

New Zealand's Industry Training and Apprenticeship System: a PPP in Action

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Industry Training Federation, New Zealand

ADB, Manila, 1-2 Dec 2015



The New Zealand PPP model:

Leverages privately owned capital and infrastructure and uses workplaces as direct sites of education and training

Government provides training subsidies to ITOs, based on agreed “investment plans”, towards nationally recognized standards and qualifications

Industry provides a financial contribution towards the training, as well as in-kind support for training, and qualifications development activity



Supply and demand for skills

ITOs work with industry to **determine skill needs**, and **arrange training** to make sure it gets them.



PPP - roles

Industry enterprises band together to form ITOs.

Government gives statutory (and time bound) recognition to the entity to set standards and arrange training in areas of coverage.

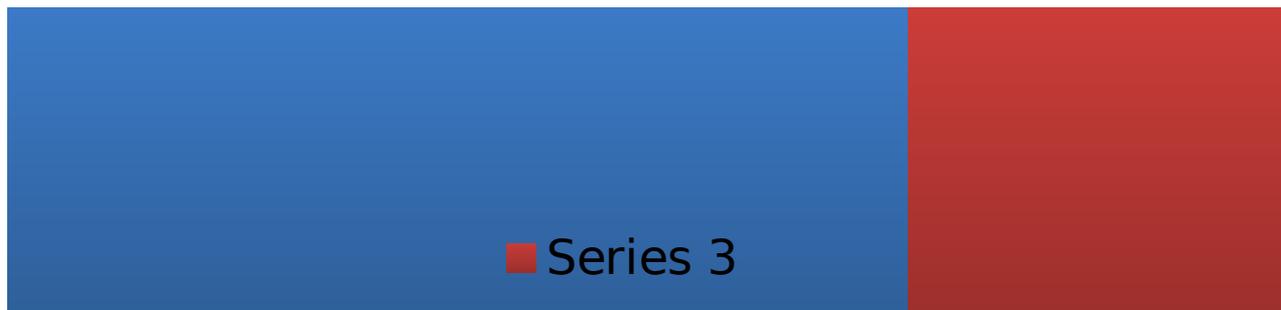
Industry governs ITOs through representative boards

The Government:

- quality assures ITOs (including evaluating quality of governance)
- financially audits ITOs
- Registers ITO qualifications and standards on the NZQF.

As the standard setter, **ITOs** may not directly deliver training. They arrange work-based learning, and purchase provision from technical institutions.





Industry Training in New Zealand is funded as an industry-government partnership.

Government funding is contingent on an **industry cash contribution** of at least 30 percent.

Maintaining this level of industry contribution is a critical test of industry support for the ITO, and to maintain government recognition. Industry also provides in-kind support through time and capital.



side

Series 3

Government funding is through Standard Training Measures (STMs)

It is a flat rate, paid out based on credits per trainee per year (to a maximum of 70 credits per year).



Industry s

■ Series 3



The ITO must demonstrate industry financial contribution.

Often, this is evidenced through the training budget of the firm (which itself is audited)

Other 'user-pays' models have been used, whereby firms, or suppliers, have contributed the industry cash contribution.



Efficiency of model

ITOs

2015 allocation: \$165 million.

