).	Current staff to arrange Off Job Training to support programme requirements
Providing training support materials particularly designed to help trainers to support and train their apprentice.	Current communications, events and training material staff to continue to support these activities.
Providing subject matter experts to assist trainers with complex questions or training assistance	Current Learning and Development programme staff and Industry support coordinators to continue to support these activities.

Mentoring, motivation and encouragement for apprentices from Sales and Training Advisors who are experienced within the industry.	Current regional sales and training advisors continue in their role, providing the same functions.
Provision of pastoral care and providing individualised support for learning difficulties and issues, as required from specialists and subject matter experts, as required.	Current regional sales and training advisors continue in their role, providing the same functions.
Regular communications with employers through direct emails, newsletters, industry events, Facebook and Instagram.	Current communications, events and training material staff to continue to support these activities.
Promoting the industries as good career options with schools, secondary students, careers advisor and gateway coordinators.	Current communications, events and promotional material staff to continue to support these activities.

1.3 Employer and industry support

Employers and industry engaged with

Based on your TITO's current employer and learner base (at the time you complete the Transition Plan), please provide details of the number of employers and learners in each of your sectors, the numbers and percentages of employers engaged with (and the number of learners they represent), and the numbers and percentages of employers who have supported the proposal.

There are approximately 11,500 individuals employed in hairdressing and barbering and 7,500 individuals employed in the beauty sector. A total of around 4,850 businesses operate within these industries and they are located all around the country.

There is only one larger employer in the hairdressing industry, Vivo, which owns approximately 70 salons. There are other brands like Rodney Wayne, tend to be small or operate under a franchise model.

HITO has approximately 1500 apprentices and 40 industry trainees. The majority of the apprentices 85% are in hairdressing, with 7% in barbering and 8% in beauty. There are approximately 767 employers responsible for training these individuals.

We have approximately 352 official HITO employer members. Our HITO Board has three elected industry representatives covering hairdressing and barbering and one appointed representative for beauty.

HITO has engaged widely with the hairdressing, barbering and beauty industries over the course of RoVE through face to face meetings and videos distributed through our channels. These industries were not supportive of the amalgamation of ITOs and have always sought to be represented by their own body, particularly give the long history of hairdressing apprenticeships that goes back over 50 years.

Three options were taken to industry for their consideration:

- Te Pūkenga
- PTE
- Wananga

HITO conducted road shows across the country outlining the three options and seeking industry feedback. HITO met with industry in face-to-face meetings in Auckland, Wellington, Christchurch and Dunedin and also held a zoom meeting for those in regional areas. The meetings outlined the three options being considered and asked for an indication of which option was preferred.

Following the meetings, a video was distributed via our website and through Facebook which provided a condensed overview of the options. The Facebook post reached over 1770 people and was opened by over 950 people. A survey was available for people to express their preference out of the three options.

Of those who chose to provide feedback, the following preference was expressed.

- PTE – 70%
- Te Pūkenga – 23%
- Te Wānanga O Aotearoa – 7%

An example of the feedback supporting PTE

“I believe a PTE gives us the freedom to grow and develop as an industry with our voices being heard clearly”. Employer, Hairdressing, Online survey.

“Our voice as a small industry needs to be heard. It’s a worry we may get lost in a large organisation like Te Pūkenga”. Employer/HITO member, Christchurch

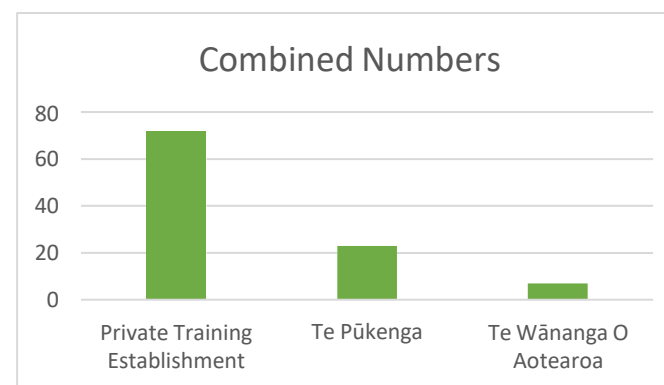
“With a quickly evolving range of skills the ability to act quickly to include/update quals would more easily be achieved within a smaller organisation”. Industry Professional, Wellington.

“Need autonomy and control over the programmes/training” Beauty Association member, Dunedin

“It is so important for the hair and beauty industry to have its own voice” Beauty Association member

An example of feedback supporting PTE with continued relationship with Te Pūkenga:

“Prefer a private training establishment but with a relationship with Te Pūkenga to hire campus. Or block courses in main cities with accommodation options. I feel like we will get lost in a large organisation – the polytechs have passed us around so much in the past so we need a smaller organisation where our voice doesn’t get lost and they care about our industry”. Apprentice Trainer/HITO member, Hairdressing Christchurch



An example of feedback supporting Te Pūkenga option:

"I don't have enough information at the moment, but I tend towards Te Pūkenga for more structure etc and a more centralised standard." Apprentice Trainer, Dunedin

The general sentiment to engagement was:

"None of these are 100% good options. Stay the same until there's a better more detailed/finalised option." Industry professional, Hairdressing

"This is a terrible plan for hairdressing. We need people who understand how the hairdressing business works – leave HITO alone." Employer, Hair and Beauty

After the HITO Board decision to choose Te Pūkenga as the preferred provider, HITO re-engaged with the associations and some key industry representatives to get an indication of their support. This outcome of this engagement is shown below.

