CONCOVE TŪHURA

Strengthening support for apprenticeships – issues and opportunities

MARTIN JENKINS | February 2025

Acknowledgements

We gratefully acknowledge the contributions and time of apprentices and employers who provided their precious time and insights into the construction and infrastructure apprenticeship experience.

We appreciate the contributions from the 38 government agency representatives, education and training providers, industry associations, and group training organisations who made the time to speak with us. Thank you also to the Project Working Group for their constructive debate and depth of knowledge.

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Strategic context

Looking beyond the current cyclical contraction, the construction and infrastructure sector is expected to continue to experience high demand for skilled workers. The construction industry is New Zealand's fifth largest industry, producing just over 6% of national gross domestic product. However, sector growth has slowed since mid-2022 amid cost pressure and economic challenges.[1] Industry analysis also suggests that there is around a 50% shortfall in workforce required to deliver on the projected building and civil infrastructure pipeline.[2]

The number of learners enrolling in apprenticeships has consistently climbed over the last 10 years, reaching a significant peak in 2022 and more than doubling between 2014 and 2023. However, the volume entering the apprenticeship system is not enough to meet demand nor has the apprenticeship system been as responsive to changing industry needs, and the boom-and-bust cycle of the sector generally. Also of concern is the quality of apprentices, and the proportion of enrolled apprentices that go on to complete their apprenticeship and transition into employment. Completion rates for construction and infrastructure apprentices in New Zealand range between 39% and 58%, which is low compared to international comparators. In Germany, Ireland, Scotland, and the Netherlands, completion rates range between 65% and 75%. In New Zealand, there are also wide variations in completion rates by gender and by ethnicity.

In light of these challenges, this analysis has been commissioned to constructively contribute to policy formulation aimed at improving labour market outcomes for the sector. Our analysis focuses primarily on government-funded apprenticeship support programmes as a key intervention to ensure workforce quantity and quality. While our recommendations are primarily directed at the government, we acknowledge that industry, employers, and

[1] MBIE, 'Building and Construction Sector Trends: Annual Report 2023' (Ministry of Business, Innovation & Employment, February 2024), https://www.mbie.govt.nz/assets/building-and-construction-sector-trends-annual-report-2023.pdf.
[2] Waihanga Ara Rau, 'Workforce Demand Forecast', Construction & infrastructure workforce information platform, January 2024, https://wip.org.nz/.

the tertiary sector all play crucial roles and must work in partnership with the government to achieve the desired outcomes.

Importance of quality apprenticeship supports

Formal workplace learning for a qualification is characterised by "learning employees" who undertake off-job training, as well as on-job training while working. It is a formal and deliberate arrangement, where core practical skills training at the workplace is complemented by theoretical learning covered through materials from education providers. The theory can then be transferred, applied, and integrated into practice through activities at work. This process occurs through a three-way partnership between the learner, provider, and the workplace.[3] The role of the employer is what differentiates apprenticeships from other tertiary education. As much of the learning takes place on the job, the quality of the employer as a trainer is often a large component of the success of the apprenticeship (as we will go on to evidence).

Good quality apprenticeship policy making is vital for productivity in New Zealand's construction and infrastructure sector because it supports a reliable pipeline of skilled workers who can effectively handle complex building tasks, use modern technologies, and maintain high safety standards. When government policy properly supports apprenticeships, employers can take on and more thoroughly train new workers, to a higher quality and in a timelier manner to respond to labour market pressures, ultimately contributing to the sector's overall efficiency and economic contribution.

There are currently a wide range of programmes in place that support industry to continue to meet workforce demands, including through taking on and training apprentices. The Apprenticeship Support Programme, implemented in 2020, was part of a cross-agency response to help support apprentices and employers to manage the impacts of COVID-19**.** The package included:

[3] Anne Alkema, 'Vocational Workplace Learning: Who Is in the Driver's Seat?', *Scope: Contemporary Research Topics (Work-Based Learning)*, no. 1 (2020): 89–96, https://doi.org/10.34074/scop.6001008.

- establishing the new Apprenticeship Boost Initiative (ABI), offering wage subsidies to employers of existing and new apprentices across all industries in the early years of the apprenticeship

- expanding Mana in Mahi from 12 to 24 months of support per participant (including apprentices) over three financial years

- funding to support the viability of the Group Training Schemes (GTS) so they could continue to employ apprentices and trainees and provide related services to host businesses, and

- implementing the Regional Apprenticeships Initiative, a one-off programme to support recently displaced workers and Māori and Pacific people through wage subsidies and targeted support.

There were also seven other initiatives (in the scope of this analysis) that have supported apprenticeships in some way: Fees-Free, Cadetships, Pae Aronui, He Poutama Rangatahi, Māori & Pasifika Trades Training, Māori Trades Training Fund, and Skills for Industry. With this in mind, ConCOVE wanted to understand to what extent current apprenticeship support policy settings, as part of a system of supports, are working for employers, learners, and workers in the construction and infrastructure sectors.

For the purposes of this report, "apprenticeship support" are government-funded financial and non-financial support provided to apprentices, employers, and/or providers to enable them to begin, continue, and complete an apprenticeship. There is a focus specifically on apprentices in the construction and infrastructure sectors.

Our methods

This report is based on policy and operational document review, literature review, scan of material on interventions in comparator jurisdictions, one-on-one and group interviews with eight construction and infrastructure apprentices and six employers who were currently hosting construction and infrastructure apprentices, one-on-one and group interviews with 38 group training organisations, providers, and government agency representatives, and

data analysis. It is intended to be a constructive contribution to the evidence base that supports policy formation and advice.

Key findings: gaps and challenges within the system

Bringing together findings from the research methods, we have identified several areas within the government-funded apprenticeship support system where there are challenges and opportunities for improvement. These areas include:

- overlapping initiatives that prioritise participation over completion
- enduring financial barriers for apprentices to take up and complete this form of learning
- a need for more consistent and coordinated pastoral care to address barriers to apprenticeship completion
- opportunities to improve support and accountabilities for employers to ensure quality apprenticeship training
- opportunities to design financial incentives that enable positive behaviour and quality training outcomes
- the potential for improved access and navigation of apprenticeship resources and information, and
- the opportunity to clarify roles and responsibilities between government, industry and employers, and training providers, and
- to enhance and communicate strategic direction and better alignment of support initiatives to ensure they align with desired outcomes.

Feedback from sector participants highlighted the opportunity to improve system governance and strategy through a clearer statement or articulation of the purpose and outcomes that government, sectors, employers, and learners seek from apprenticeships. The sector has undergone significant change, and this contributes to the challenge. From an external perspective, these challenges are evidence that there is an ability to improve the

apprenticeship system through simplification, clearer priorities, better analysis of impact, and a greater system wider prioritisation of effort to reduce risks of duplication and unproductive competition. Overall, there is an opportunity to improve system efficiency and to ensure the apprenticeship system better delivers for employers, learners, and the economy overall.

Recommendations

1	**Consider the case for a clearer and collective view of the outcomes sought from the system**, that considers: • Clear roles and responsibilities for government, industry, employers, providers and learners within the apprenticeship system. • Support programmes and incentives for apprentices and employers that contribute to strategic goals, bolster apprenticeship participation, and support completion. • Robust mechanisms for setting, maintaining, and updating quality standards for training delivery and pastoral care, including quality assurance processes and accountabilities for training providers and employers with clear consequences for poor performance. • Clear pathways into apprenticeships from schools and other entry points (which are increasingly important), along with well-defined progression routes to higher qualifications and specialised roles. • A funding and incentive model that is aligned with policy objectives – confirming the importance of the construction and infrastructure sector, encouraging both quality and quantity of the workforce, supporting priority cohorts of learners, and ensuring adequate investment in teaching capability, pastoral care, and resources. • A monitoring and evaluation framework to assess progress consistently across supports, and track progress towards shared outcomes.
2	**Develop a shared understanding of good pastoral care for apprenticeships**, including: • Clear outcomes, processes, and best practices. • Explicit roles and responsibilities. • A cost framework to understand the financial implications of delivering good pastoral care and its return on investment.

3	**Consider ways pastoral care delivery can be streamlined.** • Investigate a single point of contact for pastoral care through the training provider or another entity. • Consider mechanisms for flexible funding for tailored support. • Collaborate with local iwi and Māori communities to ensure culturally appropriate supports and services are integrated into pastoral care delivery.
4	**Consolidate and promote awareness of existing resources, funding/incentives, and supports to employers and apprentices.**
5	**Foster greater collaboration and formalise employer training programmes**, and explore related policy questions, including: • Whether government investment in employer training is aligned to desired outcomes. • If there are benefits to mandating training for employers (or workplace trainers) of apprentices in the New Zealand context.
6	**Investigate appropriate accountability and reporting mechanisms for employers of apprentices**, and whether delivery of quality training should be linked to financial incentives.
7	**Conduct research to better understand the capability gaps and challenges facing employers.**
8	**Consider and clarify the government's role in relation to investing in employer training and capability development.**

Introduction and scope

1. There are a range of supports currently available to apprentices and employers in the construction and infrastructure sectors. These are delivered through a range of initiatives, including those under the Apprenticeship Support Programme umbrella and standalone initiatives targeting specific cohorts of learners.

