



2017

ANNUAL REPORT

Year ended 31 December 2017

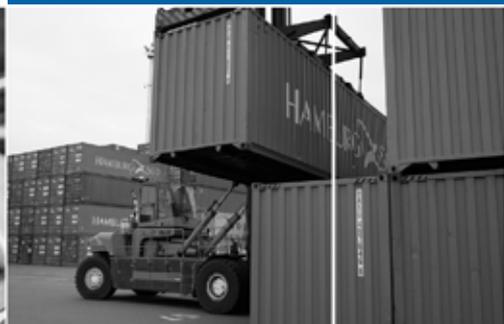


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WHAT WE DO

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



GAS



COLLISION REPAIR & REFINISHING



INDUSTRIAL TEXTILE FABRICATION



COMMERCIAL ROAD TRANSPORT



DRILLING, MINING & QUARRYING



PASSENGER SERVICES



RESOURCE RECOVERY



STEVEDORING & PORTS



WAREHOUSING & LOGISTICS

OUR STRATEGIC APPROACH

WHY

Our vision is 'enriching lives and inspiring futures'.

WHAT

Our mission is 'enhancing workplace productivity, innovation and industry sustainability'.

WHO

We do this with current and future employees, employers and workplaces in the industries we serve.

HOW

We do this through designing qualifications and training programmes that meet the needs of industry.

OUR VALUES



RESPECT

We trust and support each other and work for the good of our learners, employers and stakeholders.



INTEGRITY

We do what we say we will and do what is right, not merely what is expected.



INGENUITY

We are clever and resourceful.



COMMUNITY

We work together and get things done.



IGNITION

Together we enrich lives and inspire futures.



FOREWORD

2017 was a busy and memorable year for MITO where we established a solid framework for future growth.

We launched our online learning management system and portal and, upgraded our customer relationship management database; we saw positive growth in apprentice and learner numbers; achievement rates increased; and our customer satisfaction and staff engagement continue to rate highly.

MOVING INTO THE DIGITAL WORLD

To reflect the changing nature of learning and the increasing need to engage digitally, we invested in developing an online learning management system. Two of our largest programmes – collision repair and light vehicle - are now delivered via eLearning and accessible by mobile phone, tablet and PC, providing many benefits to our learners and their supervisors. We also celebrated the launch of our learner portal that provides online and real-time results and progress updates.

We have a substantial prioritised schedule of new programme development spanning the next five years. We are working closely with our industries to help expedite the new programmes required for a large number of new qualifications.

OUR COMMITMENT TO ACHIEVEMENT

Our end of year educational performance results provided further testament to our dedicated focus on our learners with a credit achievement rate of 99% and cohort-based programme completion rate of 62%. Overall, satisfaction was high in 2017 with 89% of all customers satisfied with the service they receive from MITO. Furthermore, 84% of learners and 94% of employers indicated they would recommend a MITO training programme to others in their industry.



DEVELOPING THE PIPELINE OF LEARNERS

Reaching out to youth and informing them about the benefits of working in the trades is paramount in this environment of low unemployment and skills shortages. The Got a Trade? Got it Made! collaboration with other industry training organisations proves to be an ideal channel that we're proud to be involved in, adding to the ongoing direct engagement we have with schools and careers expos throughout the year. Employers are also making good use of the free List a Job function on our website with nearly 400 jobs listed over the year, with 31% being apprenticeship roles.

GREAT GOVERNANCE

Effective stakeholder engagement is fundamental to the continuing success of MITO. To maximise pan-industry engagement and participation in governance, there was unanimous agreement at the 2017 Annual General Meeting to support a two-tier governance structure comprising an Industry Council and Board of Directors. The Full Members formed an Interim Industry Council and MITO Constitution Review Working Group, collectively working together to enable the Industry Council to be formed in 2018.

During 2017, we welcomed George Hollinsworth and Iain Haycock as Board Directors – and took the opportunity to extend our appreciation to outgoing Board Director Chris Rigby.

LOOKING AHEAD

Towards the end of 2017, we realigned our organisational structure for an early 2018 implementation. This will put more emphasis on secondary school pathways, more support for corporate employers, and additional Industry Training Advisors to increase our pastoral care. Our significant investment in technology has also given us a strong platform for our future work plan.