Industry bodies engaged with

Please provide a list of relevant industry bodies and/or professional associations, show whether or not you have engaged with them, and show whether or not they have supported the proposal. If you can, please describe how much of the industry and/or which organisations each body represents.

The following table shows the associations that were approached after the Board decision to go with the Te Pūkenga option to get an indication of their level of support.

Industry body	Representation	Engaged with? Y/N	Supportive? Y/N
NZ Hair and Barber	NZ Hair and Barber, previously NZARH (New Zealand Association of Registered Hairdressers), is the only association for Hairdressing and Barbering. This organisation has limited representation of the industry with approximately 369 members, which includes providers and suppliers, not just industry organisations.	Yes	No comment
New Zealand Association of Registered Beauty Professionals	NZARBP (New Zealand Association of Registered Beauty Professionals) represents beauty therapists. This organisation has approximately 500 members.	Yes	Yes

Nature of engagement with employers and industry

Please describe your approach to employer and industry engagement during the development of the Transition Plan. Please include, for each sector, commentary on:

- How you engaged (What information was provided? How was the engagement conducted? How many parties participated? How was feedback provided? What was the feedback received?)
- Which employers and industry bodies supported the proposed transition?
- Which employers and industry bodies did not support the proposed transition?

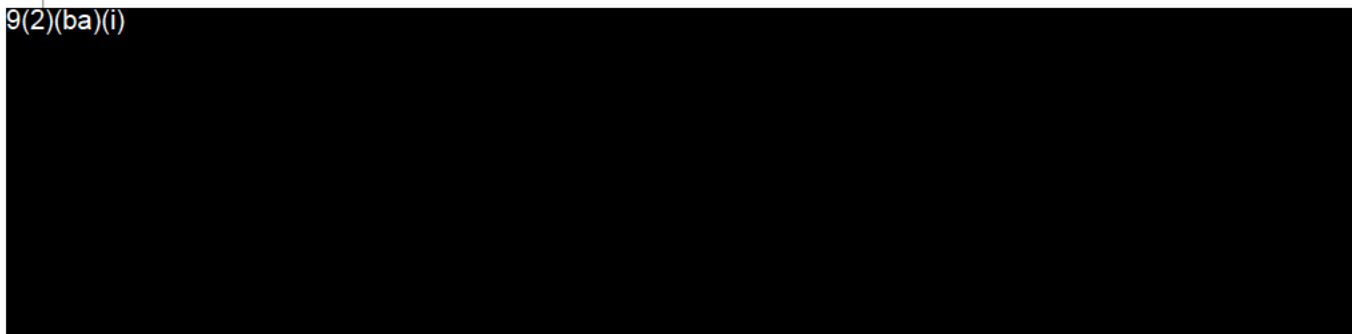
Sectors	Nature of engagement
Hairdressing	All three industries were approached together through face to face engagement sessions conducted across the country. See above. After the Board decision, a select number of industry representatives were approached for feedback, as shown below.
Barbering	
Beauty	

Evidence key existing employers and industry bodies support the Transition Plan

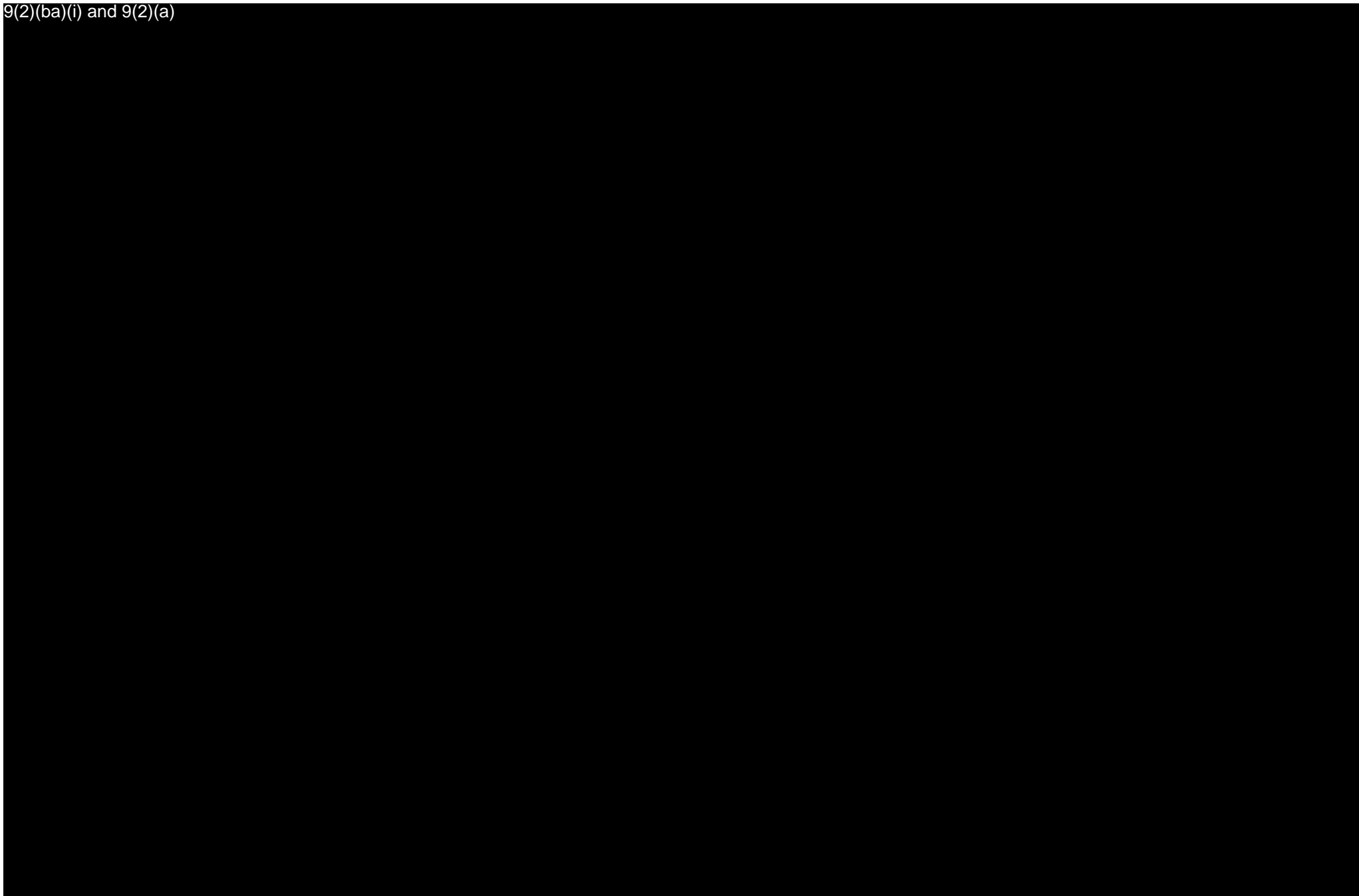
Provide evidence that key existing employers and industry bodies support the Plan (e.g. survey, letters of support, key industry names and contact details):