2. While there has been some analysis and evaluation of the efficiency and effectiveness of these supports, the extent of this research varies and there is limited understanding of how they work as part of a broader system to improve outcomes.

3. ConCOVE wants to understand whether, and to what extent, government-funded supports targeting apprenticeships, as-a-whole, are working for employers, learning providers, and workers in the construction and infrastructure sectors.

Scope of this research

4. Our research focuses primarily on government-funded apprenticeship support programmes as a key intervention to ensure workforce quantity and quality. While our recommendations are primarily directed at the government, we acknowledge that industry, employers, and the tertiary sector all play crucial roles and must work in partnership with the government to achieve the desired outcomes.

5. For the purposes of this project, “apprenticeship supports” include government-funded financial and non-financial support provided to apprentices, employers, and/or providers to enable them to begin, continue, and complete an apprenticeship.

6. We have assessed whether programmes should be included in the scope of this research based on the following considerations:

    - whether the incentive or programme directly supports construction and infrastructure apprenticeships, or
    - whether the incentive or programme is broader in scope, and has an indirect benefit for construction and infrastructure apprenticeships, and

- whether the scale of support available is likely to have a significant impact on the outcomes either for the population as a whole, or for a specific community of interest.

7. In this research, we distinguish between funding for the delivery of apprenticeships, and funding that is intended to support learners, employers, and in some cases, training providers to help apprentices enter, progress, and complete their training.

8. The Ministry of Education (MoE) is the government's lead advisor on the New Zealand education system, providing the overall policy settings and strategic policy for the education sector, undertaking research and analysis, and monitoring the education sector's capability and viability. The Ministry has a strategic leadership and system stewardship role in the tertiary system, including for vocational education and training (and apprenticeships).

9. MoE is responsible for developing the policy and funding settings for apprenticeships, while the Tertiary Education Commission (TEC) administers and monitors education providers through the Unified Funding System (UFS). This includes ensuring learners have access to the resources and assistance necessary (learner component), supporting the delivery of educational programmes by providing necessary funding based on subject, mode of delivery, and number of students, and the amount of contact hours students receive (delivery component), and addressing strategic priorities for the sector and aligning funding to achieve these objectives (strategic component).[4] For this analysis, the specifics of these settings have not been included as they relate to the delivery of apprenticeships.

10. In addition to the leadership, administration, and monitoring functions delivered by MoE and TEC, the Ministry of Business, Innovation and Employment (MBIE) supports the vocational education and training sector by focusing on workforce development and employment outcomes. MBIE collaborates with industry stakeholders to ensure that apprenticeship programmes align with the current and future needs of the labour market. MBIE had previously established the Construction Sector Accord to provide a

[4] On 1 August 2024, the Ministry of Education sought feedback on proposed reforms for three parts of the vocational education system, including changes to vocational education funding from 2026 to better support the reformed system. Implications on the UFS have not yet been released.

platform for industry and government to collectively address systemic issues.[5,6] The Ministry of Social Development (MSD) has a range of active labour market policy-led programmes that actively seek to assist people into employment. In doing so, learners undertaking apprenticeships in the construction and infrastructure sector can be in receipt of MSD support. This support might include financial assistance, training opportunities, and working with employers to facilitate placements and ensure that apprentices receive adequate support throughout their training.

11. In collaboration with ConCOVE, and with the above considerations in mind, we have identified the following programmes within the scope of this research:

    - Apprenticeship Support Programme (ASP), including:
        - Apprenticeship Boost Initiative
        - Mana in Mahi (noting that Mana in Mahi provides support for broader training and not just apprenticeships)
        - Regional Apprenticeship Initiative (this is now closed to new applications)
        - Group Training Scheme (this scheme was a time-limited COVID-related response and closed in 2022).
    - MSD delivered Māori Trades Training Fund, He Poutama Rangatahi, and Skills for Industry
    - Te Puni Kōkiri's Cadetships and Pae Aronui
    - TEC's Māori & Pasifika Trades Training and Fees-Free.

12. We have deemed the following as out of scope for this work:

    - Funding and operational matters relating to the implementation of New Zealand Apprenticeships and Managed Apprenticeships (Table 1).
    - Modern Apprenticeships and schemes that pre-date 2014. Lessons learned from evaluations and research on previous schemes are in scope, but the schemes themselves are out of scope.
    - Initiatives specifically targeting industries not within the construction and infrastructure sector.

[5] MBIE, 'Construction Sector Accord', Construction Sector Accord, 2025, https://www.constructionaccord.nz/.
[6] The Accord's 2022-2025 Industry Transformation Plan was discontinued by the Government and there is currently no available resourcing to continue the Accord.

- Privately- or non-government organisation (NGO)-funded and operated apprenticeship schemes or NGOs, for example, Tupu Toa, and scholarships offered by Iwi or hāpu.

Table 1. Definition of New Zealand Apprentices and Managed Apprenticeships

New Zealand Apprenticeships

The definition of New Zealand Apprenticeships (NZA) is:[7]

- An apprentice must be employed in the occupation for which they are training.
- The apprenticeship must meet any regulatory requirements for entry into the occupation.
- Throughout their apprenticeship, an apprentice must be supported by a training plan agreed by them, their employer, and the tertiary education provider through a tripartite agreement.

The apprenticeship must include a strong theoretical component and result in either:

- a Level 4 New Zealand qualification, comprising a minimum of 120 credits, or
- two or more qualifications totalling at least 120 credits, provided this includes only Level 3 and 4 qualifications and at least 60 out of the total credits are at Level 4.

It's expected that on completing an NZA, an apprentice will be "work competent" for the occupation they've been training in. Their industry determines the standard of competency to be met. NZAs are organised through a tertiary education provider or private training establishment (PTE).

Managed Apprenticeships

Managed Apprenticeships are training programmes offered by institutes of technology and polytechnics (ITPs).[8] Managed Apprenticeships have the following features:[9]

- the apprentice is enrolled at an ITP
- study leads to a national qualification at Level 4, consisting of 120 or more credits
- the participants are in work and training in a field that applies to their employment
- training is governed by a tripartite training agreement between the institution, the apprentice and the employer, and
- work-based learning providers have little or no involvement in training administration.

Definition of apprentices in the construction and infrastructure sector

13. There is not a universally accepted definition of the construction and infrastructure sector in New Zealand for purposes of apprentices. MoE and TEC have different definitions of the sector. However, the sector generally includes the following fields of

[7] TEC, 'New Zealand Apprenticeships', Tertiary Education Commission, 10 June 2024, https://www.tec.govt.nz/teo/working-with-teos/kis/new-zealand-apprenticeships.
[8] On April 2020, Te Pūkenga – New Zealand Institute of Skills and Technology was formed comprising 16 Institutes of Technology and Polytechnics (ITPs) and industry training and apprenticeship training from nine industry training organisations (ITOs).Te Pūkenga is now in the process of dissolving. The Te Pūkenga ITP and ITO subsidiaries in this report are mentioned using their pre-merger names.
[9] Paul Mahoney, 'What Is a Managed Apprenticeship?', Learners in Tertiary Education (Ministry of Education, 2015), https://www.educationcounts.govt.nz/__data/assets/pdf_file/0019/163063/Managed-Apprenticeships-analytical-report-publish.pdf.

study: civil engineering and civic construction, building, plumbing, electrical and electronic engineering and technology, and related specialist trades.

14. MoE defines the construction and infrastructure sector through 19 New Zealand Standard Classification of Education (NZSCED) codes, whereas TEC defines it more broadly with 30 NZSCED codes. Appendix 1: Definition of the construction and infrastructure sector provides a concordance table showing the two definitions. Key differences include TEC's inclusion of electrical engineering, architecture, furnishings installations, and floor coverings.

15. The MoE's apprenticeship enrolment counts are also generally higher than TEC's funded numbers because MoE also includes:

    - Apprentices who are registered but not subsidised by TEC in any given year (for example, they might be "on-hold").
    - Trainees whose programme is at Level 4 or above, with a credit load of 120 credits or more.

Research methods

16. We undertook a mixed-methods approach to conducting this research. Our specific methods included the following inputs:

    - Policy and operational document review: Cabinet papers, briefing papers, evaluation reports, and other key decision-making documents on the design and implementation of apprenticeships in New Zealand.
    - Literature review: review of evaluation and performance reports for the 11 apprenticeship programmes within scope of this research project. A stand-alone literature report is also available on what works for apprenticeship support in New Zealand.
    - International scan: high-level overview of apprenticeship support policy settings in the comparator jurisdictions of Australia, Canada, England, Ireland, Scotland, Germany, and the Netherlands.
    - One-on-one and group interviews with eight construction and infrastructure apprentices and six employers who were currently hosting construction and infrastructure apprentices.
    - One-on-one and group interviews with 27 representatives from MBIE, MoE, MSD, Te Puni Kōkiri (TPK), TEC, Kāinga Ora, Waihanga Ara Rau, ConCOVE, New Zealand Construction Industry Council, Industry Connection for Excellence, Building and

Construction Industry Training Organisation (BCITO), Vertical Horizons, Masterlink, Master Plumbers Apprenticeship Representative Group, and Māori and Pacific Trades Training. We also spoke to nine regional labour market managers and work services managers from MSD as part of one of their monthly meetings.