2018 marks MITO's 25th year as an Industry Training Organisation. We look forward to celebrating this special milestone with our dedicated industry stakeholders, partners and employers across the industries we serve, who, with our apprentices and learners, embrace industry training through MITO.

Finally, our sincere gratitude to our talented and enthusiastic MITO Board and the entire MITO team. Our organisation is driven by your high professional standards and strong work ethic and our success is indicative of your abiding commitment to enriching the lives and inspiring the futures of our learners and employers. We are extremely proud to have such an amazing team.



David O'Kane
CHAIRMAN

Janet Lane
CHIEF EXECUTIVE



SPEEDMEET

444 speedmeets took place
and over 177 matches made

INSPIRING THE NEXT GENERATION

We continued our successful involvement with the Got a Trade? Got it Made! collaboration, joining eight other industry training organisations for the 2017 campaign to raise awareness of careers in the trades and services industries with secondary school students, careers advisors and parents. This year, the campaign partnered with the Mayors Taskforce for Jobs to deliver SpeedMeet events in Auckland, Wellington and Christchurch, which were well supported by many of our employers. Six of our learners and graduates also attended the Future Business Leaders Forum and were nominated for the Future Business Leaders Awards.

At the end of August, MITO ran three successful Automotive Careers Tours in Auckland, Wellington and Christchurch where careers advisors and their students gained a behind the scenes look at light vehicle, collision repair and heavy vehicle workshops. Here they learned of the strong pathways in the industry that lead to lifelong career and financial success, irrespective of gender.

MITO once again joined our Got a Trade? Got it Made! ITO colleagues at the Careers and Transition Education Conference held in Invercargill in November. Together we promoted the benefits of a career in trades and services and discussed our qualifications and training programmes with secondary school teachers and careers advisors.



GOT A TRADE VIDEOS

418,000 people watched the
Got a Trade videos on Facebook



GOT A TRADE CAMPAIGN

2.5m impressions across online
channels in the Got a Trade campaign

SUPPORTING WORKFORCE DEVELOPMENT

The Find a Job function on our website continues to prove popular with our industry employers. Nearly 400 jobs were listed over 2017, with 31% being apprenticeship roles that we promoted via our social media channels. We know that employers are successfully finding new staff through this service and we encourage more employers to list their vacancies with us – there is no charge!

To future-proof the success of New Zealand's automotive workforce, we worked with automotive industry associations to implement a Workforce Development Strategy that provides a framework for the automotive industry to plan its workforce development priorities over the next 5-10 years. The strategy describes the automotive industry's operational context by highlighting factors that will continue to influence the current and future shape of the automotive industry.

We are involved in a collaborative research project jointly commissioned by the Ministry for Women and Ako Aotearoa that seeks to increase the participation and success of women in trades where they are traditionally under-represented. Through discussions with successful women in these trades, we aim to discover what the significant characteristics of their engagement and learning journeys are. Based on what we learn from these discussions and relevant national and overseas research, we will initiate change research projects relating to educational and industry programmes, processes and practices. This project will continue through to 2020.

We also launched our MITO Alumni programme that enables us to maintain dialogue with our graduates and encourage them to continue their career pathway with further upskilling opportunities.



89%
of all customers satisfied



94%
of our employers would
recommend a MITO
training programme



99%
credit achievement rate

ENGAGING WITH OUR INDUSTRIES

During 2017, we supported our industry partners through attendance at over 30 conferences across our sectors, many of which were sponsored by MITO.

Our fifth annual MITO Industry Summit was held on 31 May at the Rydges Hotel, Wellington. It brought together stakeholders from our industry associations, key corporate employers and government officials for a day of engaging speakers and networking with the MITO Board and senior managers.

The theme was 'The ART of tackling skills shortages: Attract. Recruit. Train'. A key takeaway of the day was how to make an industry or organisation more attractive to job seekers by developing an industry 'story' – focusing on the solutions that an industry or organisation provides. Other key messages included the need to increase diversity in the workforce, through increased female and multi-ethnic participation, and to ensure there is a clear employee value proposition for job seekers that outlines the benefits of working in the organisation and industry - from career advancement to training opportunities.

Our Industry Summit continues to be well supported and received with 100% of attendees satisfied with the event.





