



2015 ANNUAL REPORT

Year ended 31 December 2015



**mito**

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WHAT WE DO

MITO is an industry training organisation. We collaborate with our industries to develop qualifications and training programmes with clear and measurable standards that lift the performance of our industries' workforces. We support our learners to achieve their qualifications and, in turn, help grow their careers.

OUR INDUSTRIES



AUTOMOTIVE

Employs over **50,000** people



INDUSTRIAL TEXTILE FABRICATION

Employs over **700** people



COLLISION REPAIR & REFINISHING

Employs nearly **9,500** people



PASSENGER SERVICES

Employs nearly **10,000** people



COMMERCIAL ROAD TRANSPORT

Employs over **50,000** people



RESOURCE RECOVERY

Employs nearly **8,000** people



DRILLING, MINING & QUARRYING

Employs over **6,000** people



STEVEDORING & PORTS

Employs over **5,000** people



OIL & GAS

Employs nearly **3,000** people



WAREHOUSING & LOGISTICS

Employs over **10,000** people

FOREWORD



ALIGNING OUR BUSINESS

Amendments to our Constitution transitioned the governance of MITO from a representational Board to a skills-based Board. It also reduced the number of Directors from eleven to seven. We gratefully acknowledge the significant contribution from outgoing Deputy Chairman Rex Crowther - a Board Director for ten consecutive years. We welcomed Chris Baker and confirmed David Storey as Deputy Chairman.

We took the opportunity to canvass our expanded membership on a proposed name change. The unanimous consensus was that the MITO brand is well recognised and well respected. We dropped the reference to “motor” and our new legal entity became MITO New Zealand Incorporated, trading as MITO.

QUALIFICATION DEVELOPMENT

During 2015, as part of the mandated Targeted Review of Qualifications, 35 new qualifications were listed by NZQA.

Three new programmes were released during the year:



New Zealand Certificate in Mining and Quarrying (Level 2)



New Zealand Certificate in Drilling (Levels 3 and 4)



National Certificate in Sales (Level 3)

We also completed the review of the collision repair and automotive refinishing programmes and commenced the development of eLearning programmes for this sector - a milestone in the implementation of our eLearning strategy.

The Governance Groups and Working Groups have ensured strong industry representation and we are immensely grateful for the valued contribution from everyone involved.



INDUSTRY FEEDBACK

We were delighted with the results of our 2015 customer satisfaction survey which showed very high levels of satisfaction. We thank all those who contributed to the survey and provided feedback on what is working well and the areas that we can improve upon.

In May, the Board hosted our third annual Industry Summit, 'Building Skills for a Growing Economy'. Representatives from our industry associations and corporate employers contributed their perspective on workforce development issues, best practice and how new and emerging technologies will impact on their sectors. MITO welcomed their advice on how we can add even greater value to their industries.



88%
of our learners



92%
of our employers



are satisfied with the overall level of service from MITO.



90%
of our learners



93%
of our employers



would recommend a MITO training programme to others in their industry.

FOCUS ON SAFETY

The past year has seen a number of changes affecting the mining and quarrying sectors. The Health and Safety (Pike River Implementation) Bill resulted in changes to the granting of certificates of competence with mine, tunnel and quarry managers needing additional unit standards to ensure their certificates remain valid. MITO has worked with a number of specialist training providers to establish a national network of service provision for the new unit standards, calling upon our Australian counterparts to help build the training capacity. Initially, holders had until 1 January 2016 to update their certificates; towards the end of 2015 WorkSafe NZ extended the deadline to 1 January 2017, or one-year after their certificate expiry, whichever is earlier.



PROMOTING EDUCATIONAL EXCELLENCE

Throughout the year, MITO administered 3,550 literacy and numeracy assessments through the Tertiary Education Commission to help identify learners who required additional support. Working alongside our partners Workbridge, Pathways Awarua, ESOL, and Literacy Aotearoa, we were able to offer specialised assistance to over 250 learners, helping them to build a strong foundation for their ultimate success.

Through our annual Scholarship programme, we helped 47 people to further their careers in their chosen industries via apprenticeships, advanced technical programmes and business management qualifications. Scholarships were awarded across five categories:

- Kick Start
- Business Skills
- Graduate
- Clyde Cunningham QSM Memorial
- Drilling

We also participated in 28 Mayoral ceremonies around the country where we celebrated the achievements of our graduates along with their employers and family members.