  - Interviewees in this group are referred to collectively as stakeholders in this report.
  - Interviews with stakeholders were undertaken in July and August 2024. This was during consultation on proposed changes to the vocational education and training system and we acknowledge that this may have impacted data gathering.
- Analysis of apprenticeship data from MoE and TEC, and financial data from MoE, TEC, MSD, TPK, and MBIE.

17. To support our analysis and research design, we used two frameworks:

- Systems change.[10]
- International Labour Organisation (ILO) participatory assessment of policy coherence.[11]

18. We combined these into single cohesive analytical framework to support our analysis. Further detail on the research framework and methodology can be found in Appendix 2: Using a systems change and policy coherence framework and Appendix 3: Research methods.

19. The research project was overseen and contributed to by a Project Working Group. There were nine members of the Project Working Group representing ConCOVE, Construction Sector Accord, Waihanga Ara Rau, TEC, MoE, MSD, MBIE, and TPK.

[10] John Kania, Mark Kramer, and Peter Senge, 'The Water of Systems Change' (FSG, 2018).
[11] ILO, *Manual on Participatory Assessment of Policy Coherence* (Genève 22: International Labour Organisation (ILO), 2021), https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_protect/%40protrav/%40migrant/documents/publication/wcms_778027.pdf.

Strategic context

There is high demand for skills in the construction and infrastructure sector

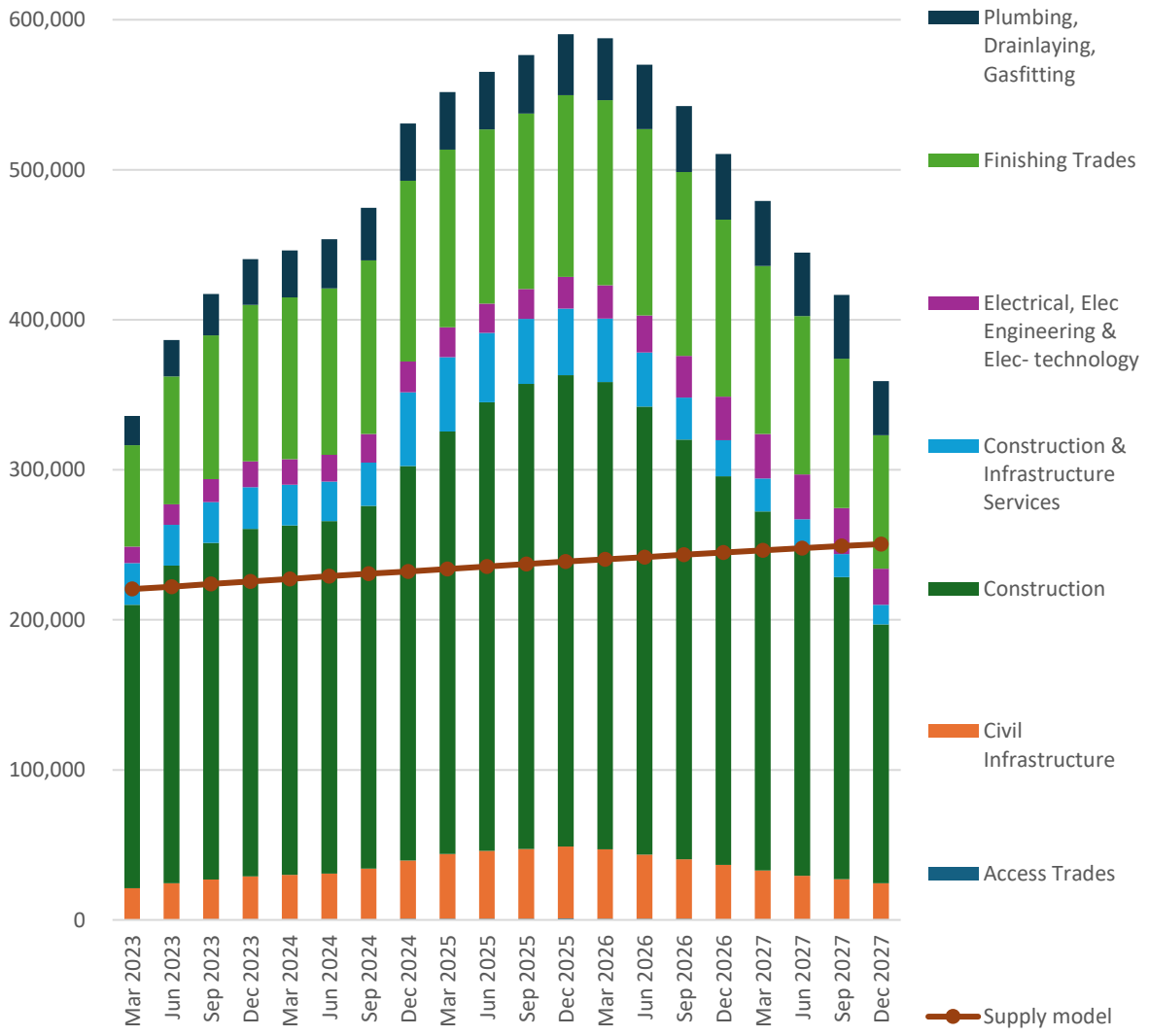
20. Various reports,[12] strategies,[13,14] and analyses[15] highlight the ongoing demands for skills in the construction and infrastructure sector. The New Zealand Infrastructure Strategy 2022 – 2052 reports that the share of construction businesses reporting labour shortages in 2022 was the highest it had ever been. While there are many skilled and capable individuals working in the sector, the number is insufficient to meet the anticipated demand for infrastructure in the future.[16] Modelling undertaken for Waihanga Ara Rau suggests that projected workforce demand in the near term is more than double the current supply and that a peak workforce of 590,260 will be required by December 2025 (Figure 1). While the sector is currently experiencing a cyclical contraction, our analysis is focussed on longer-term trends in the sector.

21. The MBIE Building and Construction Sector Trends Annual Report 2023 stated that the sector has struggled to attract skilled labour for the past decade.[17] The greatest proportion of people coming into the construction and infrastructure sector had transitioned from other industries (58% according to 2021 data), with tertiary and secondary school graduates accounting for just 19% of sector entrants (Figure 2). There has been increasing reliance on immigration, and the proportion of construction workers with work visas grew from 2.5% in the year ended March 2013 to 5.8% in the year ended March 2023 (Figure 3). The proportion of construction workers with work visas reached

[12] Hanga-Aro-Rau and Deloitte, 'Post COVID-19 Workforce Development Needs in New Zealand's Manufacturing and Engineering Sectors' (Hanga-Aro-Rau and Deloitte, 2022), https://hangaarorau.nz/wp-content/uploads/2023/07/Hanga-Aro-Rau-COVID-19-Final-Research-Report-Final-v1.0-10Oct2022_lr2-1.pdf.
[13] Construction Sector Accord, 'Build Our People; Build Our Future: A Construction Skills Strategy for New Zealand' (Ministry of Business, Innovation & Employment, 2022).
[14] New Zealand Infrastructure Commission, 'Rautaki Hanganga o Aotearoa 2022 - 2052 New Zealand Infrastructure Strategy' (New Zealand Infrastructure Commission Te Waihanga, 2022), https://media.umbraco.io/te-waihanga-30-year-strategy/mmahiykn/rautaki-hanganga-o-aotearoa-new-zealand-infrastructure-strategy.pdf.
[15] Miriam Bell, 'Here's Why the Construction Sector Needs More Workers', *The Post*, 5 March 2024, sec. Business, https://www.thepost.co.nz/business/350194350/heres-why-construction-sector-needs-more-workers.
[16] New Zealand Infrastructure Commission, 'Rautaki Hanganga o Aotearoa 2022 - 2052 New Zealand Infrastructure Strategy'.
[17] MBIE, 'Building and Construction Sector Trends: Annual Report 2023'.

a high of 9.5% of workers in 2021. This is in the context of 4.6% of the total New Zealand workforce holding work visas. Additionally, the construction sector work visa rate is likely an under-estimation as it does not include workers under labour hire arrangements which is a significant part of the sector.

