



PRESS RELEASE

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Free trades training to support New Zealanders into work

- \$1.6 billion Trades and Apprenticeships Training Package
- \$400 million in MSD Employment Support
- \$121 million for He Poutama Rangatahi
- \$19.3 million to place 10,000 people into primary sector jobs

Budget 2020 makes major investments jobs and training as we get New Zealand working again after the COVID-19 pandemic.

Trades and Apprenticeships Training Package

“As we emerge from this health crisis it is important that we now invest in training and education for people who might have lost their jobs, or who want to move into a different sector where prospects are better,” Education Minister Chris Hipkins said.

“Our \$1.6 billion Trades and Apprenticeships Training Package will provide opportunities for New Zealanders of all ages to receive trades training. It will continue to be added to as part of our ongoing work to rebuild the economy.”

It includes:

- \$334 million funding for additional tertiary education enrolments
- \$320 million targeted investment support for free trades training in critical industries
- \$412 million support for employers to retain and keep training their apprentices
- \$276 million funding for Workforce Development Councils and Regional Skills Leadership groups, to be established to give industry and regions a greater voice and help them respond to COVID-19
- \$141 million to support high quality tertiary and trades education
- \$32 million increased funding to meet demand in Trades Academies
- \$50 million for a Māori Apprenticeships Fund
- \$19 million for group training schemes to retain apprentices
- \$26 million operating and capital for a new online careers advice system

Education Minister Chris Hipkins said making targeted vocational training courses free – for all ages, not just school leavers – over the next two years will help people who have lost their jobs retrain and also allow new employees in some essential services to train on the job.

“It will include courses linked to industry skills needs, in building and construction, agriculture, and manufacturing, and also vocational courses like community health, counselling and care work. The fund will be available from 1 July 2020.

“The initiative to support employers and group training schemes to retain and keep training their apprentices is critical for continuity. The last thing we want to see is apprentices and trainees having to be let go when we need really them.

“We are also increasing the volume of Trades Academy places in secondary schools by 1,000 places a year from 2021. This will help with our recovery by building up our future skilled workforce,” Chris Hipkins said.

Budget 2020 funds the establishment of Workforce Development Councils to strategically plan for the recovery of industries and jobs from the impact of COVID-19.

“Industry skills leadership will be vital in order to address the profound impact of COVID-19 on the labour market and education systems. The intention is to establish the councils in the second half of 2020 so that they can begin to provide the crucial industry leadership to support the COVID-19 recovery,” Chris Hipkins said.

“The online careers system will be for learners and workers throughout their lifetime to plan and manage their careers. It will help all New Zealanders to understand their transferrable skills and will be particularly valuable for those who can’t easily show a clear work history.”

Employment Minister Willie Jackson says the establishment of 15 Regional Skills Leadership Groups will also help respond to the labour market needs post COVID-19.

“These groups will provide a valuable source of on-the-ground, more timely intelligence about regional labour market disruption resulting from COVID-19.

“They will also highlight particular areas within the community that may need particular focus for recovery efforts, such as Māori, youth, Pacific peoples and women,” Willie Jackson said.

He Poutama Rangatahi

Employment Minister Willie Jackson says young people are expected to be hard hit by the impact of COVID-19, particularly young Māori, Pacific people, women, and disabled people.

“Expanding He Poutama Rangatahi will play a key role in kickstarting the recovery by helping people on the margins of the labour market get entry requirements for training and be supported to stay in training and employment.

“We know this programme works and gets people into work. This \$121 million investment will move He Poutama Rangatahi to a sustained footing in the regions, and speed up its establishment in urban areas like West and South Auckland, Hamilton, Porirua and East Christchurch,” Willie Jackson said.

Support for Māori trades training

“The Māori Apprenticeships Fund will enable Māori Crown partnerships to support trades training through establishment of group training schemes,” Willie Jackson said.

“Māori community groups will partner with the Crown to establish and design group training schemes that employ Māori as apprentices and support the placement of apprentices across a range of workplaces.

“It will work by providing tailored support for Māori employers to take on Māori apprentices.”

Employment Support

Minister for Social Development Carmel Sepuloni says the investment in MSD employment support will ensure our services are poised and ready to support New Zealanders into work

“We know more Kiwis will need the support of MSD during this unprecedented time and this investment builds on the steps MSD has already taken to keep NZ working.

“We are investing an additional \$150 million into expanding MSD’s employment support services enabling MSD to respond to increased demand including providing some services to people before they enter the benefit system.

“Other investments include \$12.5 million towards strengthening employment services for disabled people, \$12.1 million towards services for those on remand and recently released offenders and \$59.6 million towards expanding Skills for Industry’s pre-employment and in-work training to support the Government’s Construction Accord.

“Over the months of March and April, significant periods of which were under level 3 and 4 alert, over 9000 MSD clients got into work often through MSD’s collaborative approaches to redeployment and building positive relationships with employers.

“We know that our frontline staff will be integral to responding to the ongoing impacts of COVID for some time to come. We are investing \$250 million to increase the number of frontline staff to help more people into work.

Transforming the Primary Sector Workforce

Agriculture Minister Damien O’Connor says farmers, growers and producers will play a critical role in New Zealand’s economic recovery.

“The primary sector will need about 50,000 more people in a post-COVID-19 world. There is no shortage of international demand for our high quality food and fibre. We now need a skilled workforce to help us seize the opportunities that are currently before us.

“There are jobs going all over the country ranging from hands on work in orchards and on farms to professional roles in engineering, science and management.

“We’re investing \$19.3 million over four years in a range of initiatives to help thousands of recently unemployed New Zealanders access training and work opportunities in the primary sector,” Damien O’Connor said.

“In the immediate term, this initiative aims to place at least 10,000 New Zealanders in primary sector jobs by rapidly retraining and absorbing workers displaced from other sectors like hospitality and aviation.

“In the longer term, this initiative supports the growth of the primary industries by ensuring they are able to attract workers to meet current and future needs across the sector and at all levels.

“Part of the funding will go into working with industry on familiarisation courses that help new workers know what to expect from life on a farm, and to provide essential skills to help workers settle into primary sector roles and lives,” Damien O’Connor said.

Media contacts

Chris Hipkins: Richard Trow 021 278 7233

Willie Jackson: Mike Tukaki 021 916 611

Damien O’Connor: Nikki Prendergast 021 811 248

Carmel Sepuloni: Priscilla Rasmussen 021 871 496