

HITO TRANSITION OPTIONS

Purpose

Following industry meetings held by HITO in July and October 2025, this paper sets out the analysis of the options discussed.

This paper reviews the various transition options for HITO when transferring from the ISB and makes a recommendation on the best option for learners, employers and industry.

If you would like to provide feedback on this paper or the options and recommendation you can do so by emailing feedback@hito.org.nz by 5.00pm 23 February 2026.

Background and Strategic Context

Hairdressing apprenticeships have a long history going back over 60 years in New Zealand. The industry is used to the apprenticeship model and would like it to continue despite the major and continuous changes being made to the vocational education sector.

Hairdressing is identified by the WDC as an area of priority.

Hairdressing, Barbering and Beauty employers are very small businesses located in every town and city across the entire country. Employers like the apprenticeship model as it produces graduates with both technical and commercial skills and experience to be successful.

When HITO transitioned to Te Pūkenga in 2022, the HITO Board established a charitable trust, Hairdressing Industry Training Opportunities, HISO, that could continue to support apprentices, employers and the wider industry.

Te Pūkenga is being disestablished and HITO transitioned to the Services ISB in January 2026. HITO cannot stay as part of the ISB after 2027 and during that time will need to transition the apprenticeship work-based training and learning to another entity.

This paper explores some of the options for HITO's transition from the ISB. HITO has already indicated to TEC as part of the Te Pūkenga transition plan that the preference is to transition early in 2026 in order to provide certainty for our learners and employers.

Options for Transition

We have identified six main options for HITO to consider for transition before the end of 2027 when the ISB will no longer be able to continue with any training activities.

Option 1 – Lift and shift HITOs entire operations to an existing large Private Training Provider (PTE).

Option 2 – Lift and shift HITOs entire operations to a smaller Private Training Provider (PTE).

Option 3 – set up new HITO PTE.

Option 4 – HISO sets up as a PTE to receive HITO.

Option 5 – Transition HITO to division of Open Polytechnic.

Option 6 – Split HITO learners and employers across regional polytechnics in closest proximity.

Criteria for decision making

In the analysis and consideration of the various options, the following criteria have been taken into account:

1. What option would be in the best interests/cause least disruption to our apprentices.
2. What option would be in the best interests/cause least disruption to our employers.
3. What option would be in the best interests of our industries currently and for the future, including qualifications available nationally in all small communities as well as large cities, industry relationships and understanding of industry needs, and experience supporting industry-led work-based learning.
4. What option would be best for the vocational education system in terms of continuation of industry-led work-based learning, cost to deliver and coverage across the country.
5. What option is the least risky in terms of transition activities/has most chance of success.

Analysis of Options

Option 1 – Transition to large established PTE with hairdressing experience

Benefits.

- Established PTE with history with NZQA.
- Financially viable with diversified portfolio if economy or demand for programmes changes.
- A lift and shift model provides industry (employers and apprentices) with a smoother transition to the new system than a more piecemeal handover of activities.

- Fairly national – as have locations in main big centres across the country, however outside main centres operate using distance learning.
- PTE so not constrained by union contracts/requirements.

Risks

- Previous attempts by the large PTE at work-based learning using high fees with student loans and staff instead of trainers in the workplace who are working commercially every day have not shown outcomes.
- Significantly increased cost for apprentices. The work-based learning model used by the large PTE is significantly higher cost to the learner with large fees and associated high student loans.
- The large PTE does not have experience with full national coverage to small communities and as the cost to service is high the risk is that this cover will be discontinued.
- Disruption to current learners in transitioning away from HITO and into a new entity.
- Disruption to current employers as the work-based model used by the large PTE is not an industry-led model.
- No experience with HITO learners as they are not part of HITO off job training provision.
- Disruption to HITO staff as HITO would be a small part of the overall business.
- Poor cultural fit with HITO staff and values. Risk of knowledgeable staff leaving HITO if they do not want to be part of a larger and less hair and beauty focused organisation.
- Risk of lower service to employers and apprentices due to distraction around transition activities.
- Less focus for industry on just hairdressing, beauty and barbering as the large PTE has a large and growing portfolio across many disciplines.

Option 2 - Transition to a smaller PTE with hairdressing experience

Benefits

- Established PTE with history with NZQA.
- A lift and shift model provides industry (employers and apprentices) with a smoother transition to the new system than a more piecemeal handover of activities.
- Have had some previous experience with HITO and HITO learners as part of delivering off-job training.
- Potential fit with HITO staff and values.