The following feedback was received from the associations:

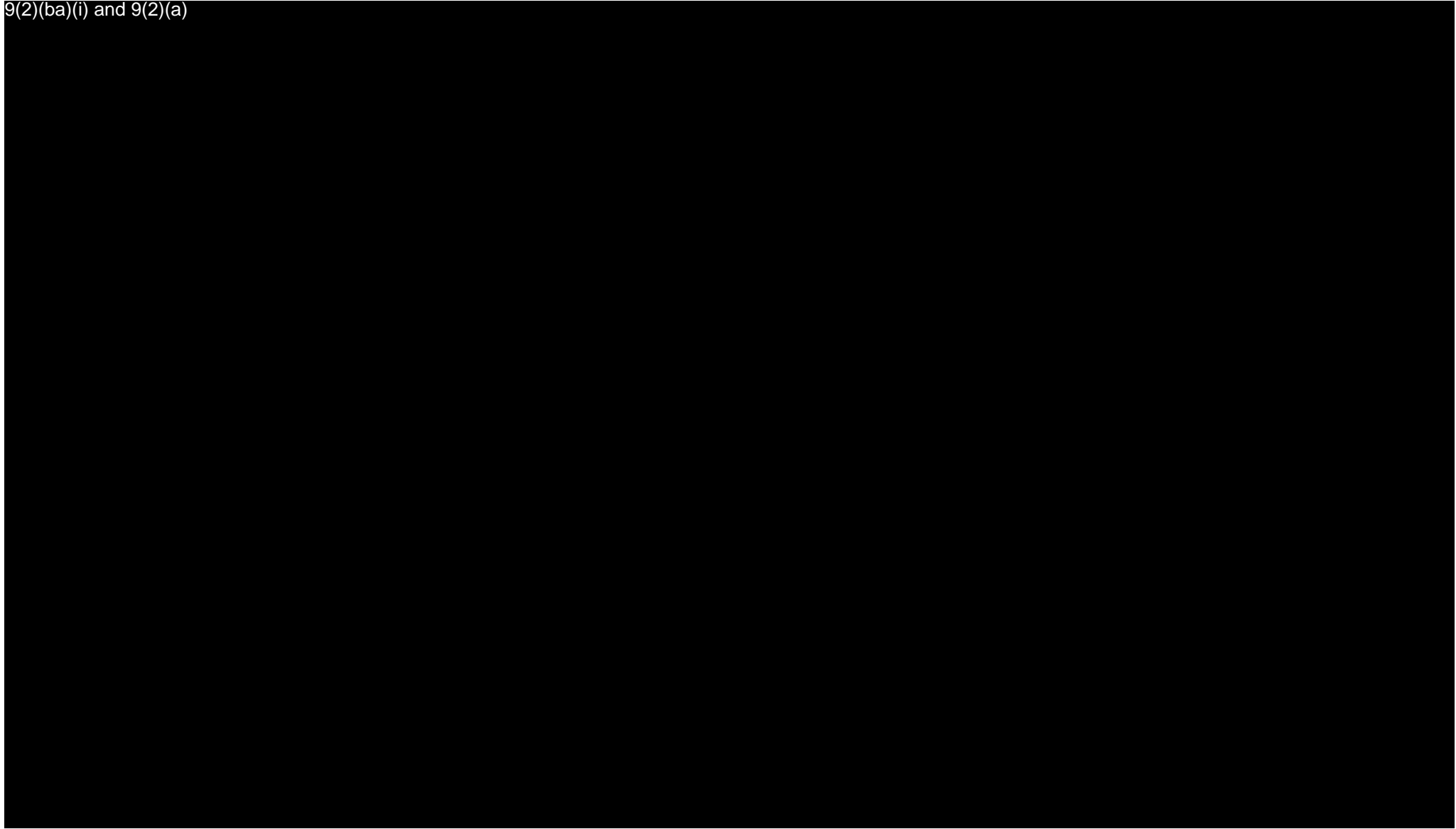
9(2)(ba)(i)