138,327 trainees

~54,000 qualifications



Institutes of Technology and Polytechnics

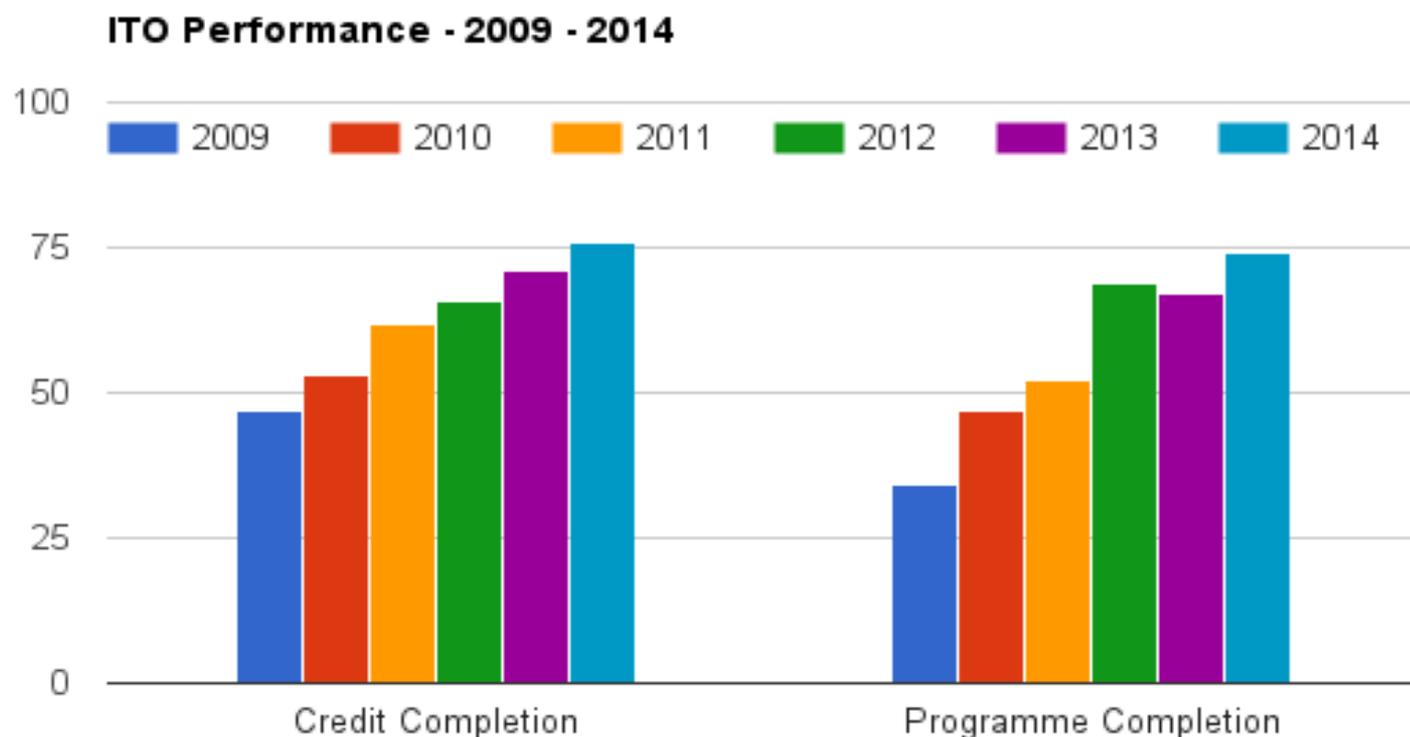
2015 allocation: \$590 million.

