



## Media Release

EMBARGO 10.30am Wednesday 14 December 2011

### **BERL research confirms value of industry training**

Modelling exercises undertaken by BERL indicate that if there was a reduction in industry training funding, there would be a significant negative impact on the economy.

Using the BERL model of the New Zealand economy, a loss of all public funding of industry training results in

- A short-term loss in Gross Domestic Product (GDP) of between 0.6 and 1.8 percent – equating to between \$1.2 and \$3.7 billion annually<sup>1</sup> – depending on the extent to which industry funding of training also declines.
- A longer-term loss in GDP of between 2.9 and 6 percent, equating to between \$7.2 and \$15.1 billion.
- Export sectors being impacted the most, as export volume losses amount to between 8 and 19 percent over the longer term.

Funding for industry training is current split between government and industry. In 2009, government contributed \$203.5 million to industry training, and industry contributed \$87.5 million. Industry training is further supported by industry through in-kind costs such as staff attending off-site training, and travel and accommodation where relevant.

Industry training is learner-centred training that responds to the needs of employers, industry, and the labour market. Industry Training Organisations (ITOs) deliver industry training by acting as the conduit between employees, employers, industry, and the Government.

“BERL’s research confirms that industry training is not only of value to the economy, but that it is closely aligned to New Zealand’s export efforts and the Government’s Economic Growth Agenda,” commented BERL Chief Economist Dr Ganesh Nana.

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<sup>1</sup> All figures are compared to the baseline or ‘business as usual’ situation.