INVESTMENT IN PROGRAMME DEVELOPMENT

2017 proved an incredibly successful year for our programme development with the release of several new eLearning training programmes that lead to the New Zealand Certificate in Collision Repair and Automotive Refinishing (Level 3); the New Zealand Certificate in Collision Repair (Non-Structural Repair) (Level 4); the New Zealand Certificate in Automotive Refinishing (Level 4); and the New Zealand Certificate in Automotive Engineering (Level 3) qualifications.

We also launched training programmes for the New Zealand Certificate in Port Operations, the National Certificate in Commercial Road Transport (Goods Service Senior Driver) (Level 4) and the New Zealand Diploma in Business (Level 5) for the Ford Academy.

New training programmes are now developed to incorporate eLearning, meaning that they can be accessed anytime from anywhere on mobile, tablet or PC. So far the response to our eLearning programmes has been overwhelmingly positive with learners and supervisors appreciating the flexibility and more intuitive access to learning resources.

Continuing our investment in learner technology, we developed an online portal that enables learners and their supervisors access to employee training programme progress, details of off-job training, and the ability to view their upcoming Industry Training Advisor visits – all providing valuable real-time information to assist learners in their training progress.

Additionally, we upgraded our customer relationship management database that enables us to have a more streamlined learner management process.

PROMOTING EDUCATIONAL EXCELLENCE

Through our 2017 scholarship programme, we awarded scholarships to 45 outstanding individuals working within our industries. Contributing funding towards apprenticeships, training programmes and business management qualifications, the MITO scholarship programme is a key component of our commitment to supporting and promoting educational excellence. The 45 scholarships, totalling \$50,000, were awarded across six categories:

- Kick Start Scholarship
- Kick Start Māori and Pasifika Scholarship
- Alumni Scholarship
- Business Skills Scholarship
- Business Skills Māori and Pasifika Scholarship
- Clyde Cunningham QSM Memorial Scholarship (Hawke's Bay region).

We continued to support the IAG Trades Scholarship programme with 2017 marking the 15th year of the partnership between MITO and IAG, and we provided scholarships to Auckland's Māori and Pasifika Trades Training's top graduates and support for the MTA, CRA and OFPANZ Apprentices of the Year. We also sponsored two of our learners to represent New Zealand at the WorldSkills International competition in Abu Dhabi.



CELEBRATING SUCCESS

Throughout 2017 we supported and celebrated top achievers within our industries.