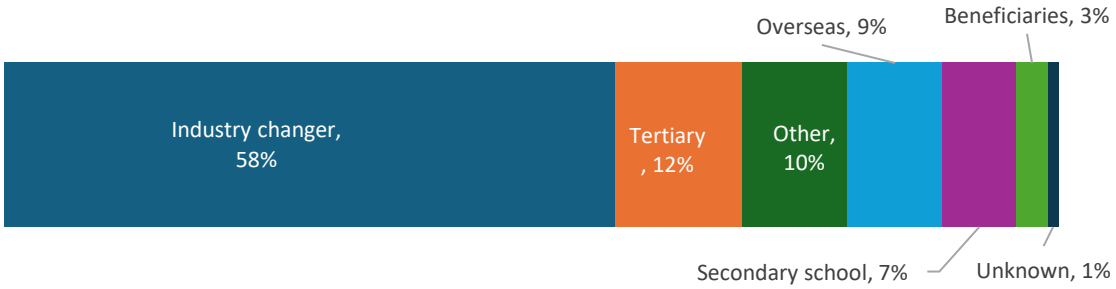
Figure 1. Projected workforce demand, by industry cluster, compared to workforce supply



Source: Scarlatti Limited modelling based on Pacifecon data, Stats NZ data and QV data.[18]

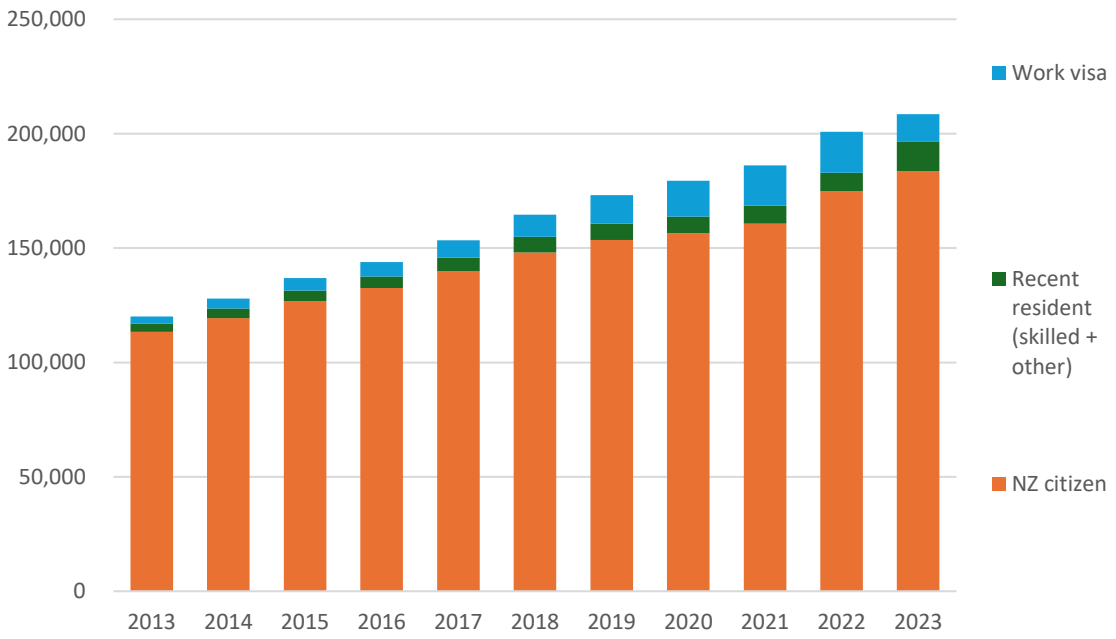
[18] Waihanga Ara Rau, 'Workforce Demand Forecast'.

Figure 2. Sources of construction new entrants, 2021



Source: Waihanga Ara Rau Workforce Information Platform, cited by MBIE (2024)[19]

Figure 3. Construction workers by residency status (year ended March 2013-2023)



Source: MBIE (2024)[20]

22. MBIE's in-depth policy work on the potential use of government levers to support workforce planning in the construction and infrastructure sector identifies that volatile demand has created an incentive to employ migrant workers.[21] This sector reliance on migrant workers has been linked to the difficulty of retaining experienced domestic workers in periods of economic downturn, and some employers perceiving that migrant

[19] MBIE, 'Building and Construction Sector Trends: Annual Report 2023'.
[20] MBIE.
[21] MBIE, 'Options for the Use of Government Levers to Support Construction and Infrastructure Sector Workforce Planning: A Workforce Planning Prototype', Unpublished draft (Wellington: Ministry of Business, Innovation & Employment, 2025).

workers require less support to become fully productive on-site when demand increases (and have a lower risk of moving on to other employers or sectors).[22]

23. The Infrastructure Strategy highlights the need for investment into workforce training and education to improve workplace productivity, raise skills, and improve planning for the number of workers needed in the long-term.[23] Similarly, the Building and Construction Industry Training Organisation (BCITO) warn that training of new apprentices should be maintained to deliver on the infrastructure and buildings that are required.[24] As set out in the Construction Skills Action Plan, "it is a critical time for the country to clarify the capability, capacity, and competence needed to deliver the built environment to serve future generations in New Zealand".[25]

The apprenticeships system is a key pathway to fill skills needs

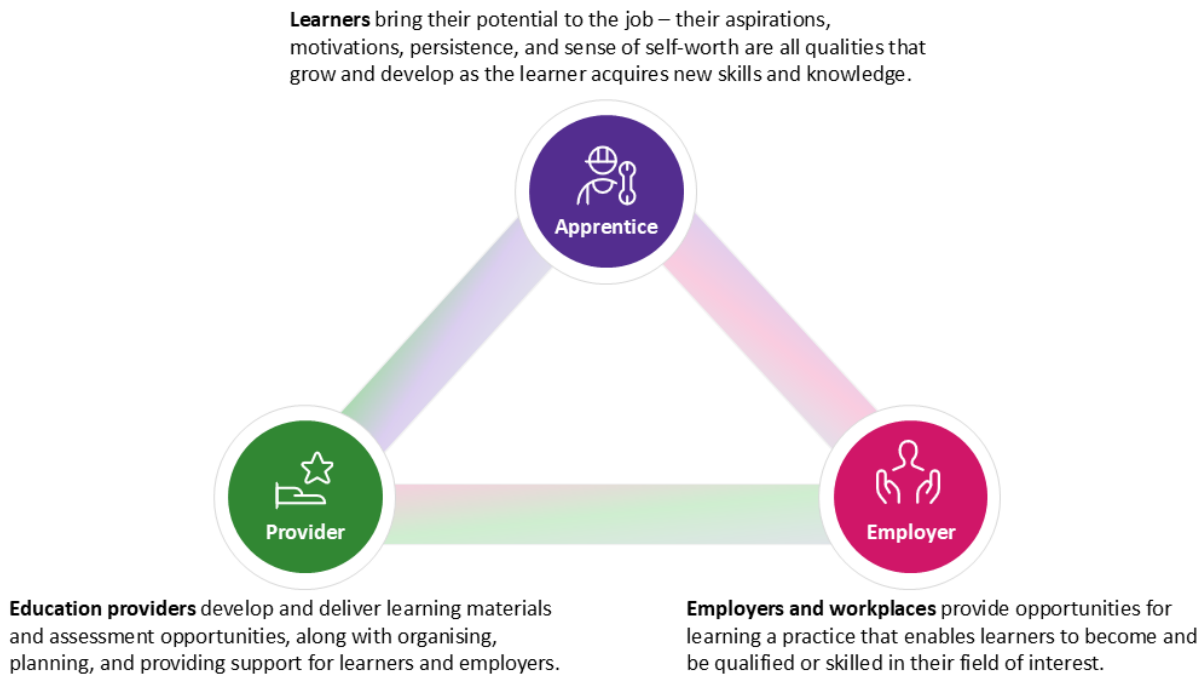
24. New Zealand has a long history of apprenticeship training. Throughout the middle of the twentieth century in particular, apprenticeships were seen as a core pathway for entering the workforce straight from school.[26] While the system settings for apprenticeships may have changed over time, today, apprenticeships (and pre-apprenticeship training that occurs at Levels 2 and 3, providing a pathway into Level 4 programmes) are generally considered high-quality training pathways, leading to positive long-term employment, often in skill shortage areas.

25. Formal workplace learning for a qualification is characterised by "learning employees" who undertake off-job training, as well as on-job training while working. It is a formal and deliberate arrangement, where core practical skills training at the workplace is complemented by theoretical learning covered through materials from education providers. The theory can then be transferred, applied, and integrated into practice through activities at work. This process occurs through a three-way partnership between

[22] MBIE.
[23] *Rautaki Hanganga o Aotearoa: New Zealand Infrastructure Strategy* (Te Waihanga, New Zealand Infrastructure Commission, 2022).
[24] Bell, 'Here's Why the Construction Sector Needs More Workers'.
[25] Construction Sector Accord, 'Build Our People; Build Our Future: A Construction Skills Strategy for New Zealand'.
[26] Josh Williams, 'Industry-Led Training and Apprenticeships: The New Zealand Model', in *Anticipating and Preparing for Emerging Skills and Jobs*, ed. Brajesh Panth and Rupert Maclean, vol. 55, Education in the Asia-Pacific Region: Issues, Concerns and Prospects (Singapore: Springer Singapore, 2020), 117–23, https://doi.org/10.1007/978-981-15-7018-6_15.

the learner, provider, and the workplace (Figure 4).[27] The role of the employer is what differentiates apprenticeships from other forms of tertiary education, as much of the learning takes place on the job, and (as we will go on to evidence) where the quality of the employer as a trainer is often a significant contributor to the success of the apprenticeship.