130,517 students

50,186 qualifications



Improved performance



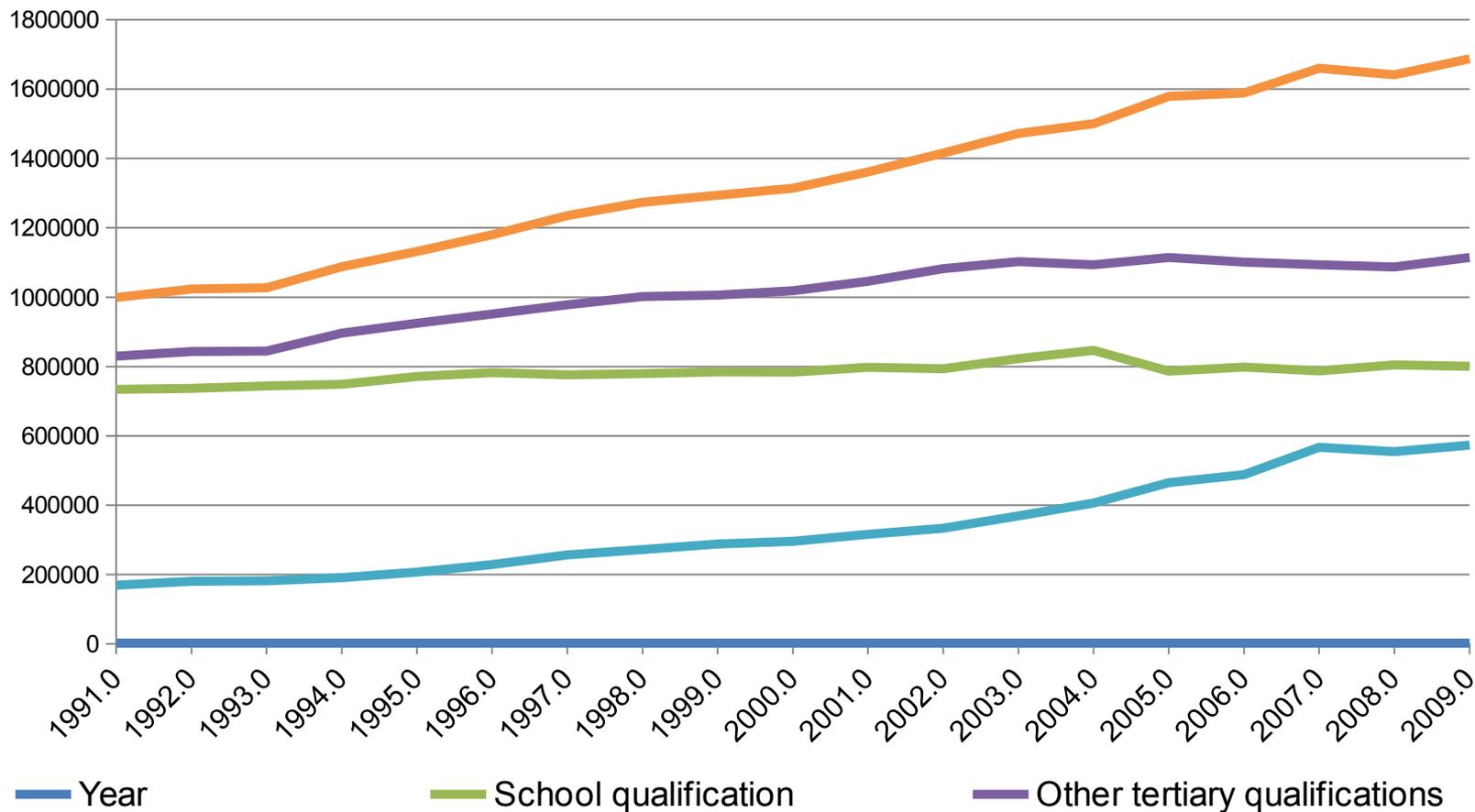


Today

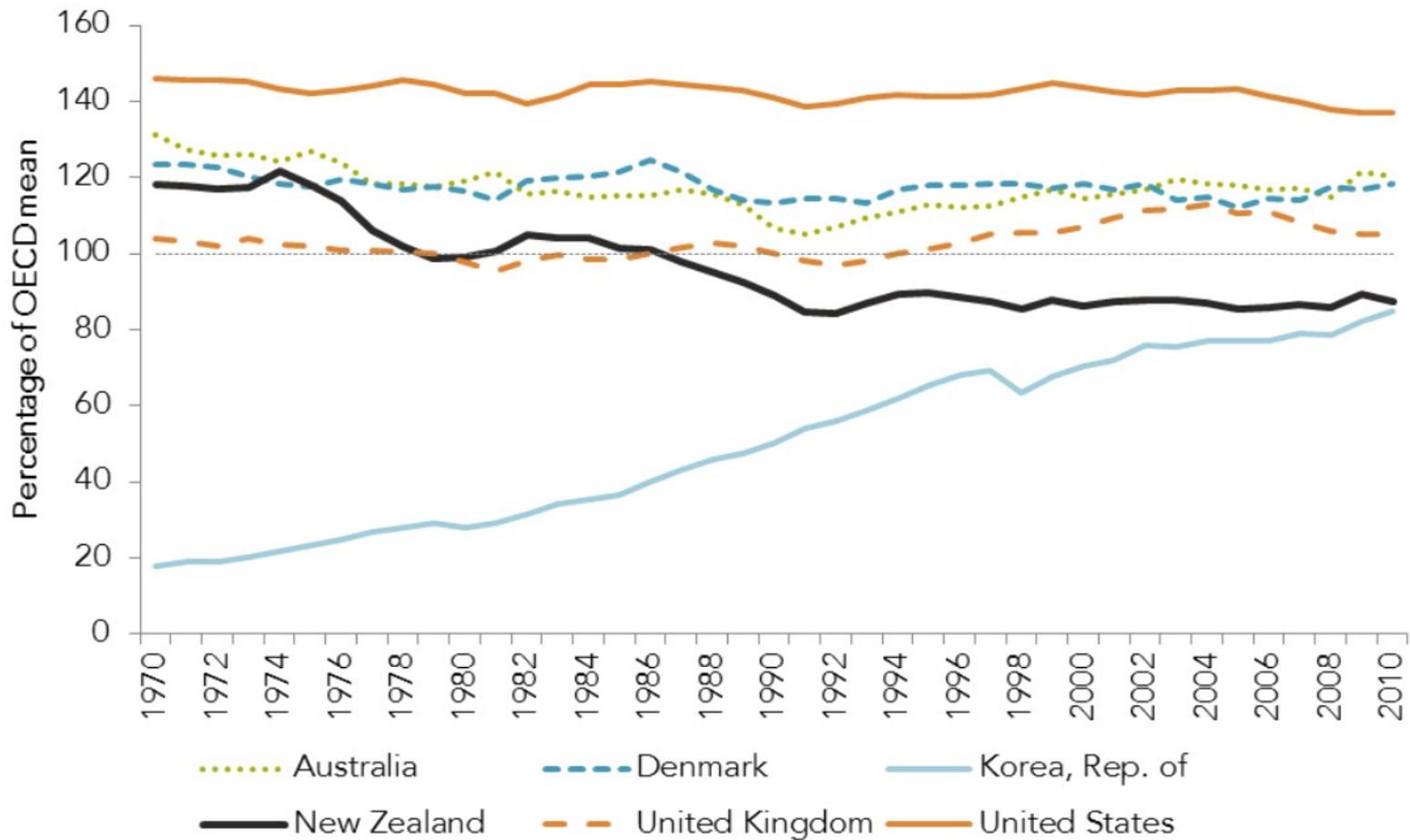
- 2013: a comprehensive policy review
- New legislation (mostly unchanged)
- NZ Apprenticeships
- Fewer, more capable ITOs
- Strong employment conditions