CRA APPRENTICE OF THE YEAR – GOLDEN GUN

- Jason Helmbright, Peter Long Collision Repairs, Palmerston North

CRA APPRENTICE OF THE YEAR – GOLDEN HAMMER

- Aaron O'Connor, RJ Don Panelbeaters, Auckland

OFPANZ APPRENTICE OF THE YEAR – TIER ONE

- Ryan Stewart, Douglas Auto and Marine Upholstery, Hastings

OFPANZ APPRENTICE OF THE YEAR – TIER TWO

- Jasmine Dheda, Custom Technologies Ltd, Taupō

2017 OFPANZ OVERALL APPRENTICE OF THE YEAR

- Jasmine Dheda, Custom Technologies Ltd, Taupō

IAG TOP APPRENTICE OF THE YEAR – REFINISHING

- Cassidy Repia, Bush Road Panelbeaters, Auckland

IAG TOP APPRENTICE OF THE YEAR – COLLISION REPAIR

- Jordan Lindsay-Smith, Bush Road Panelbeaters, Auckland

MTA APPRENTICE OF THE YEAR – COLLISION REPAIR

- Abner Apineru, Auckland Panel & Paint, Auckland

MTA APPRENTICE OF THE YEAR – LIGHT VEHICLE

- Anton Hamelmann, Giltrap Audi, Auckland

EASTLAND WOOD COUNCIL DISTRIBUTION EXCELLENCE AWARD

- Richard Bronlund, STS Transport, Gisborne

2017 WORLDSKILLS INTERNATIONAL COMPETITORS

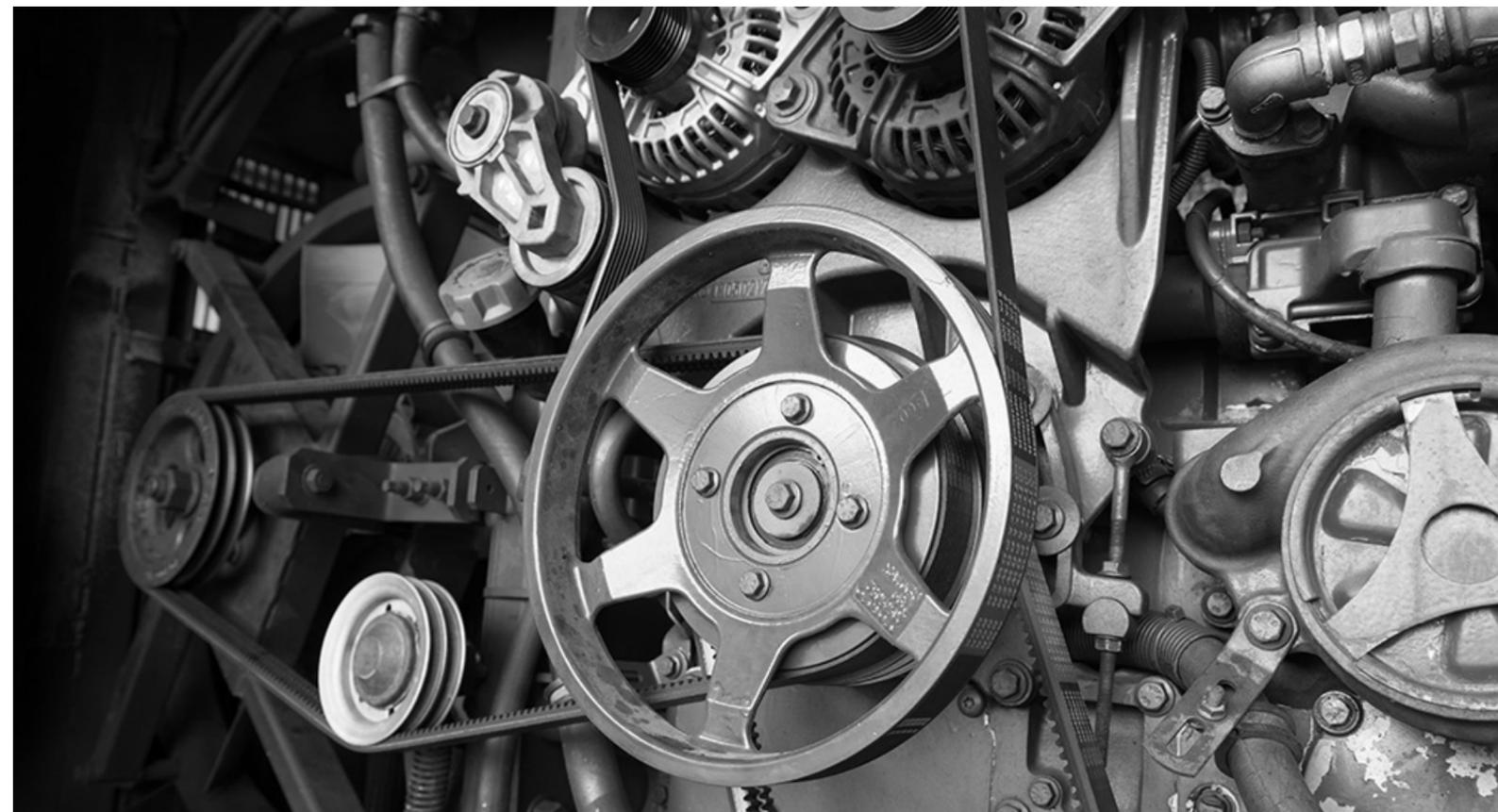
- Alex Banks, Stokes Valley Collision Repair Centre, Lower Hutt (automotive refinishing) and Logan Candy, New Zealand Defence Force, Linton (automotive technology)

SAFEST CAR AWARD AT THE AA NEW ZEALAND CAR OF THE YEAR AWARDS

- Mercedes-Benz C-Class Cabriolet

2017 MITO AND CILT NZ SCHOLARSHIP

- Jonathan Stewart, Watchorn Transport Ltd, Rotorua and Gene Kapea, DSV Air and Sea Ltd, Hamilton



