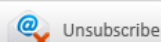


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MEActive - October 2010

Welcome to the New Zealand Manufacturers and Exporters Association's monthly e-news, giving a series of updates on what we have been working on to make things better for manufacturers and exporters.

- [CEO Comment](#)
- [NZMEA Alert](#) - Call for comments on submissions/discussion documents.
- [Media Coverage](#) - Where we have been reported over the past month.
- [Media Releases](#) - Circulated to all media by the NZMEA.
- [Upcoming Events](#)
- [NZMEA Survey of Business Conditions](#)

CEO Comment: Industry Training Too Important to Cut

The Government has announced the intention to move \$55 million of funding from industry training to universities to make more places for tertiary students. The rationale behind the decision is that Industry Training Organisations (ITOs) cannot use this money during a recession (apprentice training numbers are down around 18%) and the demand for university places is there. This narrow analysis ignores the problems with industry training that make it barely affordable for employers even in the good times.

With employers footing most of the bill for their apprentices, many are not getting the return on their investment. It can take up to four years for apprentices to reach their productive peak and there is no guarantee that the employer which funded the training will keep them at this point. The benefit permeates out into the industry as a whole, so the costs should not simply sit with those firms that are committed to trade and technician training.

Statistics on advertised job vacancies (below) are showing that demand for trade skilled workers is on the rise again.

Table 1 Skilled Vacancies Index (SVI) for highest-skilled groups

Occupational group	Apr. 10 – Jul. 10	Jul. 09 – Jul. 10
Managers	5.7%	37.2%
Professionals	9.2%	36.3%
Technicians and trades workers	9.0%	52.7%
All skilled occupations	8.2%	36.7%

The next table shows the percentage of the total tertiary education spend going to each sector, and on the right, the percentage of total tertiary students in each sector.

Table 2 Government Funding (\$ millions GST exclusive) & Participation

Sub-sector	2008 (\$)	2008 (%)	2008 EFTS	2008 EFTS %
Universities	1,169	55	111,498	27
ITPs	496	23	62,821	15
ITOs	176	8	194,516	46
Wananga	135	6	22,526	5
PTEs	131	6	25,918	6
OTEPs	21	1	3,246	1
Total	2129	100	420,524	10

Source: Ministry of Education & TEC
ITOs train 46% of students on only 8% of the funding.

Trade and technician skills feed through benefits faster to industry, the community and the economy. In hard times short-term needs take precedence, but down the track low levels of apprentice training will be a major problem. We went through this in the early 1990s and that hole has not yet been repaired. Trade training has significant spillover benefits and this should be recognised through more support for this effort, not less.

High levels of productivity are essential for sustainable growth and trade skills are one of the main drivers for productivity, especially for a country like New Zealand with a small population. More effort is required to ensure that the trade training is viable for employers by increasing, not reducing, the support for trade training via the ITOs.

MEAlert

Submission for the November 2010 Review of the Essential Skills in Demand List

We are seeking input from companies who are experiencing labour shortages that could be classed as either an Immediate Skill Shortage or a Long Term Skill Shortage. Click [here](#) for more information on the Essential Skills in Demand submission.

If you are experiencing specific areas of skill shortages that you would like to see included on either the Immediate or Long Term list, let us know. Feedback is needed by Monday 8 November.

Media Coverage

Where the NZMEA was reported during September.

3 September	Scoop.co.nz	Sales Improve. <i>Internet.</i>
4 September	The Press	Signs of Better Growth in Jobs; Manufacturing Survey. <i>Newspaper.</i>
7 September	NZ Herald	Factories Largely Unscathed by Christchurch Earthquake. <i>Newspaper.</i>
7 September	The Press	For Most it's 'Business as Usual'. <i>Newspaper.</i>
11 September	NZ Herald	Emotional Scars Holding Back Earthquake Recovery. <i>Newspaper.</i>
11 September	NZ Listener	10 Things You Need to Know About New Zealand's 'Grumpy' Economy. <i>Magazine.</i>
14 September	Scoop.co.nz	Cut the OCR. <i>Internet.</i>
14 September	Interest.co.nz	NZMEA Calls for Reserve Bank to Cut OCR; Federated Farmers Wants OCR Held for Rest of 2010. <i>Internet.</i>
15 September	NZ Manufacturer	Cut the OCR. <i>Magazine.</i>
16 September	Scoop.co.nz	OCR Damage Continues. <i>Internet.</i>
16 September	Voxy.co.nz	OCR Damage Continues. <i>Internet.</i>
16 September	Radio NZ	Reserve Bank Under Pressure to Cut Interest Rate. <i>Radio.</i>
17 September	CTV	Comments on the Affects of the OCR Decision and the Earthquake. <i>TV.</i>
23 September	Stuff.co.nz	Slow Economy Makes Rate Hikes Unlikely - Key. <i>Internet.</i>
23 September	Voxy.co.nz	Key Expects Reserve Bank To Keep Interest Rates Steady. <i>Internet.</i>
23 September	Interest.co.nz	GDP Growth of 0.2% Weaker Than Economists' Forecasts for 0.7%; NZ Dollar and Wholesale Interest Rates Fall. <i>Internet.</i>
23 September	Scoop.co.nz	Economy as Unbalanced as Ever. <i>Internet.</i>
23 September	Voxy.co.nz	Economy as Unbalanced as Ever - MEA. <i>Internet.</i>
24 September	Radio NZ	Economic Framework Seen as Biased Against Productive Sector. <i>Radio.</i>
24 September	ODT	Labour Claims Recovery Has Stalled. <i>Newspaper.</i>
24 September	3news.co.nz	Economic Recovery 'Out of Puff' - Labour. <i>Internet.</i>
24 September	scoop.co.nz	Judgement the Key to Supporting Quake-Hit Staff. <i>Internet.</i>
26 September	ODT.co.nz	Will You be Better Off After Tax Cuts? <i>Internet.</i>
26 September	Voxy.co.nz	National and Labour Face Tax Cuts Showdown. <i>Internet.</i>
30 September	Scoop.co.nz	0.9% Over 7 Years Not Good Enough. <i>Internet.</i>

Media Releases

Media releases submitted by the NZMEA during September. [Click here](#) to read the latest media releases.

2 September	Sales Improve.
14 September	Cut the OCR.
16 September	OCR Damage Continues.
23 September	Economy as Unbalanced as Ever.
24 September	Judgement the Key to Supporting Staff Through Earthquake.

30 September	Manufacturing Sales Defy Downturn.
30 September	0.9% Over 7 Years Not Good Enough.

Upcoming Events

[Click here](#) for information and to register for our upcoming events.

28 October	Workshop: Leading and Coaching Teams - Christchurch.
1 November	Programme: National Diploma in Competitive Manufacturing (Level 5) Auckland.
3 November	Meeting: Engineers Industry Group - Christchurch.
9 November	Forum: Intellectual Property Perspectives - Christchurch.
10 November	Workshop: HSNO Approved Handler Training - Christchurch.
16 November	Forum: Visual Performance Management - Auckland.
16 November	Forum: Emissions Trading Scheme - Are You Ready? Christchurch.
18 November	Forum: Risk Management in Uncertain Times - Auckland.
23 November	Forum: Visual Performance Management - Christchurch.