“ The financial aspect of an apprenticeship really appealed to me and I am in a much better position than my university friends - I’ve just bought my first home! ”

JULIUS BLOEM

MOTORSPORT TECHNICIAN AND WORKSHOP MANAGER AT POSSUM BOURNE MOTORSPORT LTD, AUCKLAND

- Completed a National Certificate in Motor Industry (Automotive Electrical and Mechanical Engineering) Light Vehicle (Levels 3 and 4) and a National Certificate in Business (First Line Management) (Level 4)
- 2015 MITO Business Skills scholarship recipient
- Got a Trade? Got it Made! hero.

INSPIRING YOUTH

We continued to focus our lens on the youth market and collaborated with six other industry training organisations in the inaugural Got a Trade? Got it Made! initiative. This national campaign, targeted at secondary school students and their influencers, raised awareness of the trades and services industries as viable career options for young people. We exhibited at over 30 career expos around the country and at the national conference for career advisors and teachers.



A SPECIAL TRIBUTE

As another year has drawn to a close, we reflect on our achievements and attribute our success to the dedication and commitment of the MITO Board and the MITO team. Together we strive to make a difference to the lives of our learners and their employers. We are proud to have such a fantastic team – a very big thank you!

We have an ambitious programme of work planned for the coming year. We look forward to continuing to work with our learners, employers, training providers, industry representatives and other stakeholders to continue to develop and deliver training programmes that meet the needs of industry and provide fulfilling and rewarding careers for their workforces.

David O'Kane
CHAIRMAN

Janet Lane
CHIEF EXECUTIVE

BOARD OF DIRECTORS



From left: Chris Baker, Lyndon Leabourn, David Storey (Deputy Chairman), Chris Rigby, Janet Lane (Chief Executive), David O'Kane (Chairman), Ken Shirley, Bruce Taylor.

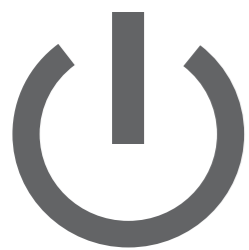
THE YEAR IN REVIEW



1,105
learners
completed
a MITO qualification



is the
**average
time**
to complete a
MITO qualification



1,956
learners
started
a MITO qualification



32 years
is the **average age of learners**
who started in 2015

AVERAGE AGE ON SIGN UP:



Automotive
22 years



Industrial Textile Fabrication
23 years



Business Skills
39 years



Drilling, Mining and Quarrying
44 years



Transport and Logistics
45 years

OF ALL OUR LEARNERS:



97%
are male



79%
are NZ European



12%
are Māori



3%
are female



4%
are Pasifika



5%
are of another
ethnicity

GOT A TRADE? GOT IT MADE!



Got a Trade? Got it Made! is a national campaign that aims to raise awareness of on-the-job training in New Zealand's trades and services industries to young people aged 16-24 years and their influencers, including parents, teachers and careers advisors. MITO was proud to be one of seven industry training organisations (ITOs) who collectively represented more than 120,000 learners and 10,000 employers across 100 industries. The campaign culminated with the inaugural Got a Trade Week in the last week of August with events, workplace tours, school visits and a nationwide marketing campaign.

Māori Television profiled 16-year-old Auckland Girls' Grammar School student Krystal Witika, who is determined to work in the automotive industry and had the honour of opening Got a Trade Week. She was filmed visiting an automotive workshop and is now enrolled in StartUp® - MITO's automotive programme for secondary schools.

**“ I know that with a trade,
I've got it made! ”**

KRYSTAL WITIKA

GOT A TRADE? GOT IT MADE!™

The Got a Trade? Got it Made! collective was also in force at the Careers and Transition Education Conference where we promoted career pathways in the trades as a valuable option for school leavers, and discussed our qualifications and training programmes with many of the 500 school teachers and career advisors in attendance.




50
events

where



1,600
students

visited


50
workplaces

across


43
industries


700,000+
people saw the campaign
on television


600,000+
people heard the campaign
on the radio


450,000+
people viewed the campaign
online

MITO hosted SpeedMeet, an inaugural signature event, at Hutt Valley High School. This brought together Year 12 and 13 students and employers from a variety of industries 'speed-dating style' with seven minute mini-interviews.