Figure 4. The three-way partnership between learner, employer, and education provider

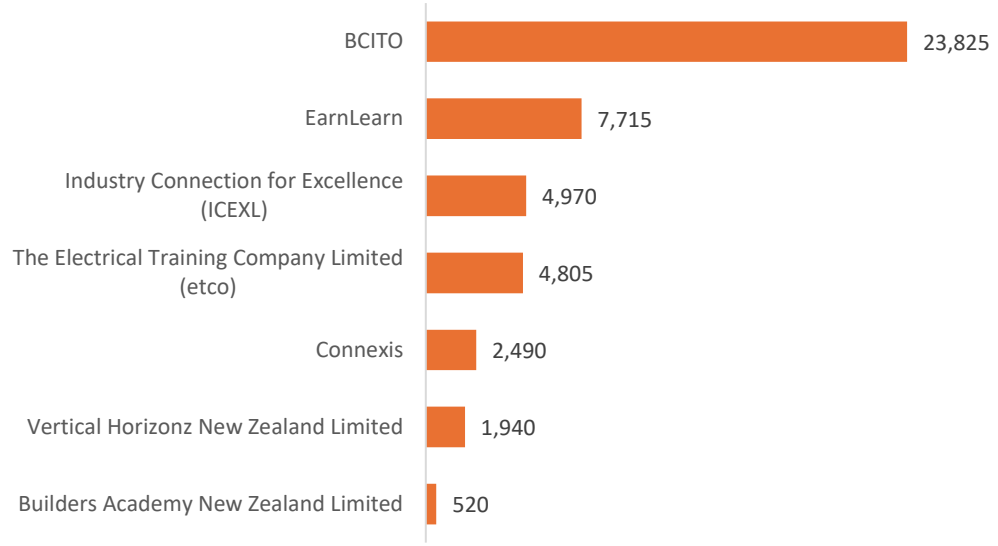


Source: Content adapted from Alkema (2020)[28]

26. Multiple providers offer construction and infrastructure apprenticeships, such as BCITO, EarnLearn, Industry Connection for Excellence (ICEXL), Connexis, Vertical Horizonz, and Builders Academy. Notably, in 2023, 57% of apprentices were enrolled with BCITO (then a subsidiary of Te Pūkenga), making it the main training provider for the sector (Figure 5).

[27] Alkema, 'Vocational Workplace Learning'.
[28] Alkema.

Figure 5. Apprenticeship enrolments by provider (2023)



Source: Customised data from TEC. Note: Excludes Managed Apprenticeships

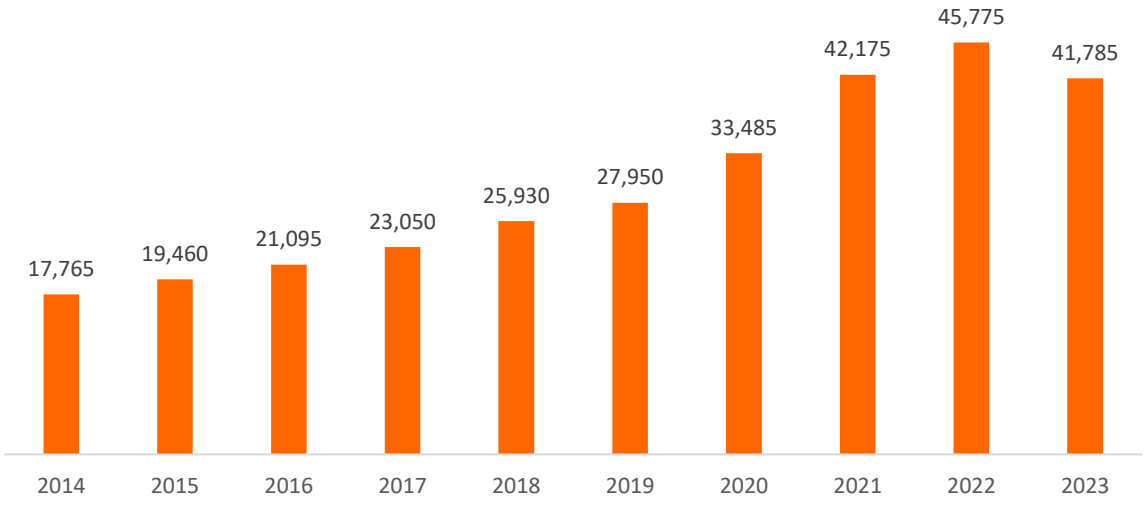
Until recently, apprenticeship enrolments have trended upwards, with significant growth during the COVID-19 years

27. In line with demand, the number of apprenticeship enrolments have climbed steadily over the last 10 years, more than doubling between 2014 and 2023 (Figure 6). The steady growth appears to have been COVID-19 pandemic-proof. Although apprenticeship numbers would have been supported by Fees-Free policies, free trades training under the Targeted Training and Apprenticeship Fund (TTAF), and ABI, particularly during the COVID-19 pandemic years. Carpentry and joinery apprentice enrolments dominate the sector, with 45% of the sectors' apprentices in these fields in 2023. Other key fields were electrical engineering and plumbing, gas fitting, and drain laying (together accounting for 32%). These proportions have held relatively steady over the last five years.

28. However, while overall enrolments have risen over time, these numbers dipped in 2023 and look unlikely to keep pace with (future) industry demand. There are also specific occupations where enrolment rates dropped significantly, such as electrical fitting, road construction, plastering, and communications equipment installation (according to 2023 data). Bricklaying and stonemasonry also decreased in popularity from 330 enrolments

in 2014 to 100 in 2023). Enrolments are highly vulnerable to the volatility and boom-and-bust cycle of the sector.

Figure 6. Enrolments have risen steadily over time, other than a drop in the last calendar year



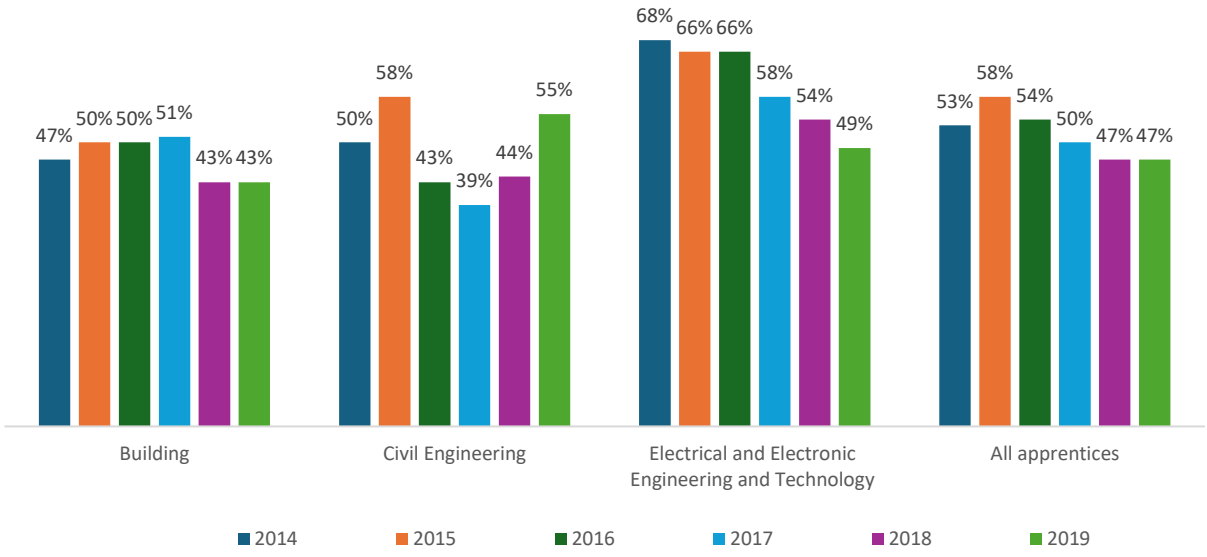
Source: Customised dataset from Tertiary Education Commission, using TEC definition

Despite overall growth in enrolments, completion rates have remained low

29. Stakeholders raised significant concerns regarding apprenticeship completion rates and the ability of programmes to retain learners. In 2023, the number of apprentices completing qualifications decreased by 1.9% compared to 2022, although the five-year completion rate remained steady at 47%. When broken down into various fields of study within the construction and infrastructure sector, electrical engineering apprentices showed higher completion rates than all apprentices and building apprentices. However, completion rates for electrical engineering apprentices have declined from a high of 68% for the 2014 cohort (Figure 7) to 49% in 2019. These figures indicate varying learner and industry characteristics between and within sub-sectors.

30. Completion rates also differ by demographic factors. While the five-year completion rate for men (47%) and women (46%) is similar, there are notable differences by ethnic group: European (48%), Māori (36%), Pacific peoples (36%), Asian (56%), Middle Eastern, Latin American, and African (52%), and Others (57%). Additionally, completion rates generally rise with age.

Figure 7. Five-year completion rates of apprentices by start year and field of study



Source: Ministry of Education, Achievement in work-based learning 2024.

Notes: Includes Managed Apprentices, MoE definitions so data will differ to TEC data.

31. New Zealand's experience is not unique. Australia's concerns about low completion rates have prompted reviews of their apprenticeship services, supports, and incentive schemes in recent years. While there are well-recognised difficulties in comparing completion rates and apprenticeship indicators internationally[29,30], when comparing New Zealand's completion rates with those of other jurisdictions—Australia, Germany, Canada, England, Scotland, Ireland, and The Netherlands—it is evident that New Zealand lags behind (Table 2). Jurisdictions like Germany, Scotland, Ireland, and The Netherlands (shaded in light orange) perform comparatively better and may offer insights into improving New Zealand's apprenticeship completion rates.

[29] Elma McMahon, John P Spillane, and James G Bradley, 'The Challenge of Comparing Apprenticeship Completion Rates: An International Review of Terminology', in *Proceedings of the 39th Annual ARCOM Conference* (ARCOM, Leeds: Association of Researchers in Construction Management, 2023), 498–507, https://researchrepository.ul.ie/articles/conference_contribution/The_challenge_of_comparing_apprenticeship_completion_rates_an_international_review_of_terminology/28368653?file=52199492.

