

MEDIA RELEASE – 17 May 2007

Industry training investment out of step with skill shortages

“Today’s Budget aims to invest in New Zealand’s future, but the investment in growing industry training is out of step with the needs of businesses and workers”, said Jeremy Baker, Executive Director of the Industry Training Federation.

“While any increase in investment in the work of Industry Training Organisations (ITOs) is welcomed, the Government has missed an opportunity to really tackle skill shortages and lift the productivity of our workforce”, added Mr Baker.

“Growth in funding for industry training and modern apprenticeships next year (10%) is **less than half** what it was in last year’s budget (21%), and the Government has **dropped** its target for numbers in training by 30,000, down from 250,000”, said Mr Baker.

“ITOs are under huge pressure from industry to arrange more training, which is cost-effective and aligned with business needs. In an era of low unemployment and near-universal skill shortages, the real needs for training are amongst those already in work”, said Mr Baker.

“In comparison to the additional \$430 million the Government is investing in tertiary education institutions over the next four years, its investment in industry training is inadequate. The rhetoric in the Government’s tertiary policy is relevance to industry needs, but its spending says otherwise”, said Mr Baker.

“The Government needs to significantly reconsider its investment strategy in skill development to focus on investing in cost-effective, relevant training for the needs of New Zealand’s workforce”, said Mr Baker.

ENDS

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New Zealand’s 40 Industry Training Organisations (ITOs) are the organisations established by industry to develop national qualifications and manage arrangements for training in workplaces, as well as provide leadership within their industries on meeting current and future skill needs. For further information on the role of ITOs see www.itf.org.nz

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Vote Education – Industry Training

	2005/06	2006/07	% Change	2007/08	% Change
Industry Training Fund	\$118,314,000	\$141,744,000	20%	\$154,669,000	8%
Modern Apprenticeships	\$30,689,000	\$37,856,000	23%	\$44,966,000	16%
Tertiary Education Sector Leadership Component (TESLC)	-	-	-	\$2,250,000	100%
ITO Literacy Funding	\$1,283,000	\$2,508,000	95%	\$4,033,000	38%
Total	\$150,286,000	\$182,108,00	21%	\$203,668,00	11%

Industry Training + Modern Apprenticeships	\$149,003,000	\$179,600,000	21%	\$199,635,000	10%
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