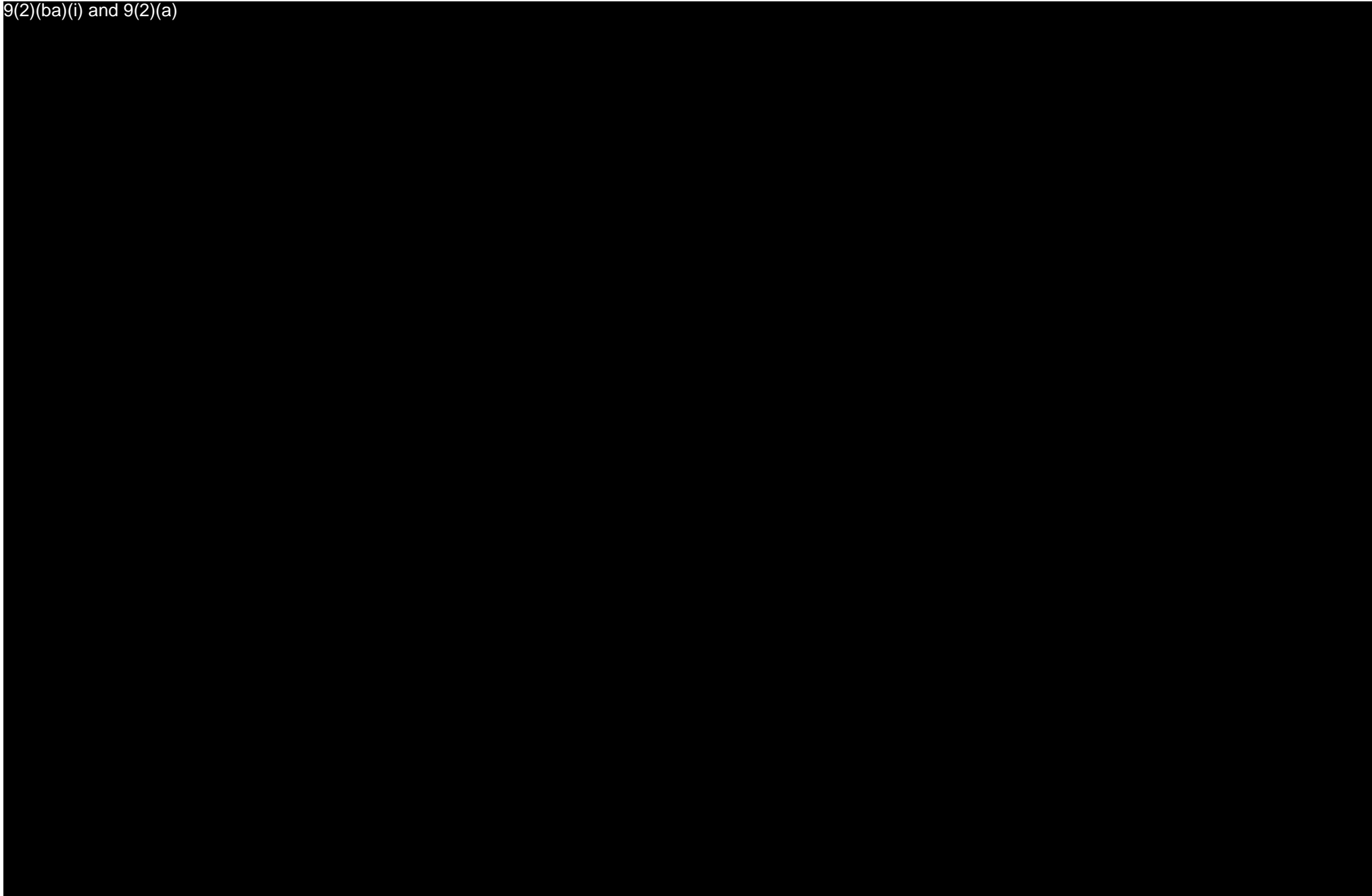


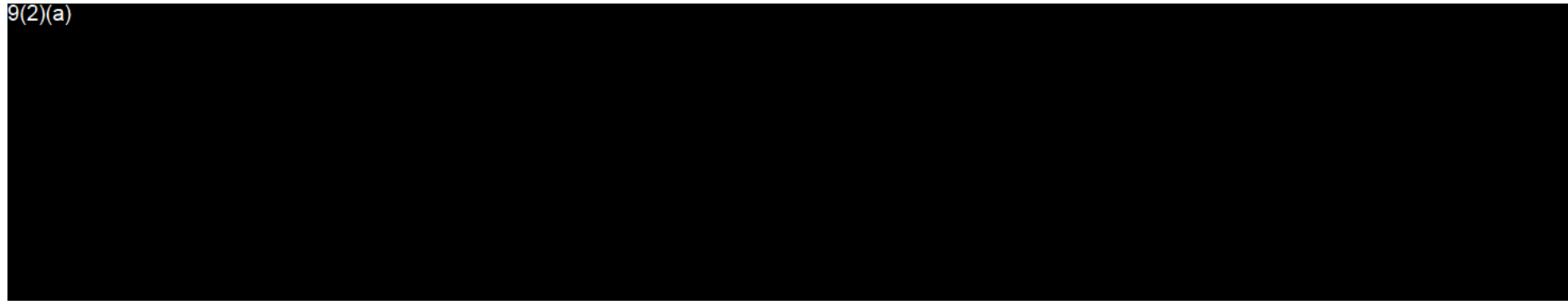
Feedback from Beauty association:



9(2)(ba)(i) and 9(2)(a)







1.4 Status of discussions with Receiving Organisations

Use this section to describe the status of discussions and negotiations with Receiving Organisations. Also show the next important milestone(s), and any unresolved issues for each Receiving Organisation. (Note that unresolved issues can be summarised, if needed.)