SUPPORTING SUCCESS



“ My trip to Vanuatu was an amazing, life changing experience. I consider myself incredibly fortunate that I was able to be a part of it. ”

MITO SUPPORTS VANUATU RECONSTRUCTION

In partnership with the Eastern Institute of Technology (EIT) and the Ministry of Foreign Affairs and Trade, MITO sponsored a young automotive student and StartUp[®] graduate, Rayne Hungahunga, to travel to Vanuatu to assist in the rebuild of a medical centre following the devastation caused by Cyclone Pam. MITO is delighted to have been able to support Rayne in this important initiative and congratulate the hard work and significant contribution she, and her fellow students, made to the rebuilding of Vanuatu.

RAYNE HUNGAHUNGA

Completed MITO's StartUp[®] programme, gaining a National Certificate in Motor Industry (Foundation Skills).

NEW ZEALAND CAR OF THE YEAR AWARDS

MITO once again sponsored the Safest Car Award at the annual New Zealand Car of the Year awards in Auckland in December. The promotion of safe operating practices is a cornerstone of our training programmes and we are proud to continue to support the category that encourages safety within the industry.



“ I’m really proud to have been awarded the Golden Gun and to have been a part of the Tool Blacks team in Brazil. ”

MITO APPRENTICES ON THE WORLD STAGE

Three MITO apprentices represented New Zealand as part of the 'Tool Blacks' team at the WorldSkills international competition in Sao Paulo, Brazil in August. Dubbed the 'Olympics of the Trades', it brings together young people from over 70 countries to compete in real work challenges completed to international standards.

David Fox of Wade Collision Repair, Hamilton competed in Autobody Repair; Chelcie Kuriger of Waikato Toyota, Hamilton competed in Automotive Technology; and Luke Tahurangi of Larsen's Panel and Paint, Lower Hutt in Automotive Refinishing.

All three worked extremely hard in their preparation and represented our country admirably. Luke also received the honour of leading the haka at the opening ceremony and was one of three international competitors selected to take the international oath. Furthermore, he was awarded a Medallion of Excellence for scoring highly in his category – a fabulous achievement.

LUKE TAHURANGI

AUTOMOTIVE REFINISHER AT LARSEN'S PANEL AND PAINT LTD,
LOWER HUTT

- Completed a National Certificate in Motor Industry (Automotive Body) (Levels 3 and 4) with strand in Refinishing
- CRA Apprentice of the Year - Golden Gun
- 2015 World Skills Medallion of Excellence recipient.

APPRENTICES OF THE YEAR



OF PANZ APPRENTICE OF THE YEAR

MITO apprentice Carlo Wallace from Transport and Marine Covers in Nelson was named the OFPANZ Apprentice of the Year - Tier One (Outdoor Fabric Products Association of New Zealand) at the joint OFPANZ Conference and Spectex15 Trade Exhibition and Conference in Melbourne in June. The award recognises the skills of apprentices with less than 15 months' experience.

CRA APPRENTICE OF THE YEAR

Two MITO apprentices, Luke Tahurangi, Larsen's Panel and Paint, Lower Hutt and Jordan O'Reilly-Schwass (pictured left), Cavanagh Panelbeaters, Te Puke, were awarded CRA Apprentice of the Year, Golden Gun and Golden Hammer respectively, at the Collision Repair Association's annual conference in May. The awards recognise apprentices who are at the top of their field in vehicle refinishing and collision repair.

IAG APPRENTICE OF THE YEAR

Wayne Sandbrook of Flintoff Carpainters & Panelbeaters Ltd in Feilding was named the IAG Top Apprentice of the Year in Collision Repair for 2015. This was the 13th year of partnership between IAG and MITO and Wayne's commitment to his studies, along with the additional time and effort he put into mastering his skills, made him the obvious choice for the judging panel.

