

DOLE FOR APPRENTICESHIPS

FACTSHEET

Labour is boosting its Dole for Apprenticeships scheme.

We are expanding our previous commitment to pay the equivalent of the unemployment benefit to employers who take on an apprentice.

This is an extension of the Kickstart Apprenticeships scheme which offered Dole for Apprenticeships to 18 and 19 year olds only, capped at 3000 per year.

We are removing the cap and extending the eligibility to all 18 to 24 year olds not earning or learning.

There are currently 72,000 under 25 year olds in New Zealand who are not in employment, education or training (NEET), 11% of this population.

There are almost 12,000 fewer apprentices in training today than there were in 2007 under Labour.

Details

Labour will introduce Dole for Apprenticeships to get young unemployed New Zealanders off the unemployment benefit and into apprenticeships with a \$9,500 subsidy (the equivalent of the dole payment) to employers willing to offer a permanent full time job.

The subsidy will be payable to the employer. In return they will be expected to show a commitment to the young person with a permanent full time job, salary, training and by mentoring them so they are able to achieve an industry-recognised qualification through New Zealand Apprenticeships.

To be eligible the young person must be aged 18 to 24 and have been on a benefit for at least three months.

Costs

The estimated cost of the policy is up to \$13.2m per annum. This is based on an expected uptake of just over 4000 places.

A first year apprentice will earn \$472 a week, rather than \$180 a week on the dole.



Q&A

Who is eligible for the scheme?

Any 18-24 year old who is neither earning nor learning, and has been on a benefit for more than three months. There are currently 72,000 young people under the age of 24 who are not in education, employment or training.

How does the scheme work?

Employers who take on unemployed 18-24 year olds in an apprenticeship are given a \$9500 subsidy – the equivalent of the dole. Apprenticeships are managed through Industry Training Organisations and the employer is responsible for training the young person on the job and paying a training wage.

What will the scheme cost?

We estimate that just over 4000 18-24 year olds are likely to take up the scheme at a cost of \$13.2 million per year. This is an investment of just \$3155 per worker per year, due to benefit savings. The scheme is aimed at those most at risk of long-term benefit dependency and will help with skill shortages in many industries.

Are there any conditions on who can take up the Dole for Apprenticeship scheme?

The only criteria for young people or employers to use the scheme is that they comply with the current New Zealand Apprenticeships criteria. These include being employed in the occupation in which you are training and that a training plan is agreed. New Zealand Apprenticeships will result in (at least) a level 4 New Zealand qualification comprising a minimum of 120 credits.

Why not cover all NEETs, including those who leave school early?

Young people who leave school early have existing wrap-around services to help them move into further learning or employment.

How is this different to Labour's Kickstart Apprenticeships policy?

Labour has extended its earlier scheme which would have been available only to 18-19 year olds and removed a 3000 per year cap on the number of Dole for Apprenticeships available. This is due to increasing youth unemployment, which is now 19.2% among Maori and 15.9% among Pasifika, and skill shortages in many crucial trades and industries.

Which industries would most benefit from the Dole for Apprenticeship scheme?

Immigration New Zealand shortages lists show chefs, electricians, mechanics, bakers, bricklayers, carpenters, drainlayers, plasterers and plumbers are all in short supply.