BOARD OF DIRECTORS

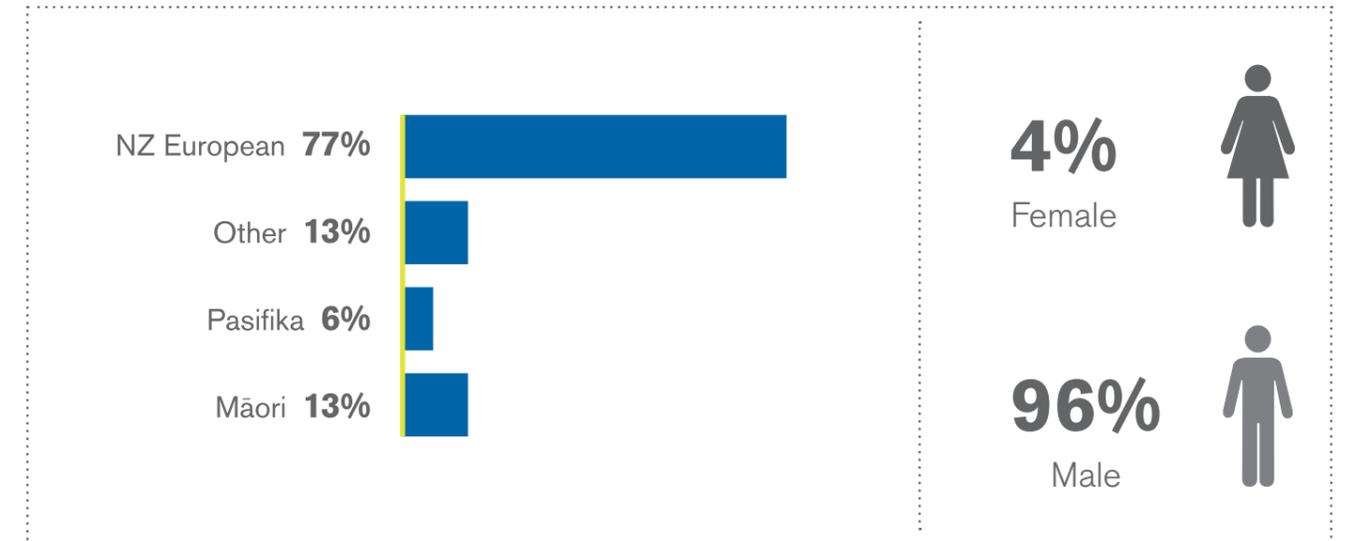


From left to right: George Hollinsworth, Ken Shirley, Iain Haycock, David O'Kane (Chairman), Janet Lane (Chief Executive), David Storey (Deputy Chairman), Andrew Clearwater, Lyndon Leabourn, Brendan Duffy.
Absent: Chris Baker.