MITO MEMBERS

Full

Aggregate and Quarry Association of New Zealand	NZ Drillers Federation Inc
Association of Australasian Diesel Specialists Inc	NZ Log Transport Safety Council
Bus and Coach Association New Zealand Inc	Outdoor Fabric Products Association of New Zealand
E tū	Road Transport Forum New Zealand Inc
Motor Industry Association of New Zealand Inc	Straterra Inc
Motor Trade Association Inc	The Institute of Quarrying New Zealand Inc
NZ Collision Repair Association Inc	Vehicle Service Federation Inc

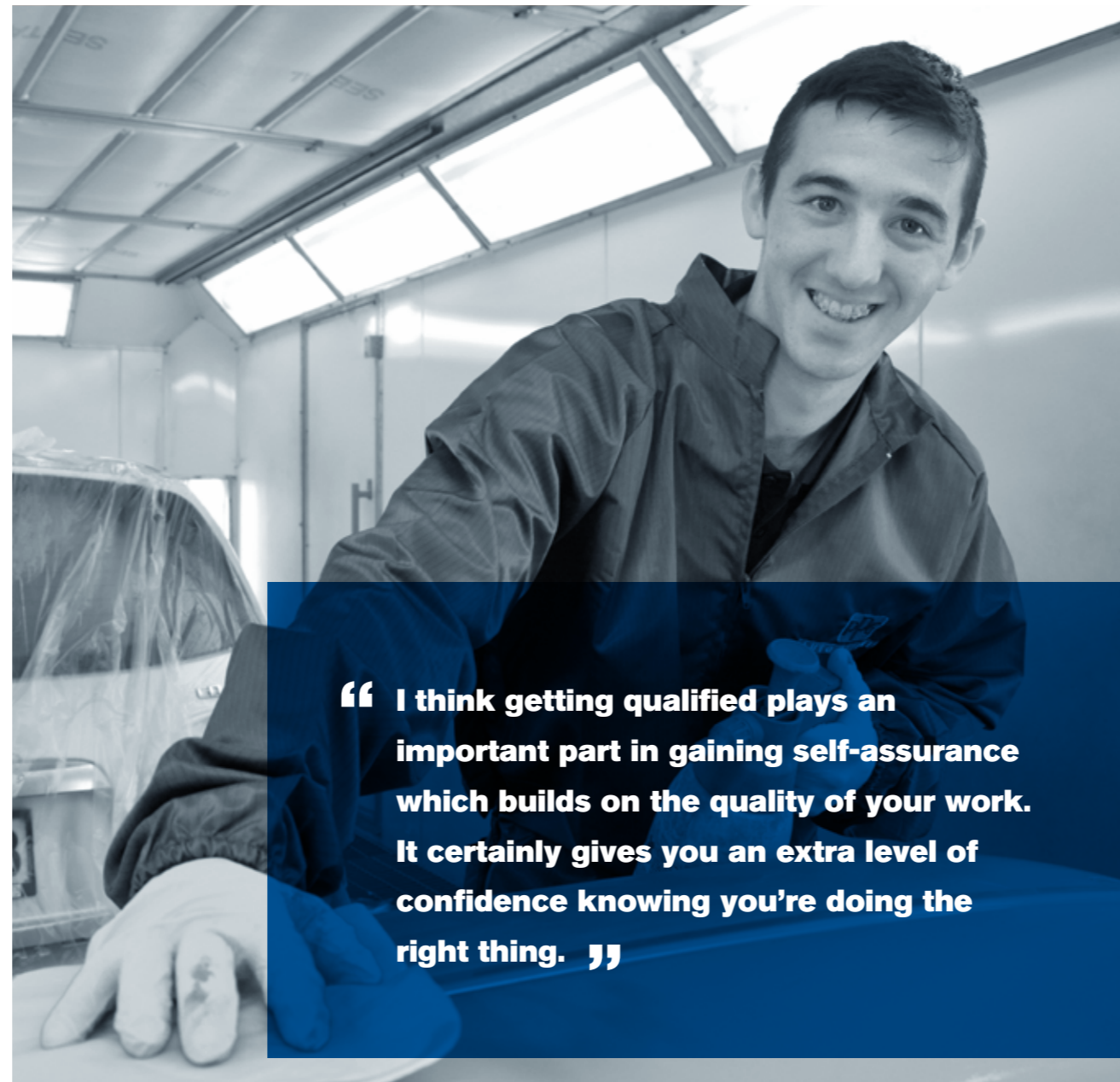
Associate

Aoraki Polytechnic	Pamela Oughton
C B Norwood Distributors Limited	Peter Hancock
CablePrice (NZ) Ltd	Regent Training Centre Ltd
Cathy Parker	Robert Ramshaw
Cummins New Zealand Ltd	Skills Update Training Institute
Diesel Mechanical Ltd	Southern Institute of Technology
Eastern Institute of Technology	Tai Poutini Polytechnic
Ebbett Group	Tasman Toyota
Fairview Motors Limited	Te Arawa Lakes Trust
Giltrap Farm Machinery Limited	The Colonial Motor Company Limited
Gisborne Development Inc	The New Zealand Automobile Association Inc
The Gough Group	The Salvation Army New Zealand Trust
Higgins Group Holdings Limited	Tom Callinan
Imported Motor Vehicle Association	Trade and Commerce Centre Limited
Institute of Automotive Mechanical Engineers	Trade Education
Lyntec Holdings Limited	Translog Services Ltd
Mark Davies	Truck Stops (NZ) Ltd
Mark Morgan	Unitec Institute of Technology
Mitsubishi Motors New Zealand Limited	Waiariki Institute of Technology
Moyes Motor Group	Western Institute of Technology at Taranaki
Nelson Technical Institute	Wharehine Group
NZ Trucking Association	Wintec
NorthTec	



SUMMARY OF FINANCIAL STATEMENTS

For the year ended 31 December 2015



“ I think getting qualified plays an important part in gaining self-assurance which builds on the quality of your work. It certainly gives you an extra level of confidence knowing you’re doing the right thing. ”

WAYNE SANDBROOK

AUTOMOTIVE REFINISHER AT FLINTOFF CARPAINTERS & PANELBEATERS, FEILDING

- Completing a National Certificate in Motor Industry (Automotive Body) (Levels 3 and 4) with strand in Refinishing
- 2015 IAG Top Apprentice of the Year in Collision Repair.

SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For the year ended 31 December 2015

	2015 (\$)	2014 (\$)
REVENUE		
Revenue from non-exchange transactions	15,310,321	13,830,458
Revenue from exchange transactions	2,911,717	2,768,615
TOTAL REVENUE	18,222,038	16,599,072
EXPENSES		
Direct training costs	9,271,981	8,517,220
Operational costs	9,330,836	8,917,419
Board	216,103	194,795
TOTAL EXPENSES	18,818,920	17,629,434
NET DEFICIT FOR THE YEAR	(596,882)	(1,030,362)
TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR	(596,882)	(1,030,362)

SUMMARY STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 December 2015

	Retained Earnings (\$)	South Eastern Utilities Ltd Bursary Fund (\$)	Total (\$)
BALANCE AS AT 1 JANUARY 2014	9,470,629	47,239	9,517,868
Total comprehensive income	(1,030,362)	0	(1,030,362)
Transfer from Bursary Fund	0	(44,762)	(44,762)
BALANCE AS AT 31 DECEMBER 2014	8,440,267	2,477	8,442,744
Total comprehensive income	(596,882)	0	(596,882)
Transfer from Bursary Fund	0	(2,477)	(2,477)
BALANCE AS AT 31 DECEMBER 2015	7,843,385	0	7,843,385

SUMMARY STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	2015 (\$)	2014 (\$)
Net cash used in operating activities	(309,522)	(1,082,582)
Net cash used in investing activities	(703,044)	(1,267,686)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,012,566)	(2,350,268)
Opening cash and cash equivalents	2,846,723	5,196,991
CLOSING CASH AND CASH EQUIVALENTS	1,834,157	2,846,723

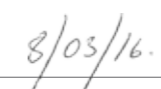
SUMMARY STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2015

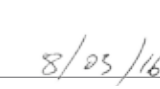
	2015 (\$)	2014 (\$)
ASSETS		
Current assets		
Cash and cash equivalents	1,834,157	2,846,723
Term deposits	6,500,000	6,162,600
Trade and other receivables from non-exchange transactions	338,803	365,300
Trade and other receivables from exchange transactions	501,705	505,313
Inventory	26,706	64,622
Corporate bonds	70,000	0
TOTAL CURRENT ASSETS	9,271,371	9,944,558
Non-current assets		
Property, plant and equipment	755,273	753,012
Intangible assets	429,426	492,682
Corporate bonds	0	70,000
TOTAL NON-CURRENT ASSETS	1,184,699	1,315,694
TOTAL ASSETS	10,456,070	11,260,252