Activity	Receiving Organisation	Progress as at <insert date>	Next significant milestone	Issues to resolve
Arranging Training	Te Pūkenga	Discovery/due diligence completed. Terms Sheet agreed.	Transfer agreement between HITO and Te Pūkenga to be completed. Te Pūkenga to complete operating model.	Understanding of the ongoing operating model and organisational structure to provide our industries with confidence that they will still have a significant voice in the programmes, education and training that relates to them.

1.5 Conflicts of interest

No conflicts for interest.

Section 2: Transition of Arranging Training

2.1 Rationale for preferred provider(s) of Arranging Training

Potential providers for Arranging Training are Te Pūkenga, existing PTEs, wānanga and new PTEs (including TITOs that wish to become a new PTE). Use this section to provide information about the potential providers considered, and the provider(s) chosen to receive the Arranging Training activities.

Providers that have been considered for Arranging Training

List each provider(s) that has been considered for Arranging Training, the approach for engaging and evaluating them, and the rationale for wanting to proceed/not proceed with each provider. Please provide information against each provider included in the 'long-list' supplied by TEC.

The following table outlines the three providers considered in the long list:

1. Te Pūkenga (the amalgamation of 16 polytechnics and a number of TITOs)
2. Te Wānanga O Aotearoa
3. A PTE **9(2)(b)(ii)**

The following are the criteria that the Board are using to make their decision on preferred provider.

- Best option for a sustainable future for our industries, including a strong voice for our industries.
 - ✓ HITO industries and the role of employers are understood and protected within the transition process.
 - ✓ HITO industries are assured a strong voice in apprenticeships and the apprenticeship model. Note hairdressing apprenticeships have an over 50 year history.
 - ✓ Representation of the industries, for example some inclusion of the HITO representative Board or initiation of a formal advisory group, to ensure a voice in the transition process as well as the future of industry training.
- Best option for continuity of support and service arrangements for our apprentices and employers
 - ✓ HITO arranging of training activities are set up and continued in ways that provide a similar or enhanced service to those offered currently by HITO.
 - ✓ The apprenticeship model and robust qualifications and programmes are protected and continued within the reform process.
 - ✓ The specific expectations for service of all learners and employers that sign into an agreement with HITO are met during and following the transition until the end of their apprenticeship term.
 - ✓ Participation in Industry Awards, graduation and other stakeholder events would continue.
- Proven experience with education and training for our industries

- Ability to offer national coverage
- Fit-for-purpose facilities to offer Off Job Training with geographical spread.

Providers considered	Approach to engaging and evaluating this provider	Decision and rationale
Te Pūkenga	<p>Face to face meetings.</p> <p>Emails and discussing about the needs of our industries and employers.</p> <p>Ongoing participation in workshops and ongoing TITO CE/WBL/Te Pūkenga workshops.</p> <p>Formal discovery/due diligence process – in association with Alma Consulting.</p> <p>Criteria used for evaluation:</p> <ul style="list-style-type: none"> • Best option for a sustainable future for our industries. • Best option for continuity of support and service arrangements for our apprentices and employers • Proven experience with education and training for our industries • Ability to offer national coverage • Fit-for-purpose facilities to offer Off Job Training with geographical spread. 	<p>Met most criteria</p> <p>Te Pūkenga – is the amalgamation of 16 polytechnics/institutes of technology and several TITOs. They are a large organisation with Crown Entity status offering vocational training across the country. Their large size and status mean they will be able to continue to provide the service, regardless of the funding model that is introduced.</p> <p>They have current experience undertaking education and training for our industries, including currently contracting to do our off-job training and assessment.</p> <p>They have the broadest national coverage and fit-for-purpose facilities.</p> <p>They have set up a subsidiary for transitioning ITOs to move their people and support systems for work-based training to.</p> <p>The ‘lift and shift’ model of transition offers stability and continuity for our industries in the short-medium term. The new operating model is being designed to take advantage of the intentions of RoVE which means any subsequent changes should make the work based and employer-led support solutions even better than they currently are.</p>

Providers considered	Approach to engaging and evaluating this provider	Decision and rationale
Te Wānanga O Aotearoa	<p>Face to face meeting. Email discussions about requirements from industry and employers.</p> <p>Criteria used for evaluation:</p> <ul style="list-style-type: none"> • Best option for a sustainable future for our industries. • Best option for continuity of support and service arrangements for our apprentices and employers • Proven experience with education and training for our industries • Ability to offer national coverage • Fit-for-purpose facilities to offer Off Job Training with geographical spread. 	<p>Did not meet criteria</p> <p>Te Wānanga O Aotearoa is a large state sector tertiary education organisation offering 50 courses (certificates, diplomas and degrees) across 80 campuses. While they offer a range of vocational subjects, they have no current experience with any education or training for our industries. HITO does not have a large number of Māori learners and the Wānanga does not have any experience, expertise or equipment relating to hairdressing or beauty vocational training. As they have no physical facilities for hairdressing this would mean they would need to contract Te Pūkenga and PTEs for the off-job components of the service.</p>