[30] Victoria Kis, 'Improving Evidence on VET: Comparative Data and Indicators', OECD Social, Employment and Migration Working Papers (OECD, 2020), https://dx.doi.org/10.1787/d43dbf09-en.

Table 2. Comparative completion rates of construction and infrastructure apprentices

	Total working-age population (all industries)[31]	Total number of apprentices in-training (all industries)	Sector	Percentage of construction and infrastructure apprentices as a proportion of all apprentices	Completion rate
New Zealand[32]	3,453,000 (2024)	77,490 (2023)	Building	46% (2023)	51% (2017 cohort)
			Civil engineering	2% (2023)	39% (2017 cohort)
			Electrical and elec eng & tech	12% (2023)	58% (2017 cohort)
Australia[33]	17,687,000 (2024)	239,800 (2023)	Building	29% (2023)	58% (2017 cohort)
Germany[34]	53,577,000 (2023)	1,216,560 (2023)	Crafts	28% (2023)	
			Construction		75% (2019)
Canada[35]	26,322,000 (2024)	459,210 (2023)	Carpenters, electricians, plumbers, & construction workers	41% (2023)	
			Carpenter	12% (2023)	27% (2017 cohort)
			Construction electricians		40% (2017 cohort)
England[36]	36,572,000 (2022)	781,660 (2023/24)	Construction, planning and the built environment	8.3% (2023/24)	53% (2024)
Scotland[37]	3,517,390 (2022)	38,595 (2024)	Construction	35% (2024)	74% (2019)

[31] OECD data explorer - Population by broad age groups – Regions & Working-age population. Defined as aged 15 to 64 years old.
[32] Ministry of Education, 'Tertiary Achievement and Attainment', Education Counts, 2024, https://www.educationcounts.govt.nz/statistics/achievement-and-attainment.
[33] National Centre for Vocational Education Research, 'Historical-Time-Series-Data-Table-2023 Aust', 2024, https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.ncver.edu.au%2F__data%2Fassets%2Fexcel_doc%2F0038%2F9684740%2FHistorical-time-series-data-table-2023.xlsx&wdOrigin=BROWSELINK.
[34] Statistisches Bundesamt DE Statis, 'Apprentices: Germany, Reference Date, Nationality, Sex, Training Area' (Genesis, 2024), https://www-genesis.destatis.de/datenbank/online/statistic/21211/table/21211-0001.
[35] Statistics Canada, 'Canadian Apprenticeship Registrations and Certifications', 2024, https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2020016-eng.htm.
[36] Department for Education, 'Academic Year 2023/24 Apprenticeships', Explore education statistics, 2024, https://explore-education-statistics.service.gov.uk/find-statistics/apprenticeships.
[37] Skills Development Scotland, 'Scotland Ma-Starts-by-Local-Authority-2023-24-Anon', 2024, https://www.skillsdevelopmentscotland.co.uk/publications-statistics/statistics/modern-apprenticeships.

Ireland[38,39]	3,473,000 (2023)	27,470 (2023)	Construction	20% (2023)	
			Carpentry & joinery		45% (2022)
			Plumbing		55% (2022)
			Electrical		65% (2022)
The Netherlands[40,41]	11,388,000 (2023)	469,600 (2023)	Technology & built environment	28% (2023)	70% (2022/23, all)

Current support settings

There are a range of programmes that seek to directly support apprentices

32. As with all tertiary learners, apprentices are eligible for a variety of supports (either directly, or indirectly through their employer) to help them enter and complete their training. As part of Budget 2020, the COVID-19 Response and Recovery Fund sought to provide additional supports to industry to continue to meet workforce demands, including through taking on and training apprentices. The Apprenticeship Support Programme (ASP) was designed to be a comprehensive support package for apprentices and their employers. The package included:

- establishing the new Apprenticeship Boost Initiative (ABI), offering wage subsidies to employers of existing and new apprentices across all industries in the early years of the apprenticeship
- expanding Mana in Mahi from 12 to 24 months of support per participant (including apprentices) over three financial years (note that Mana in Mahi does not specifically target apprenticeships but is available for a range of training and education)
- funding to support the viability of the Group Training Schemes (GTS) so they could continue to employ apprentices and trainees and provide related services to host business, and

[38] National Apprenticeship Office, 'Progress Report 2023 and Plans 2024' (National Apprenticeship Office, February 2024), https://content.apprenticeship.ie/f/83224/x/050f94a8b2/progress2023plans2024_feb2024finalupdatedfigures.pdf.
[39] McMahon, Spillane, and Bradley, 'The Challenge of Comparing Apprenticeship Completion Rates: An International Review of Terminology'.
[40] DUO, 'Studenten-per-Sectorkamer-Type-Mbo-Niveau-Provincie-Deelnemer-2019-2023' (Open education data, 2024), https://duo.nl/open_onderwijsdata/middelbaar-beroepsonderwijs/aantal-studenten/.
[41] DUO, '2024-Indicatoren-per-Instelling', 2024, https://duo.nl/open_onderwijsdata/middelbaar-beroepsonderwijs/indicatoren/indicatoren.jsp.

- implementing the Regional Apprenticeships Initiative (RAI), a one-off programme to support recently displaced workers and Māori and Pacific people through wage subsidies and targeted support.

33. At its establishment in 2020, ABI provided broad-based support to employers of existing and incoming apprentices in the early years of their training, covering Level 4 apprenticeship programmes across all industries.[42] Administered by MSD, the primary goal was to retain current apprentices during the economic downturn and limit reductions in new apprenticeship uptake.

34. The wage subsidy under the ABI was initially $12,000 per year for first-year apprentices, and $6,000 for second-year apprentices, paid monthly.[43] Although initially time-bound, the ABI has been extended multiple times. As part of Budget 2022, the subsidy rate for first-year apprentices was reduced to $500 per month, and second-year apprentices continued to receive $500 per month.[44]

35. In 2024, the government announced $65 million in funding over four years for first-year apprentices under the ABI. From 1 January 2026, only first-year apprentices in targeted industries, including the construction and infrastructure sector, will be eligible for the subsidy.[45] Eligible sectors for the ABI are to be reviewed every two years to assess whether there is still a need for support.

36. The GTS Fund, launched as part of Budget 2020 with a $19 million allocation, aimed to help apprentices stay employed and continue their training during the economic disruptions caused by the COVID-19 pandemic. GTS organisations employ apprentices and place them with host businesses for on-job training while providing employment and pastoral support. The fund also helps cover costs associated with employing apprentices, ensuring they can progress towards their qualifications. As GTS

[42] Ministry of Education, 'Apprenticeship Support Programme – Design and Implementation of the Mana in Mahi Expansion and the Apprenticeship Boost Initiative', Cabinet Paper (Ministry of Education, 2020).
[43] ABI differs to the COVID-19 Wage Subsidy Scheme. Employers could not access both schemes.
[44] Jamie Ensor, 'Government Extending Apprenticeship Support Scheme, but Lowering Pay-Out', *Newshub*, 9 May 2022, sec. Budget 2022, https://www.newshub.co.nz/home/politics/2022/05/government-extending-apprenticeship-support-scheme-but-lowering-pay-out.html.
[45] Ministry of Education, 'Education Report: Confirming Apprenticeship Boost Targeting Settings' (Ministry of Education, 23 May 2024), https://assets.education.govt.nz/public/Documents/our-work/information-releases/Advice-Seen-by-our-Ministers/2024/May-2024/Paper-3.-1329238-Confirming-Apprenticeship-Boost-targeting-settings_Redacted.pdf.

organisations employ apprentices, they are also eligible for other supports, including Apprenticeship Boost payments, to support wage costs of apprentices.

37. Administered by TEC, the fund aimed to make GTS organisations viable during the immediate aftermath of the lockdown, ensuring that apprentices could remain employed even if their host businesses were temporarily unable to provide on-job training or employment. This initiative was seen as important for maintaining a skilled workforce, particularly in construction-related trades, which account for 80% of the apprentices supported by GTS organisations. The GTS fund was a time-limited COVID-related response and closed in 2022.

38. The RAI was a one-off $40 million investment, providing targeted support to displaced, Māori, and Pacific workers in regional New Zealand. Led by MBIE's Provincial Development Unit, the funding aimed to create up to 1,000 new apprenticeships across various sectors. The initiative allowed up to $40,000 per apprentice, including wage subsidies of up to $16,000 for the first year, and $8,000 for the second year, depending on the needs of each apprentice. The funding also provided other forms of business support and pastoral care to assist employers in supporting and retaining apprentices. The RAI is now closed to new applications.

39. Under the ASP, employers are able to access support from either ABI, Mana in Mahi, or the RAI, depending on the type of apprentice and the eligibility criteria. Employers are also required to top up funding they receive through the ASP to ensure their apprentices receive at least the relevant minimum wage or the training wage.

