



Government's COVID-19 economic response enters recovery phase with training subsidy

# TRAINING SUBSIDY AIMS TO STRENGTHEN OUR WORKFORCE

The Cook Islands Government is introducing an initiative that will help upskill the nation's workforce and contribute to the post-COVID-19 economic recovery.

**O**n July 1, COVID-19 Economic Response Plan (ERP) enters Phase II. With an estimated cost of \$76 million, the plan contains a wide range of measures that aim to carry the country to the post-pandemic future

With lifeline financial support for households and businesses already established through the ERP, the focus now turns toward recovery and **kick-starting economic growth.**

The training subsidy initiative aims to assist the business community and the nation's workforce by addressing a chronic skills gap that continues to hinder economic growth.

"For the last three years we have faced a significant skills shortage, and even now, during a substantial economic downturn, we still have constraints in some sectors," says Finance Minister Mark Brown.

The objective of the training subsidy is to address the historical skills gap by encouraging businesses to upskill their workers and improve their productivity. This will lead to a more dynamic economy that's better positioned for recovery once the crisis is over.

## HOW IT WORKS

Businesses are being offered a choice between the new training subsidy or to continue receiving the existing wage subsidy.

For businesses seeking to make the upskilling of their workforce a priority, the training option is the right choice. It provides the same cash incentive, guaranteed for a three-month period, paid at the following rates:

- \$320 per week for a full-time employee working 20 hours per week or more;
- \$160 per week for a part-time employee working between 5 and 19 hours per week.

And for businesses that enroll at least 75 per cent of their employees in the initiative, an additional cash grant is paid once all other requirements have been fulfilled.

Training subsidy payments will be made through monthly instalments during the three-month period from 1 July to 30 September 2020. Total payments will be based on the number of staff employed by each business, and their hours worked at the time of each payment.

The training subsidy is a guaranteed payment, regardless of whether business turnover improves. There are no monthly eligibility requirements once an application is approved.

All training courses must be endorsed or provided by

an approved training provider and must run for a minimum of 80 hours. Courses may include those provided through the Cook Islands Tertiary Training Institute (CITTI), University of the South Pacific Cook Islands Campus (USP), or any recognised online educational and training institution.

The additional cash grant for participating businesses will be paid upon completion of training by at least 75 per cent of their employees. Depending on turnover, these grants will range between \$3,000 to \$10,000, and will be made once certificates of completion for each participating employee are submitted.

In line with the training subsidy, qualifying courses delivered by the CITTI and USP Cook Islands campus will be offered free of charge. This includes Semester 2 courses offered by CITTI and a select number of certificates at USP offered between June and December 2020.

## A skilled workforce = A resilient economy

Improving productivity and transforming our economy to become more complex and diverse can bring considerable and sustainable benefits. A key component to enhancing productivity is investing in a skilled workforce.

With a more productive, complex, and diverse economy, the Cook Islands will further its resilience to changing circumstances and shocks such as COVID-19.