Providers considered	Approach to engaging and evaluating this provider	Decision and rationale
PTE – 9(2)(b)(ii) [REDACTED]	<p>Face to face meetings.</p> <p>Emails and discussing about the needs of our industries and employers.</p> <p>Formal discovery/due diligence process</p> <p>Criteria used for evaluation:</p> <ul style="list-style-type: none"> • Best option for a sustainable future for our industries. • Best option for continuity of support and service arrangements for our apprentices and employers • Proven experience with education and training for our industries • Ability to offer national coverage • Fit-for-purpose facilities to offer Off Job Training with geographical spread. 	<p>Did not meet criteria</p> <p>9(2)(b)(ii) [REDACTED] is a smaller privately owned vocational organisation.</p> <p>9(2)(b)(ii) [REDACTED]</p> <p>[REDACTED] The programmes have good links to employment, and some are offered to those in employment.</p> <p>The timing of the requirements for HITO to complete a transition plan did not fit with 9(2)(b)(ii) [REDACTED] gaining capability and capacity within our industries.</p> <p>The offer to lift and shift and continue with the current service model was not substantiated by the due diligence process. 9(2)(b)(ii) [REDACTED]</p> <p>[REDACTED]</p> <p>Due to philosophical differences in the lift and shift model, the offer was withdrawn in mid-March.</p>

Preferred providers' approach to Arranging Training

Describe how the preferred provider(s) will arrange training following transition, and how this meets learner and employer needs:

Preferred provider	Preferred provider's approach to Arranging Training	How this will meet learner needs	How this will meet employer needs
Te Pūkenga	Achieved through lift and shift of all HITOs capability to continue arranging of training activities.	Current service model will continue.	Current service model will continue.

Preferred providers' existing capabilities

Describe the existing capabilities (such as people, operating assets, relationships) for the selected provider(s), and their plans for acquiring additional capability that will allow them to take over transferred assets and Arranging Training responsibilities.

Preferred provider	Preferred provider's existing capabilities	Plan to obtain additional capabilities
Te Pūkenga	<p>None specifically for the full Arranging of Training service model.</p> <p>Many of Te Pūkenga's ITP subsidiaries have capability to offer the off-job training component of HITOs Arranging of Training for hairdressing and barbering, which accounts for approximately 4% of the delivery of training for the qualification. They also have capability to undertake assessment of units, excluding the capstone assessments which require industry assessors in a commercial environment.</p>	<p>HITO will bring relevant people, operating assets and relationships through a 'lift and shift' model to a HITO Business Division within WBL to enable the Arranging of Training to continue after the transition date.</p>

Details of transitioning programmes, learners and standard training measures

For each preferred provider, describe the details and intended volume of the transition from your organisation. This information, in the form of a Mix of Provision, will help us to assess what funding is likely to be accessed from the Industry Training Fund, and should, as accurately as possible, indicate the number of learners and standard training measures (STMs) needed to support the activity.

Please copy and paste the tables below for each preferred provider.

The majority of HITO's business is apprenticeships in Hairdressing, Barbering and Beauty.

The projection for transition is:

1460 apprentices at Level 4

40 Industry Trainees.

A total of 1500 STMs required to support this.

NZQF Level	Learners		Standard Training Measures (STMs)	
	Trainees	Apprentices	Trainees	Apprentices
2				
3				
4	40	1460	9(2)(b)(ii)	
5				
6				
7				

2.2 Service continuity approach

Vocational education improvements are expected to be delivered during the integration and unification phases of the reform, which will occur after the TITO transitions have been completed. Before then, TEC needs to ensure that Transition Plans support the seamless movement of learners, employers, and industry groups to the Receiving Organisations, while minimising service disruption as much as possible.

Use this section to describe the planned approach to ensuring continuity of service during the transition of Arranging Training to preferred provider(s). (If needed, replicate the table to describe different approaches planned for different providers.)

Please describe the planned approach to:

- Retain relevant key assets until the provider's Arranging Training capabilities are in place;
- Maintain service levels for existing learners until and during the transition, highlighting changes that may impact learners' experience or educational outcomes;
- Manage risks related to the enrolment and retention of under-served learners, and how these risks will be managed;
- Minimise service disruption to employers and industry groups (including provision of brokerage and support services) until and during the transition;
- Minimise disruption to existing education and training providers until and during the transition; and
- Continue school-focused activities (e.g. Trades Academies and Gateway programmes) and keeping secondary school principals and relevant staff informed of transition arrangements and timeline.

Topic	Planned approach
Retain relevant assets	All relevant assets will be transitioned including brand, systems, processes, IP and materials.
Maintaining service levels for existing learners	HITO will bring relevant people, operating assets and relationships through a 'lift and shift' model to a HITO Business Division within WBL to enable the Arranging of Training to continue after the transition date. This will minimise any risks to service levels for existing learners.
Manage risks related to under-served learners	HITO will work with Te Pūkenga to access additional support available for underserved learners.
Minimise disruption to employers and industry groups	HITO will bring relevant people, operating assets and relationships through a 'lift and shift' model to a HITO Business Division within WBL to enable the Arranging of Training to continue after the transition date. This will include ongoing stakeholder engagement from Sales and Training Advisors that are from these industries, and support for industry events and activities.
Minimise disruption to existing education and training providers	The HITO Business Division within WBL plans to continue to use Te Pūkenga subsidiaries and PTEs to offer Off Job Training on a nationwide basis. Continuity of contracts should minimise disruption to providers. HITO will transition those people and processes that can enable the continuation of the contract negotiation, contract implementation and monitoring of successful outcomes.
Continue school-focused activities	The HITO Business Division within WBL plans to continue with Schools focused activities including Gateway programmes and support for careers advice in schools. HITO has limited capacity for other schools focused activities and is used to working with other WBL former TITOs on schools activities. It is assumed that we would continue to work closely with other WBL Business Divisions to maintain and expand schools focused activities.