NZ's skills challenges: Qualifications



NZ's skills challenges: Productivity



SERIOUS ABOUT SK



Hotels first to get sectoral manpower plan

Five-year strategy for industry to upgrade and retain workers under national skills initiative

Joanna Seow

The hotel industry here has become the first sector to get a dedicated five-year manpower strategy, under a national drive to equip students and local workers with industry-relevant skills.

The sectoral manpower plan, announced yesterday by Manpower Minister Lim Swee Say, is part of the SkillsFuture initiative and has five measures to upgrade and retain workers in the industry.

But the ageing workforce, tight foreign worker inflows and rising automation mean that the supply of work and the workers - who now take up around 60 per cent of the total jobs in the hotel industry - will grow at a slower rate.

Mr Lim said the strategy, initiated by the Singapore Tourism Board and Singapore Workforce Development Agency, is important with the number of hotel rooms here due to rise by 20 per cent by 2020, boosting demand for workers.

They will receive funding of up to \$15,000 a trainee to provide on-the-job training for fresh hires from polytechnics who will spend a year studying for a diploma in hospitality business management.

Mr Lim said at the launch event at One Farrer Hotel and Spa in Farrer Park.

Being the first sector to launch its manpower strategy "shows how serious we are about grabbing the bull by the horns", said Singapore Hotel Association executive director Margaret Heng.

A total of 32 hotels - including Grand Park City Hall and Resorts World Sentosa - and two hotel groups have signed up for the first Earn and Learn programme.

They will receive funding of up to \$15,000 a trainee to provide on-the-job training for fresh hires from polytechnics who will spend a year studying for a diploma in hospitality business management.

There will be 60 trainees in the first batch, and a similar programme is also in

Internships for hospitality students at polytechnics and ITE have also been standardised.

They previously lasted from 12 to 24 weeks with monthly stipends of \$450 to \$1,000, depending on the institution. They should now last half a year and have allowances of at least \$600.

Experience in at least two departments is also recommended.

Republic Polytechnic student Bay Si Xiang, 21, is serving an internship as a housekeeping coordinator at Four Seasons Singapore and will move to laundry operations next.

He said: "I'll be able to better understand the departments and be more ready for the industry."

The manpower plan should make hospitality careers more attractive and reduce the likelihood of students moving to other industries, according to National Trades Union Congress Hospitality and Consum

er Business Cluster chairman Tan Hock Soon.

"The new skills ride on technology and form new jobs," he said. "This will make workers more employable."

Sectoral manpower plans, first announced by Deputy Prime Minister Tharman Shanmugaratnam in this year's Budget, will be launched for more than 20 key sectors such as the social services, healthcare, and retail and food services.

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102 PAGES IN TEN PARTS
\$1.00
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Thank You

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