

## FLOORING NZ STAKEHOLDER UPDATE

### STAKEHOLDER UPDATE APPRENTICE SUPPORT

Dear FloorNZ Member

This morning the government announced details of a number of apprentice subsidy initiatives. This initiative has been driven by the industry to ensure we do not suffer the same fate as occurred after 2008 where across the board we saw a dramatic decline in apprentice numbers and as a result a severe shortage of skilled flooring professionals for many years.

The announcement this morning is designed to enable apprentices and trainees who lose their job or are retained on reduced hours, to continue their apprenticeship and remain in the industry and help employers bring on new apprentices. All employers who have an apprentice will be able to receive a base subsidy rate up to \$12,000 per annum for first year apprentices and \$6,000 per annum for second year apprentices through the Apprentice Boost Initiative.

Details on how an employer can apply for the subsidy will be available shortly and we will be in touch as soon as these come to hand.

A summary of the announcement this morning is below.

1. The **Apprentice Boost Initiative** is a \$380.6 million broad-based wage subsidy for employers to help you keep existing apprentices and employ new ones. It will be available to employers in all industries who have formal apprenticeship schemes for at least 20 months. Amounts will vary depending how far through an apprentice is in their training but if you have apprentices in a recognised New Zealand scheme you will get up to \$12,000 per first year apprentice and \$6,000 per second year apprentice. This initiative will be delivered by the Ministry for Social Development and will be available from August 2020. Further details will be available soon on how to apply for the subsidy.
2. Funding for the existing **Mana in Mahi** programme, which helps employers provide on-the-job support for employees, is being expanded by \$30.3 million in new funding. This will enable the programme to provide 24 months of support per participant (up from the current 12 months), and to provide an increased wage subsidy amount of up to \$16,000 per first year participant, and up to \$8,000 per second year participant. Additional pastoral care and other support will also be provided on top of this wage subsidy amount. The programme is delivered by Work and Income and if you think you have an opportunity to support someone, visit [Manu in Mahi](#).
3. The seven existing **Group Training Schemes** will be supported by a \$19 million fund to ensure they remain viable following the Covid-19 lockdown. This will enable the schemes to continue to employ apprentices and trainees and provide related services to host businesses, where those businesses (mainly construction-related) are unable to support their apprentices. This scheme is delivered by the Tertiary Education Commission.

4. The **Regional Apprenticeships Initiative** is a new regional apprenticeship scheme which will invest in new apprenticeships in regional New Zealand and particularly support displaced workers and Maori and Pacific peoples into jobs. More details on this will be released shortly.

As an employer you will be able to access support from one of the above support programmes (except the Group Training Schemes fund which is not available for individual employers) and this will depend on the type of apprentice or pre-apprentice trainee you employ. If you have laid off an apprentice, you can rehire that apprentice and then receive support from Apprentice Boost. For more information you can visit [Work and Income](#).

In addition to the above we are monitoring closely the ROVE initiative and believe this will provide additional support for the training of apprentices in our industry. We have attended several Zoom sessions with the leaders of this initiative and are ensuring our voice is heard as to the eventual makeup of this program. Again, once we have verified information we will be in touch.

**Regards**

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