- HITO would be a dominant part of the business. HITO staff could be involved in developing the longer-term operating model bringing expertise in the arranging of training and knowledge of our industries' needs.
- PTE so not constrained by union contracts/requirements as is the case with an ITP.
- There would be a smoother transition for employers and apprentices as the model would continue with HITO staff.
- HITO would be part of a smaller organisation so the voices of the industry are less likely to be diluted.

Risks

- No experience with work-based learning within the smaller PTE.
- No experience with national delivery and potential for smaller PTE to stop full national coverage to small communities as the cost to service is high.
- Small size which may have impacts for finances and transition costs.
- Not national so no experience with providing for a national operation with different requirements to that of their current PTE offering.
- Potential disruption to current learners and employers in transitioning away from HITO and into a new entity.
- Disruption to staff as part of a new entity with a different model of operating.

Option 3 – set up new HITO PTE

Benefits

- Keeps learning model same as current WBL model – no disruption to learners or employers.
- Established previous history with NZQA through ITO and Te Pūkenga.
- Maintaining national coverage.
- Fit with HITO culture.
- Less disruption to staff.

Risks

- Need to establish an appropriate organisation to host HITO and a charity takes time to set up.
- Need to establish as a PTE with NZQA (note: have already submitted application).
- Need permission of TEC.
- Need to establish appropriate Governance with a mix of industry and education representatives.

- Would transition without reserves which may be an issue for finances and costs of transition.

Option 4 – HISO sets up as a PTE to receive HITO

Benefits

- Already has Charitable Trust set up.
- Already has Governance in place with strong representation from hairdressing, barbering and beauty industries.
- Many of the trustees were previously or still are involved with HITO and understand the work-based model.
- Some viability and transition cost cover through existing HISO funds. (Note: The current Board has committed to support the transition and ongoing viability if required).
- Keeps learning model same as current work based learning (WBL) model as no other learning models or delivery to fit into.
- No disruption to learners.
- No disruption to employers.
- Maintains national coverage.
- Keeps current level of work-based delivery within the vocational system.
- Fit with HITO culture.
- Less disruption to staff.

Risks

- Need to establish as a PTE with NZQA (Note: Have already submitted application in conjunction with HITO).
- Need permission from TEC.
- Need to develop understanding of how current vocational system and being a PTE is different to ITO model (Note: HISO have brought additional trustees with education and PTE experience onto the Board to mitigate this risk).

Option 5 – Transition to division of Open Polytechnic

Benefits

- Potential to maintain national coverage as Open Polytechnic is used to operating a national organisation.

Risks

- Lack of understanding of industry-led work-based model and experience with apprenticeships.
- No experience with providing work-based learning.
- No relationships with these industries.
- Would transition without reserves which may be an issue for finances and costs of transition.
- Potential disruption to current learners.
- Potential disruption to current employers.
- Disruption to staff.
- Poor cultural fit with HITO staff and values. Risk of knowledgeable staff leaving HITO if they do not want to be part of a larger and less hair and beauty focused organisation.
- Potentially constrained by union contracts/requirements which would make delivery more costly.
- Lack of understanding of our industries and their needs.
- HITO would be a small part of the overall business which means industry voice would not be as strong.

Option 6 – Split HITO learners and employers across regional polytechnics

Benefits

- Provides a transition option for the ISB.
- Have had some previous experience with HITO and HITO learners as part of delivering off-job training.

Risks

- Current ITPs have not run apprenticeships in hairdressing, barbering or beauty and will need substantial transition time to set up to fully take over the industry-led work-based arrangement of training.
- Disruption for employers – little understanding or experience with work-based learning and apprenticeships in hairdressing, barbering and beauty.
- Disruption to current learners as will be split from having a cohort of learners across HITO to network with.
- Disruption to staff – limited support for work-based people and due to small size there would be no central HITO support for activities as there is now.
- Poor cultural fit with HITO staff and values.

- Potentially constrained by union contracts/requirements which will likely increase cost of delivery.
- While ITPs have classroom learners in hair and beauty, many lack a good understanding of our industries and their needs.
- Combined voice of industry would be diluted across many education providers

Summary of Options against Criteria

The following table outlines the fit of the options with criteria based on the analysis of benefits and risks. Red indicates a higher level of risk and orange a moderate level of risk. Blue indicates a lower level of risk.

The recommended option is the one that fits the criteria best and has the most benefits, least risk and highest chance of overall success.