Some apprentices also benefit from targeted initiatives aimed to support tertiary learners

40. Mana in Mahi is a targeted support programme aimed at helping jobseekers through an industry training pathway and into long-term sustainable work. Administered by MSD, the initiative is designed to help participants gain real-world skills and formal qualifications in industries they are passionate about, while also developing a skilled workforce for businesses. Mana in Mahi was launched in 2018, and its current iteration involves payment of a wage subsidy over 12-months to employers willing to hire a person in receipt of a main income support benefit and offer that person an industry

training qualification, including apprenticeships. There is also a variety of support services to provide pastoral care for both participants and employers, as well as incentive payments of up to $3,000 over on year.

41. MSD's Skills for Industry programme partners with industry leaders and training providers to provide industry-specific training for MSD job seekers prior to or during employment. Training packages usually include entry-level training (such as workplace safety training), industry-specific training (such as on-machine or on-tools training, or compliance-based training and licensing), job placement assistance, and on-the-job training. While not exclusively for apprentices or pre-trade learners, it can lead to apprenticeships. In 2017/18, 28% of participants were in the construction sector.[46]

42. Established in 2020, the Māori Trades and Training Fund (MTTF) encourages Māori organisations to engage and retain Māori in employment-focused training. The fund supports Kaupapa Māori projects offering employment-based training and pastoral care. Currently, 57 projects across New Zealand receive MTTF funding. It is not confined to the construction and infrastructure sector and is closed for general applications.[47]

43. He Poutama Rangatahi (HPR), administered by MSD, supports community-based organisations to help young people, including rangatahi and Pacific youth on the pathway to employment. It funds organisations providing wrap-around services for sustained employment, education, and training outcomes. HPR also offers specialised employment support for employers. Currently, 82 projects across New Zealand are funded.HPR is not specifically focussed on apprenticeships and closed for general applications in August 2022.[48]

44. The Cadetships programme, administered by TPK, was established in 2010 to support the development, mentoring, and training of Māori staff (kaimahi) at all career stages into higher-skilled roles. This initiative aims to help Māori achieve their full potential in

[46] Office of the Minister for Social Development, 'Action Plan to Deliver the Construction Skills Strategy - Expand Skills for Industry', Cabinet Paper (Ministry of Social Development, October 2018).
[47] MSD, 'Māori Trades and Training Fund', Work and Income Te Hiranga Tangata, 2024, https://workandincome.govt.nz/providers/programmes-and-projects/maori-trades-and-training-fund.html.
[48] MSD, 'He Poutama Rangatahi - Youth Employment Pathways', Work and Income Te Hiranga Tangata, 2023, https://workandincome.govt.nz/providers/programmes-and-projects/he-poutama-rangatahi-youth-employment-pathways.html.

the workplace and contribute to thriving, innovative, and resilient businesses. Employers (kaitono) can receive up to $10,000 per full-time cadet per year to cover the costs of training, development, and pastoral care.[49] All funding for 2023/24 was fully committed. From July 2024, TPK will continue to support increases in Māori incomes by supporting employers of Māori employees to attain higher level qualifications leading to higher paying roles. There has been a deliberate shift to focus on higher level qualifications and skills compared to the previous Cadetships programmes. The fund now supports attainment of NZQA Level 4 qualifications and above, and TPK are targeting growth industries and higher incomes for Māori.

45. Pae Aronui is an initiative aimed at improving education, training, and employment outcomes for rangatahi Māori aged 15 to 24 who are not in education, employment, or training (NEET) or are at risk of becoming NEET. Administered by TPK, the programme focuses on building the confidence, capability, and connectedness of rangatahi, enabling them to make informed choices about their futures and take advantage of development and employment opportunities. Pae Aronui works through partnerships with community organisations, educational institutions, and employers to provide tailored support and case management for participants. The initiative emphasises innovative approaches to help rangatahi re-engage in learning, attain qualifications, and secure stable employment, particularly in regions with high numbers of NEET rangatahi.

46. The Māori and Pasifika Trades Training (MPTT) initiative, administered by TEC, provides fees-free pre-trades training for Māori and Pasifika learners aged 16 to 40. The primary goal of MPTT is to increase access to trades training, enabling these learners to develop skills for relevant trades or trades-related employment and achieve better employment outcomes. MPTT uses a partnership model that includes iwi, hapū, Māori and Pasifika community groups, employers, and tertiary education organisations. This model ensures that training aligns with the needs of employers and communities, supporting learners to transition into sustainable employment. As of 2024, MPTT continues to offer pathways to qualifications at Levels 1 to 4 on the New Zealand Qualifications and

[49] TPK, 'Te Puni Kōkiri Cadetships Survey' (Te Puni Kōkiri, 2024).

Credentials Framework (NZQCF), with a focus on achieving strong employment outcomes.

47. Fees-Free is administered by the TEC and capped at $12,000 (including GST) per learner. In 2024, the government announced that Fees-Free for the first year of study and training would be replaced by a final year Fees-Free policy. Final year Fees-Free allows eligible learners to claim a reimbursement for their final year's fees following the completion of their eligible programme of study. Work-based learners will have their fees free entitlement calculated backwards from the date of completion up until 24 months is reached.

48. Of these initiatives, several have undergone robust evaluation. For example, in 2019 and 2020, two formative and process evaluation reports provided MSD with information on the strengths and weaknesses of the Mana in Mahi programme in its Phase One (prototype) and Phase Two stages. There is a third evaluation report forthcoming, which has not been released at the time of this report.[50] The RAI has also been assessed through an evaluation of the Te Ara Mahi – Pathways to Work programme (2023), which included RAI funded apprenticeship projects.[51] The Cadetships programme is monitored yearly through a TPK administered survey to participants and their employers[52], and a summative evaluation of Pae Aronui was completed in 2022.[53] In December 2024, a mixed-methods evaluation of He Poutama Rangatahi was released[54], and the MPTT initiative has also been evaluated, however, not since 2017[55]. MTTF is currently being evaluated, and Skills for Industry has been evaluated but the report was not made available to us. At the time of writing this report, we were not aware of any evaluations regarding the ABI, GTS Fund, or Fees-Free (or its predecessors).

49. Figure 8 provides an overview of apprenticeship related initiatives, highlighting the amount of funding and support that is provided. Where possible, the diagram identifies

[50] MSD, 'Mana in Mahi prototype: Formative and Process Evaluation,' https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/evaluation/mana-in-mahi/index.html.
[51] BERL, 'Te Ara Mahi Programme Evaluation', For Ministry of Business, Innovation and Employment (BERL Economics, 2023).
[52] TPK, 'Te Puni Kōkiri Cadetships Survey' (Te Puni Kōkiri, 2024).
[53] Aiko, 'Pae Aronui: Summative Evaluation' ((Te Puni Kōkiri, 2022).
[54] Spee, K., Marama, M., Moselen, H., Wehipeihana, N., Vermillion Peirce, P., Wang, N., Jarvis-Child, B., & Mafile'o, T, 'He Poutama Rangatahi Evaluation' (Ministry of Social Development, 2024).
[55] MartinJenkins, 'MPTT Evaluation Findings', (Tertiary Education Commission, 2017).

funding specifically for apprentices and the construction and infrastructure sector. The diagram also shows which agencies have policy responsibility and which administer funding, as well as who the intended recipients are. Targeted initiatives that support apprentices along with other tertiary learners have been included in grey.

Figure 8. The funding of construction and infrastructure apprenticeships, initiatives, and roles of organisations

Initiative	Funding	Ministry of Education	Ministry of Social Development	Ministry of Business, Innovation and Employment	Te Puni Kokiri	Tertiary Education Commission	Education providers	Group training organisations and community providers	Employers	Learners
Apprenticeship training	$148.2[1]	●				●	●			
Apprenticeship Boost Initiative	$52.9[2]	●	●						●	
Fees-free	$17.6[3]	●				●				●
Group Training Schemes	$16.0[4]	●				●		●		
Regional Apprenticeships Initiative	$3.9[5]		● ●					●		
He Poutama Rangatahi	$41.6[2]		● ●					●	●	
Māori Trades and Training Fund	$30.2[2]		● ●					●		
Skills for Industry	$24.8[2]		● ●				●		●	
Mana in Mahi	$12.7[2]		● ●				●	●	●	●
Cadetships	$12.2[6]				● ●			●		
Pae Aronui	$7.0[6]				● ●			●		
Māori & Pasifika Trades Training	$6.6[7]	●				●		●		●

Sources

1. TEC customised data. Apprentice value of delivery by tertiary education organisation, 2023 calendar year.
2. MSD customised estimate of data for 2024 financial year. For the construction and infrastructure sector only.
3. TEC customised data. Actual spend for construction and infrastructure apprentices 2023 calendar year.
4. TEC customised data. Actual spend for 2020/21. Includes all sectors. GTS closed for applications in 2022.
5. MBIE customised data, actual payments for 2023/24 financial year. Includes all sectors. RAI has closed.
6. TPK Māori Development Fund appropriation overview 2023/24. All sectors, and all training and education.
7. TEC customised data. Actual spend for 2024 calendar year (provisional and unfinalised). All sectors, not exclusive to apprenticeships.

