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Service sector ITOs urge action on training

The four industry training organisations (ITOs) that deliver on and off-job training to New Zealand's burgeoning service sector workforce have joined forces to issue a call to arms over mounting skills' shortages.

The ITOs want to build better awareness of the size and value of the sector – estimated to contribute more than \$47 billion to GDP – as a first step to more concerted and nationally focused action over service workers' training needs.

The number of people employed in the sector is 590,440 and rising, spurred by rapid growth in industries such as tourism and aged care.

*The four ITOs - ServiceIQ, Careerforce, Skills Active Aotearoa and HITO, the hair and beauty training organisation – have come together as *At Your Service Aotearoa*.

The grouping is collaborating under the *At Your Service Aotearoa* brand to gain leverage with key stakeholders such as decision-makers, employers and careers advisors, as well as the wider public. Business New Zealand is a partner in the project.

At Your Service Aotearoa has commissioned Wellington research consultancy BERL to prepare an evidence-based report that will update the contribution the service sector makes to the New Zealand economy. The report will be launched at a function at Parliament on 3 May by the Minister of Tertiary Education, Skills and Employment, Paul Goldsmith.

Dean Minchington, Chief Executive of ServiceIQ, the lead provider for the project, says the service sector is often regarded as "less worthwhile" than other sectors. The risk with that perception is that service employee training will be overlooked by funding bodies, so hindering efforts to upskill workers.

“This would be harmful for New Zealand, as the skills’ gaps in many service industries are frustrating efforts to raise productivity,” he says.

“It is essential that politicians, employers, careers advisors and our other stakeholders are aware of ITO activities in the service sector, and understand the importance of improving skill levels. We have to work together to build clear development pathways for service workers.

“It has been estimated that the service sector will need more than 200,000 extra workers by 2020, as people leave and new roles are created. We can’t simply hire more workers to meet that demand.

“We need to upskill the existing workforce to make it more productive, and to get school-leavers to see the service sector as a good career choice, by being aware that one-third of roles are medium-high to highly skilled. “

Industry training is a partnership between government and business, with the government providing about 70 per cent of the cost.

The Industry Training Fund, which enables New Zealand’s eleven ITOs to carry out their statutory responsibilities, has a budget of \$177 million in 2017.

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For further information: contact Bruce Robertson 027 440 0650

***About the service sector ITOs:**

- Careerforce is the ITO for the health, aged care, disability, social services, youth work, cleaning and pest management professions.
- ServiceIQ is the ITO for the aviation, hospitality, retail, travel, tourism and museums sectors.
- Skills Active Aotearoa is the ITO for the recreation, sport and exercise industries.
- HITO is the hair and beauty industry’s training organisation.