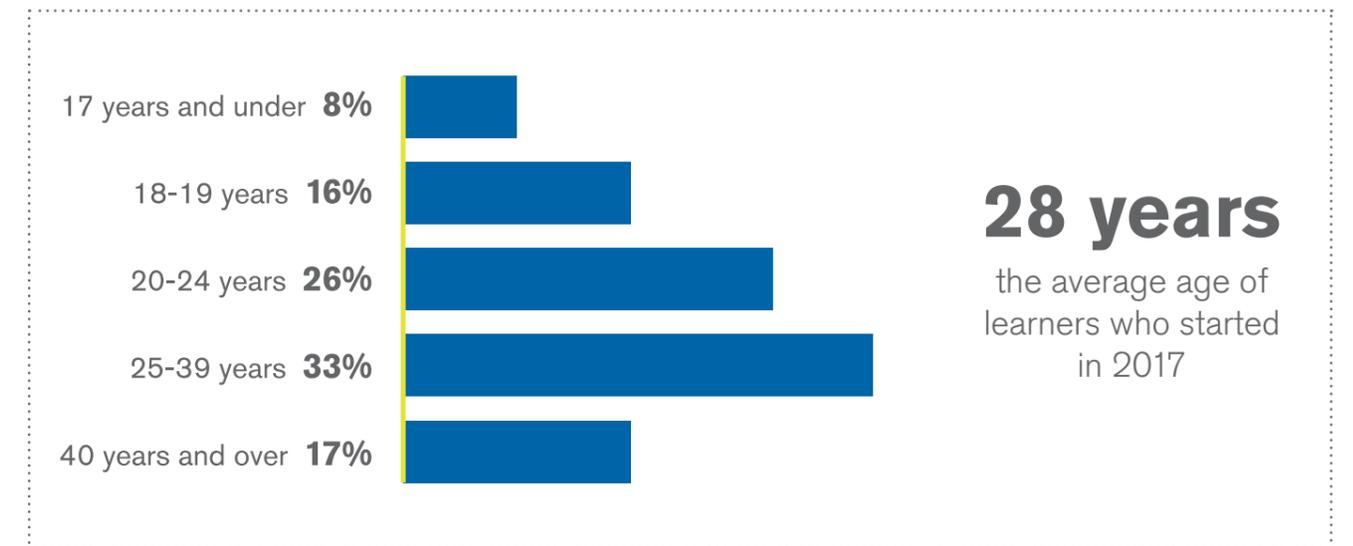
THE YEAR IN REVIEW



OUR LEARNERS



AVERAGE AGE ON SIGN UP



OUR MEMBERS

FULL MEMBERS

Aggregate and Quarry Association of New Zealand
Association of Australasian Diesel Specialists Inc
Bus and Coach Association New Zealand Inc
E tū
Motor Industry Association of New Zealand Inc
Motor Trade Association Inc
NZ Collision Repair Association

NZ Drillers Federation Inc
NZ Log Transport Safety Council
Outdoor Fabric Products Association of New Zealand
Road Transport Forum New Zealand Inc
Straterra Inc
The Institute of Quarrying New Zealand Inc
Vehicle Service Federation Inc

ASSOCIATE MEMBERS

Ara Institute of Canterbury
Auto Super Shoppes Limited
C B Norwood Distributors Limited
CablePrice (NZ) Ltd
Cummins New Zealand Ltd
Diesel Mechanical Ltd
Eastern Institute of Technology
Ebbett Group
Fairview Motors Limited
Giltrap AgriZone Ltd
Gisborne Development Inc
Higgins Group Holdings Limited
Howick & Eastern Buses Limited
IAG New Zealand Inc
Institute of Automotive Mechanical Engineers
Lyntec Holdings Limited
Mitsubishi Motors New Zealand Limited
Moyes Motor Group Limited
Nelson Technical Institute Limited
New Zealand Federation of Motoring Clubs Inc
NorthTec

NZ Trucking Association Inc
Regent Training Centre Ltd
Skills Update Training Institute
Southern Institute of Technology
Tai Poutini Polytechnic
Tasman Toyota
The Colonial Motor Company Limited
The Gough Group
The New Zealand Automobile Association Incorporated
The Salvation Army New Zealand Trust
Toi Ohomai Institute of Technology
Trade and Commerce Centre Limited
Translog Services Ltd
Truck Stops (NZ) Ltd
Unitec Institute of Technology
Vehicle Inspection New Zealand Incorporated
VIA
Western Institute of Technology at Taranaki
Wharehine Group
Wintec

INDIVIDUAL MEMBERS

Cathy Parker
Mark Davies
Mark Morgan
Pamela Oughton
Peter Hancock
Robert Ramshaw
Tom Callinan



SUMMARY FINANCIAL STATEMENTS

For the year ended 31 December 2017



SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For the year ended 31 December 2017

| | 2017 \$ | 2016 \$ |
|--|-------------------|-------------------|
| REVENUE | | |
| Revenue from non-exchange transactions | 15,537,658 | 14,960,194 |
| Revenue from exchange transactions | 3,256,788 | 3,293,710 |
| TOTAL REVENUE | 18,794,446 | 18,253,904 |
| EXPENSES | | |
| Direct training costs | 8,910,771 | 8,863,711 |
| Operational costs | 8,950,627 | 8,317,875 |
| Board | 288,544 | 252,206 |
| TOTAL EXPENSES | 18,149,942 | 17,433,792 |
| NET SURPLUS FOR THE YEAR | 644,504 | 820,112 |
| TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR | 644,504 | 820,112 |



SUMMARY STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 December 2017

| | RETAINED EARNINGS \$ |
|--|-------------------------|
| BALANCE AS AT 1 JANUARY 2016 | 7,843,385 |
| Total comprehensive revenue and expenses | 820,112 |
| BALANCE AS AT 31 DECEMBER 2016 | 8,663,497 |
| Total comprehensive revenue and expenses | 644,504 |
| BALANCE AS AT 31 DECEMBER 2017 | 9,308,001 |