2.3 Retention of people, skills, knowledge, experience and relationships

It is critical that staff with key skills, knowledge, experience and relationships are retained in the VET system during and following the transition of Arranging Training to Receiving Organisations. TEC needs to ensure that Transition Plans show TITOs working closely with Receiving Organisations to:

- Retain people with the capabilities needed in the broader system;
- Recruit the best people for the required roles in Receiving Organisations; and
- Support service continuity and development of work-based training models and maintain industry confidence.

Use this section to describe the approach to retaining people with critical skills, knowledge, experience and relationships through the transition period. This may include staff involved in service delivery and relevant corporate services functions, as agreed with Receiving Organisations.

The intention is a lift and shift as a going concern to minimise the risk of losing staff in the process. All current staff will transfer with their current terms and conditions, including all leave entitlement.

HITO has been very clear with staff throughout the process that all options for consideration involved a 'lift and shift' approach which would mean staff could continue in a Business as Usual way throughout transition and would continue to work with their current colleagues and in their current location through transition. We have also reinforced that the Minister's intention was to retain people within the sector, particularly those with expertise in on-job training.

HITO has discussed the staffing situation with Te Pūkenga and we have agreed the following strategy to retain key skills and staff. For our excellent staff currently on fixed term contracts that are expiring before the end of 2022, we are making those positions permanent in order to assure those people of their value, not only to HITO but to Te Pūkenga and the education system. This will minimise risk of people leaving during a period of uncertainty and high unemployment and will ensure our ability to provide continuity of service after the transition date.

HITO has put in place a retention strategy for key people to ensure leadership is maintained through the transition period.

2.4 Transition of information and assets

Use this section to identify the key categories of information and other assets which will be required by the Receiving Organisation(s) in order to continue delivering the transferring activities.

Key categories of information needed for transition

Please provide the key categories of information needed to carry out the transitioned activities, and how and when this information will be handed over to the Receiving Organisation(s). Examples of information categories are shown below. Please amend this list and add or delete as required.

Category of information	Approach to transition	Key risks
Details of employers, providers and learners, and their relationships with TITO	<p>Lift and shift of current 9(2)(b)(ii) system and document files will ensure continuity. The 9(2)(b)(ii) system will be transferred to Te Pūkenga as an operational system. This includes all information about employers and learners. OJT provider contracts and details will also be transitioned.</p> <p>Lift and shift of all staff responsible for stakeholder engagement so they can maintain current relationships.</p>	No risk identified.

Category of information	Approach to transition	Key risks
Details of the needs of learners, employers and industries, relevant to transitioned activities	All files and documents relating to arranging of training and needs of learners, employers and industries will be transitioned so current staff can continue with their current Business as Usual activities to meet the needs of all stakeholders.	No risk identified.
Details of relevant functions, contracts, IP, systems, policies, on-going projects, and how these relate to future needs for learners and employers	All relevant contracts, policies, and systems are being transitioned. Other information such as programme information, training support materials, policies, projects and business information is contained in Dropbox files that will be transferred over.	No risk identified.
Details of careers information guides and related activities	All careers information in hard and soft copy will be provided. All Gateway programmes and MOUs with Schools will also transition.	No risk identified.
Business roadmap or other plans showing the intended vision for development of Arranging Training activities	HITO will develop a comprehensive business plan for 2023 identifying specific projects for completion. This plan will be approved by the HITO Board and ringfenced funding for projects will be provided as part of the transition.	No risk identified.
Any other information being transferred to the Receiving Organisation(s) – Information relating to The Industry Awards.	The Industry Awards are jointly held and organised by HITO, NZ Hair and Barber (The Hairdressing and Barbering Industry Association) and Kltomba (A major industry supplier). Information about these awards and the responsibilities of HITO in relation to these will be transitioned.	No risk identified.

Key categories of assets needed for transition

Please provide the key categories of assets needed to carry out the transitioned activities, information on how and when these assets will be handed over to the Receiving Organisation(s) (if applicable), and any risks. Examples of assets are shown below. Please amend this list, as required.

Category of assets	Approach to transition	Key risks
Trainee Management systems	The 9(2)(b) system will be transferred to Te Pūkenga as an operational system. HITO has a contract with 9(2)(b)(ii) who provide support for 9(2)(b)(ii). This contract will be transferred to Te Pūkenga.	No risk identified.
Employer Key Account systems	This information is held within the 9(2)(b) system. There is no separate CRM system.	No risk identified.

Category of assets	Approach to transition	Key risks
Other IT systems	All IT systems, software and technology will be transitioned and will continue as a Business as Usual operation. Dropbox is used as the file management system. Microsoft office suite is used for general IT requirements. General IT and telephony systems and support are outsourced through 9(2)(b)(ii). The contract will be transferred over to Te Pūkenga.	No risk identified.
Hardware and equipment	All hardware and equipment used by current staff with transition on the completion date. Photocopier leases will be transitioned.	No risk identified.
Vehicles	HITOs vehicles are all leased and the contract will be transitioned on the completion date.	No risk identified.
Other assets (e.g. Intellectual Property, Brands)	All intellectual property and branding will be transferred to Te Pukenga on the completion date.	No risk identified.

