

Funding cuts will lead to skill shortages

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Funding cuts to industry training in favour of universities will lead to skill shortages, Industry Training Federation Executive Director Jeremy Baker said today.

The funding that is moving away from industry training to pay for 3000 university students could support 55,000 trainees in the industry training system. The Government needs to acknowledge these trainees as real people, doing real jobs, and developing real skills that lead to improved productivity.

Mr Baker said the announcement today failed to acknowledge that Industry Training is the most cost effective part of the tertiary education system, and provides a vehicle to gain skills for many individuals who gained no qualifications at school, or beyond school.

“The cost to taxpayers of completing a qualification in the industry training sector is about one-third of the cost of completing the same qualification elsewhere in the tertiary sector. The trainees are generally full-time workers who are paying taxes while they train. They are completing qualifications that relate to their jobs and make a difference to the prosperity of the industries they work in.

“While university is an ideal for many families, and certainly the government needs to look at ways to ensure high quality university sector, as an economy we do not need a lot more university graduates. Instead of stripping money out of industry training and putting it into universities, the government needs to look at incentives to encourage employers and industries to train.

“Instead the government should focus on the skills that are needed to support industries and help them grow. Many of those skills are gained through the industry training sector.

“Cuts like those announced today will mean fewer trainees next year and in years to come. Ultimately that will lead to skills shortages. That the country has been experiencing a recession makes it even more important to invest in training now so that we are not burdened with the kind of skills shortages that employers faced a couple of years ago,” Mr Baker said.

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Attached: Delivering Value: The Contribution of ITOs to NZ Vocational Education and Training