SUMMARY STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

| | 2017 \$ | 2016 \$ |
|---|--------------------|------------------|
| Net cash from operating activities | 1,511,536 | 1,160,894 |
| Net cash (used) in / from investing activities | (2,580,516) | 321,523 |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | (1,068,980) | 1,482,417 |
| Opening cash and cash equivalents | 3,316,574 | 1,834,157 |
| CLOSING CASH AND CASH EQUIVALENTS | 2,247,594 | 3,316,574 |

SUMMARY STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

| | 2017 \$ | 2016 \$ |
|--|-------------------|-------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 2,247,594 | 3,316,574 |
| Term deposits | 7,000,000 | 5,250,000 |
| Trade and other receivables from non-exchange transactions | 524,166 | 380,483 |
| Trade and other receivables from exchange transactions | 540,524 | 532,470 |
| Inventory | 29,651 | 25,818 |
| TOTAL CURRENT ASSETS | 10,341,935 | 9,505,345 |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 687,452 | 587,243 |
| Intangible assets | 1,435,787 | 1,202,129 |
| TOTAL NON-CURRENT ASSETS | 2,123,239 | 1,789,372 |
| TOTAL ASSETS | 12,465,174 | 11,294,717 |

| | 2017 \$ | 2016 \$ |
|----------------------------------|------------------|------------------|
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Trade and other payables | 2,683,093 | 2,160,236 |
| Provisions | 193,970 | 255,778 |
| Employee benefits | 280,110 | 215,206 |
| TOTAL CURRENT LIABILITIES | 3,157,173 | 2,631,220 |
| TOTAL NET ASSETS | 9,308,001 | 8,663,497 |
| NET ASSETS | | |
| Retained earnings | 9,308,001 | 8,663,497 |
| TOTAL NET ASSETS | 9,308,001 | 8,663,497 |


 Board Chairman Date 25-05-18


 Board Director Date 25-05-2018

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 5 March 2018. 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 do not include all the disclosures provided in the full financial statements and 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 Standards (PBE) Reduced Disclosure Regime. MITO is a public benefit not-for-profit entity and is eligible for and elected to apply Tier 2 PBE Standards Reduced Disclosure Regime on the basis that it does not have public accountability and it is not large as defined. An unqualified audit opinion was issued for the full financial statements.

MITO is an incorporated society established under the Incorporated Societies Act 1908, and is domiciled in New Zealand. It is recognised under the Industry Training and Apprenticeships 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 Statement of Financial Position date.



REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Members of MITO New Zealand Incorporated



The summary financial statements comprise:

- the summary statement of financial position as at 31 December 2017;
- the summary statement of comprehensive revenue and expenses for the year then ended;
- the summary statement of changes in net assets for the year then ended;
- the summary statement of cash flows for the year then ended; and
- notes to the summary financial statements.

OUR OPINION

The summary financial statements are derived from the audited financial statements of MITO New Zealand Incorporated ("MITO") for the year ended 31 December 2017.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with PBE FRS-43: Summary Financial Statements issued by the New Zealand Accounting Standards Board.

SUMMARY FINANCIAL STATEMENTS

The summary financial statements do not contain all the disclosures required by Public Benefit Entity Standards Reduced Disclosure Regime. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

THE AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited financial statements in our report dated 5 March 2018.

RESPONSIBILITIES OF THE DIRECTORS FOR THE SUMMARY FINANCIAL STATEMENTS

The Directors are responsible, on behalf of MITO, for the preparation of the summary financial statements in accordance with PBE FRS 43: Summary Financial Statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810 (Revised), Engagements to Report on Summary Financial Statements.

We are independent of MITO. Our firm carries out other services for MITO in the areas of taxation advice. The provision of these other services has not impaired our independence as auditor of MITO.

INFORMATION OTHER THAN THE SUMMARY FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The Directors are responsible for the annual report. Our opinion on the summary financial statements does not cover the other information included in the annual report and we do not express any form of assurance conclusion on the other information.

In connection with our audit of the summary financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

WHO WE REPORT TO

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

RESTRICTION ON THE USE OF OUR REPORT

This report has been prepared for inclusion in the annual report. We disclaim any responsibility for reliance on this report or the amounts included in the summary financial statements, for any purpose other than that for which they were prepared.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

Chartered Accountants, Wellington

28 May 2018



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