2.5 Commercial and legal processes

Use this section to describe the formal mechanisms planned to give effect to the transfer of responsibilities and assets (as applicable). For example, identify the contracts (or similar) which are planned, the parties involved, and the planned approach to agreeing these with the other parties. TEC will use this information to ensure that each Transition Plan includes a commercially viable process and that the Crown is not exposed to undue financial risk. The Transition Plan must also exhibit fairness to all parties involved, and minimise financial and legal risk to non-Crown entities and Receiving Organisations, including the TITO. TEC expects the Transition Plan will allow for a due diligence process where the parties to the transition (including the Crown as the main funder of the vocational education system) can make informed decisions about the terms of the transfer.

Describe the commercial and legal processes and the proposed due diligence process:

HITO and Te Pukenga have undertaken a due diligence process.

HITO have agreed the Terms Sheet with Te Pūkenga. This provides agreement on the details of the transition and forms the basis for a formal and binding Transfer Agreement which will be signed following the formal approval this Transition Plan by TEC.

Contracts with all HITO Suppliers will be transitioned to Te Pukenga to ensure continuity of service.

2.6 Working with external parties

TEC wishes to ensure that all external parties are aligned and work together to ensure a seamless transition of Arranging Training for employers and learners. External parties may include contracted PTEs, schools, the Ministry of Education, NZQA, unions, and other relevant organisations.

Use this section to describe the planned approach to working with external parties during the transition planning and implementation.

Please outline the:

- Roles of external parties (other than the TITO, Receiving Organisations and TEC) in delivering on a successful transition;
- Collaboration model (e.g. governance, organisation, and processes) between your organisation, providers and other external parties to ensure a seamless transition.

All Business as Usual relationships with external parties will continue. All external parties will be formally notified post approval of the Transition Plan that HITO will be transitioning into Te Pūkenga as a going concern operation. All contracts will transition with HITO to Te Pūkenga and the terms of those contracts will be upheld until their expiry date.

NZQA – continue current relationship.

Contracted Te Pūkenga subsidiaries – are on annual contracts and will be renegotiated and transitioned as part of Business as Usual operations.

PTEs – 9(2)(j)

Schools – MOUs with Schools for Gateway programmes will transition as part of Business as Usual operations.

Industry suppliers and associations - Kitomba and NZ Hair and Barber – MOU with these organisations for The Industry Awards is an annual arrangements and will transition as part of the Business as Usual operations. HITOs agreement with L’Oreal to support apprentices with opportunities to participate at Fashion Week events will continue.

2.7 High-level work plan

TEC needs to ensure that the Transition Plan is achievable and provides clarity around how and when the transition will occur.

Please outline your high-level work plan for managing the transfer of your relevant responsibilities to the receiving organisations while ensuring a seamless transition for learners and employers.

The high-level work plan must show the key tasks required to complete transition before December 2022, and the key milestones that will allow TEC to monitor progress. (Note: TEC will work with each TITO to identify the reporting milestones appropriate for each transition.) The high-level work plan must also show dependencies on external parties, and impacts and risks to key stakeholders (and the mitigations for these), as well as the governance arrangements which will be used to manage the transition activities.

Please provide:

- The key activities, timeframes, milestones, management and governance arrangements for the transition;
- Dependencies on external parties in delivering on a successful transition;
- A high-level assessment of the transition impacts and risks, and the planned mitigations for these; and
- The reporting approach agreed with TEC.

HITO will work directly with Te Pūkenga on the activities required for successful transition following the intent of the Terms Sheet.

The agreed approach following approval from TEC on the Transition plan:

-HITO and Te Pūkenga will sign a formal Transfer agreement based on the Terms Sheet with specifics of all assets, liabilities, staff and contracts.

-HITO will concentrate on ensuring stakeholders (employers, learners, trainers, industry associations, industry supplier, schools, and industry advocates) are brought along with the decision through a series of regional face to face networking events and meetings and specific communication.

-HITO will continue to offer continuity of the service model and support to existing employers and apprentices and engage in activities to build the pipeline for 2023.

-HITO will ensure staff are informed and ready to transition with the appropriate systems, equipment, processes and qualifications to continue with the service model.

-Using Te Pūkenga processes and templates, HITO and Te Pūkenga will ensure all assets, liabilities, staff and contracts are transitioned in a timely manner to meet the transition date.

Te Pūkenga will arrange an appropriate staff welcome for the transition date.

Section 3: Transition of Apprenticeship Training Activities

Apprenticeship Training Activities going to same provider as Arranging Training

For TITOs that transfer Apprenticeship Training Activities together with Arranging Training to the same Receiving Organisation(s), at the same time and using the same approach, please state this in the text box below. In this case, the remainder of Section 3 does not need to be completed.

Apprenticeship training activities are transferring to Te Pukenga using the same approach as arranging of training.

Section 4: Transition of Other Activities

6.1 High-level approach and planning considerations

Use this section to identify relevant Other Activities and describe the high-level planning approach (Receiving Organisation(s), transition approach and planned timeframes) and the key considerations for transferring them:

Not applicable.

Section 7: Declarations

Please confirm, on behalf of your TITO, that:

	You are satisfied that the receiving Arranging Training and Apprenticeship Training Activities provider(s) meet the TEC's initial approval criteria.
	You agree to immediately inform TEC of any risks or issues that could adversely impact your operations in order to allow us to discuss how these could be managed, prior to transition.
	Where applicable, you agree to factor your Transition Plan and transition date into your annual investment planning process and to work with the TEC to provide for a smooth transition of funding.
	Your Transition Plan (Second Version) has been signed off by your relevant governance body.

Please provide your details, including your role within your organisation:

Your name:	Kay Nelson	Flora Gilkison
Your position/ role:	Chief Executive Officer	Board Chair
Name of TITO:	New Zealand Hair and Beauty Industry Training Organisation	
Signatures:	