Options	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Criteria	Large PTE	Small PTE	HITO PTE	HISO PTE	Open Polytechnic	Regional ITPs
Best interests/ cause least disruption to apprentices.	Moderate to high disruption & high cost to learner.	Low to moderate disruption	Minimal disruption	Minimal disruption	Moderate disruption	High disruption
Best interests/Least disruption to employers	Moderate to high disruption.	Low to moderate disruption	Minimal disruption	Minimal disruption	Moderate disruption	High disruption
Best for industries – national provision, industry relationships and experience with support for industry-led work-based learning	Main centre coverage/ Limited experience with work-based, no experience with industry-led work-based model	No experience with national provision or work-based learning. Limited relationships with industry.	Maintain fully national provision, relationships with industry, and current support for industry-led model.	Maintain fully national provision, relationships with industry and current support for industry-led model.	National but via online and no experience with work-based learning. No relationships with industry.	No experience with national provision or industry-led work-based learning. Limited relationships with industry.
Best for vocational system and continuation of network of industry-led work-based provision, cost to deliver, and national cover	Lift and shift of current provision but future provision uncertain as integrated with the large PTE who have a different model.	Lift and shift of current provision but future provision uncertain as integrated with small PTE with limited finances, no experience with work-based delivery.	Lift and shift of current provision but future uncertain as limited finances available to support fluctuation in demand while continuing national delivery.	Lift and shift of current provision with industry support. experience and finances to support provision.	Lift and shift of current provision but into organisation with no experience in work-based delivery and unionised workforce which may impact staff and cost of delivery.	Split of provision to providers with no experience with work-based learning or national delivery. Unionised workforce may impact staff and delivery cost
Least risky transition/best chance of success	Moderate to high risk and moderate chance of success	Some risk and moderate chance of success	Some risk and moderate chance of success	Lowest risk and highest chance of success	Moderate risk and moderate chance of success	High risk and low chance of success

Recommendation

The recommended option is **Option 4** to set HISO up as a receiving PTE for HITO. This option provides the least disruption to current apprentices and employers and best meets the criteria as shown below:

1. What option would be in the best interests/cause least disruption to our apprentices.

HITO moving as an entire lift and shift into HISO would enable current operations to continue as they are now with no disruption to current apprentices. The HISO trustees are part of the industry and understand their needs. They have substantial financial reserves if HITO needs additional funds to cover transition expenses/ongoing operations if required.

2. What option would be in the best interests/cause least disruption to our employers.

HITO moving as an entire lift and shift into HISO would enable current operations to continue as they are now with no disruption to current employers. The HISO trustees are part of the industry and understand their needs. They have substantial financial reserves if HITO needs additional funds to cover transition expenses/ongoing operations if required.

3. What option would be in the best interests of our industries currently and for the future, including qualifications available nationally in all small communities as well as large centres,

HITO moving as an entire lift and shift into HISO would enable current operations to continue as they are now on a national basis. The HISO trustees are part of the industry and understand their needs, including the need for representation across the country and the added cost this brings. They are less likely to stop full national coverage to small communities because the cost to service is high as they operate under a not-for-profit philosophy.

4. What option would be best for the vocational education system in terms of cost to deliver and coverage across the country.

Keeping the current HITO model ensures there is no change to the current expectations of the system for work-based learning provision. Using in-salon industry trainers rather than unionised ITP staff is likely to maintain a lower cost of delivery. HISO as the governing entity is committed to the needs of the entire industry including providing a national service to all employers across the country.

5. What option is the least risky in terms of transition activities/has most chance of success.

Keeping the current HITO model ensures there is no change to the current expectations of the system for work-based learning provision. A lift and shift of the current HITO WBL division as one entity into HISO will ensure least disruption for current learners, employers and staff. We feel this option has the least risk and the most potential for success.

The risks to this option are currently being mitigated by HISO as follows:

- HISO has expanded the trustees on the Board to include some who have extensive education experience and PTE experience to complement the current members who represent the hairdressing, barbering and beauty industries.
- HISO has agreed to make funds available to continue HITO support for apprenticeships if transition costs and fluctuations in demand mean HITO cannot operate without funds that will be left in the ISB upon transition.
- HISO has applied to NZQA to become a PTE.
- HISO has approached TEC about permission to be a receiving organisation for HITO.

Feedback

If you would like to provide feedback on this paper or the options and recommendation, please email feedback@hito.org.nz by 5.00pm 23 February 2026.

Please ensure you include your full name, position, business name and contact phone number in your feedback.