	2015 (\$)	2014 (\$)
LIABILITIES		
Current liabilities		
Trade and other payables	2,031,174	2,344,072
Provisions	287,806	243,772
Employee benefits	293,705	229,664
TOTAL CURRENT LIABILITIES	2,612,685	2,817,508
TOTAL NET ASSETS	7,843,385	8,442,744
NET ASSETS		
Retained earnings	7,843,385	8,440,267
South Eastern Utilities Ltd Bursary Fund	0	2,477
TOTAL NET ASSETS	7,843,385	8,442,744


Chairman of the Board


Date


Board Member


Date

The financial statements were authorised for issue by the Board on 08 March 2016.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS



The summary financial statements for MITO New Zealand Incorporated (MITO) have been extracted from the audited financial statements authorised for issue by the Board on 8 March 2016. The summary financial statements have been prepared in accordance with PBE FRS-43 Summary Financial Statements. All values are presented in New Zealand dollars and rounded to the nearest dollar. The summary financial statements cannot provide as complete an understanding as the full financial statements can. A copy of the financial statements can be obtained by emailing info@mito.org.nz.

MITO's full financial statements have been prepared in accordance with both the requirements of the Incorporated Societies Act 1908 and Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS). MITO is a public benefit not-for-profit entity and is eligible to apply Tier 2 PBE Standards on the basis that it does not have public accountability and it is not defined as large. An unmodified audit opinion was issued for the full financial statements.

MITO New Zealand Incorporated (MITO) is an incorporated society established under the Incorporated Societies Act 1908, and is domiciled in New Zealand. MITO changed its legal name from NZ Motor Industry Training Organisation (Incorporated) on 18 June 2015. It is recognised under the Industry Training Act 1992 as the Industry Training Organisation for the motor, industrial textile fabrication, transport and logistics and extractives industries. MITO is governed by a board of directors who are appointed in accordance with its Rules.

There were no significant events after the Summary Statement of Financial Position date.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

To the Members of MITO New Zealand Incorporated

Report on the Summary Financial Statements

The accompanying summary financial statements of MITO New Zealand Incorporated (MITO) on pages 32 to 39, which comprise the summary statement of financial position as at 31 December 2015, and the summary statement of comprehensive revenue and expenses, summary statement of changes in net assets and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of MITO for the year ended 31 December 2015. We expressed an unmodified audit opinion on those financial statements in our report dated 8 March 2016.

The summary financial statements do not contain all the disclosures required for full financial statements under Public Benefit Entity Standards Reduced Disclosure Regime. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of MITO.

This report is made solely to the Members, as a body, for the purpose of expressing an opinion on the summary financial statements for the year ended 31 December 2015. Our audit has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report on summary financial statements and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members as a body, for our audit work, for this report, or for the opinions we have formed.

Directors' Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of a summary of the audited financial statements, in accordance with FRS-43: *Summary Financial Statements*.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810: *Engagements to Report on Summary Financial Statements*.

Other than in our capacity as auditor, the provision of taxation advice, and IT assurance, we have no relationship with or interests in MITO. These services have not impaired our independence as auditor of MITO.

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of MITO for the year ended 31 December 2015 are consistent, in all material respects, with those financial statements, in accordance with FRS-43: *Summary Financial Statements*.



Chartered Accountants

8 March 2016
Auckland, New Zealand

This audit report relates to the summary financial statements of MITO New Zealand Incorporated (MITO) for the year ended 31 December 2015 included on MITO's website. MITO's Board is responsible for the maintenance and integrity of MITO's website. We have not been engaged to report on the integrity of MITO's website. We accept no responsibility for any changes that may have occurred to the summary financial statements since they were initially presented on the website. The audit report refers only to the summary financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these summary financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary financial statements and related audit report dated 8 March 2016 to confirm the information included in the audited summary financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements and summary financial statements may differ from legislation in other jurisdictions.





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