KEY: Roles and responsibilities	
●	Policy and funding
●	Administration
●	Delivery and/or recipient of funding
	Not specifically apprenticeships

Problem definition: Challenges facing the apprenticeship system

50. Through this research, we have identified several areas within the current apprenticeship support system where there are opportunities to consider improvement and to address challenges. These areas include:

- overlapping initiatives that prioritise participation over completion
- enduring financial barriers for apprentices to take up and complete this form of learning
- a need for more consistent and coordinated pastoral care to address barriers to apprenticeship completion
- opportunities to improve support and accountabilities for employers to ensure quality apprenticeship training
- opportunities to design financial incentives that enables positive behaviour and quality training outcomes
- improved access and navigation of apprenticeship resources and information, and
- the opportunity to enhance and communicate strategic direction and better alignment of support initiatives to ensure they align with desired outcomes.

51. The remainder of this section will provide more detail on these areas, providing evidence and insight to support the case for change. By addressing these challenges, we can create a more effective and efficient apprenticeship support system that meets the needs of learners, employers, and construction and infrastructure sector. This analysis informs our recommendations for change provided in the final section of this report.

There are a range of interventions targeting similar and overlapping challenges, prioritising incentives for apprenticeship participation over completion

52. There are currently two core programmes that provide apprenticeship support, and nine other programmes that provide a range of incentives for employment and skills development, including apprenticeships (recognising that some are about to cease, or

have already ceased). Over time, in relation to apprenticeships, multiple initiatives have been developed and "bolted-on" to address specific issues. The range of interventions and the challenges they have been designed to address have been mapped in Figure 9. From this graph we can see that many of these supports target similar and overlapping challenges.

53. Figure 9 also highlights how much of the apprenticeship support system is oriented towards participation rather than completion. Recognising this gap in the incentivisation of tertiary qualifications, from 2025 Fees-Free covers the final year of learning rather than the first year. For apprentices, this is the final 24 calendar months of training (up to a maximum cap of $12,000). The policy aims to incentivise learners to finish their study and rewards those learners who do complete their qualification or programme therefore reducing the overall cost of their study and training. As of 2025, it is the only initiative that incentivises completion. Prior to 2025, there were no initiatives that actively supported apprenticeship completion (Figure 9).

54. Given that the programme has only just begun, it is too early to assess its effectiveness in supporting apprenticeship completion. Future evaluation of effectiveness of Fees-Free will also need to understand the potential interactions with Fees-Free eligibility moving from first year to final-year(s), and the corresponding potential impact on affordability for learners, particularly the ability to enter tertiary education. This sits in a context where most funding is directed at employers, education providers, and group training organisations.

Figure 9. Funding by construction and infrastructure apprentice journey

Initiative	Funding	Pre-apprenticeship or entry into other qualifications	Entry			Retention			Exit and transition	
		Support entry into work-related training	Affordability for learners	Reduce employer risk of taking on apprentices	Matching and brokerage	Pastoral care and case management	Employer capability to support	Assessments	Completion	Employment
Delivery of apprenticeship training	$148.2[1]				●	●		●		
Apprenticeship Boost Initiative	$52.9[2]			●						●
Fees-Free	$17.6[3]		●						●	
Group Training Schemes	$16.0[4]		●	●	●	●	●			
Regional Apprenticeships Initiative	$3.9[5]		●	●	●	●	●			
Mana in Mahi	$12.7[2]	○	○	○	○	○	○			
Māori Trades and Training Fund	$30.2[2]	○	○	○	○	○				○
Cadetships	$12.2[6]	○	○			○				
He Poutama Rangatahi	$41.6[2]	○	○		○	○				○
Skills for Industry	$24.8[2]	○	○							○
Pae Aronui	$7.0[6]	○	○		○	○				○
Māori & Pasifika Trades Training	$6.6[7]	○	○							

Sources

1. TEC customised data. Apprentice value of delivery by tertiary education organisation, 2023 calendar year
2. MSD, customised estimate of spend data for 2024 financial year to the construction and infrastructure sector only
3. TEC customised data. Actual spend for construction and infrastructure apprentices for 2023 calendar year
4. TEC customised data. Actual spend for 2020/21 financial year. GTS closed in 2022.
5. Ministry of Business, Innovation and Employment customised data, actual payments for 2023/24 financial year
6. Te Puni Kokiri, Māori Development Fund appropriation overview 2023/24
7. TEC customised data. Actual spend data for 2024 calendar year (provisional, and not yet finalised)

KEY	
○	Not specific to apprenticeships; not specific to construction and infrastructure
●	Not specific to construction and infrastructure
●	Apprenticeships in construction and infrastructure

Apprentices face a number of financial barriers and there may be benefits in improving support

55. Financial support can be a powerful lever for supporting learners to start and complete their apprenticeship. For example, the opportunity to do further study without the financial burden of having to get a student loan was cited as a key benefit of the Cadetship Programme.[56] Similarly, the incentive payments of Mana in Mahi are cited to bridge an important gap for participants, helping them to purchase tools and other resources required for their apprenticeship programme.[57]

56. While apprentices receive a wage from their employers, the starting wage is usually set at the minimum wage or the training wage. While this will increase over time as apprentices gain more skills, apprentices have indicated that they are financially stretched, particularly in the early years. This also doesn't take into account the time that is needed outside of the working week for homework, to meet requirements of the learning components of the apprenticeship.

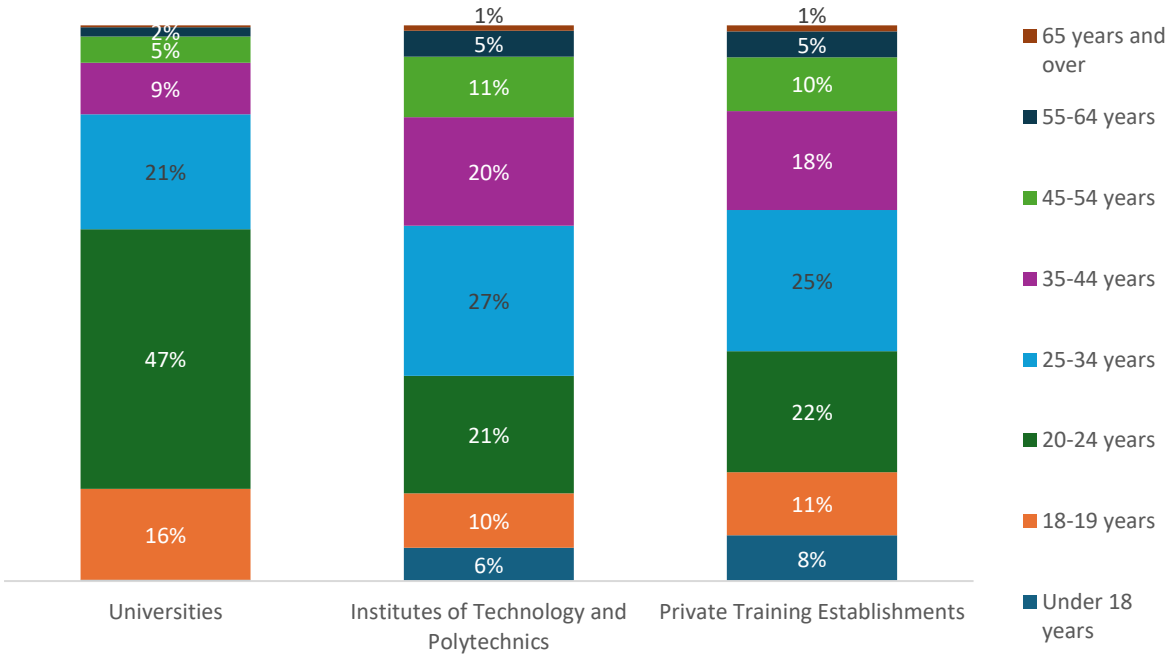
57. While the experience of taking time out to study creates financial pressure for all learners (including non-work-based learners), most apprentices we spoke with indicated that they would not have been able to take on an apprenticeship if they didn't choose to live with their parents so they could minimise expenses, or had a partner they could rely on for financial support. This is particularly the case for older learners, in more advanced stages of family formation and life experience, opting to change or retrain in new careers. For example, one of our apprentices had young children and mentioned the financial stress he was under.

58. Interviewees also perceived that there was a typical view of an apprentice that was 16 or 17 years old with no other financial responsibilities, or that of someone entering university (an 18-year-old with no other financial responsibilities and with access to interest-free student loans). The reality is that apprentices are typically older than other tertiary learners and have responsibilities and dependents which policies do not account

[56] TPK, 'Cadetships', Te Puni Kōkiri, 26 January 2024, https://www.tpk.govt.nz/en/nga-putea-me-nga-ratonga/education-and-employment/cadetships.
[57] Allen + Clarke, 'Formative and Process Evaluation of the Mana in Mahi Prototype - Second Evaluation Report' (Wellington: Allen & Clarke, 2020).

for. We spoke to an apprentice who was retraining after gaining a university degree, travelling, and working in a corporate role for seven years. Figure 10 shows the age profile of all tertiary learners in 2023 by provider. While those under 18 years old are present in institutes of technology and polytechnics (ITP) and private training establishment (PTE) cohorts, the most common age groups of learners at these providers are older than those enrolled at university. The mean age group of university learners would be 20-24 years, while for ITPs and PTEs it would be 25-34 years. Earlier, Figure 2 showed that almost 60% of new entrants to the sector were "industry changers", indicating previous work experience and more likely to be in older age cohorts.

Figure 10. Age profile of tertiary education learners, by provider, 2023



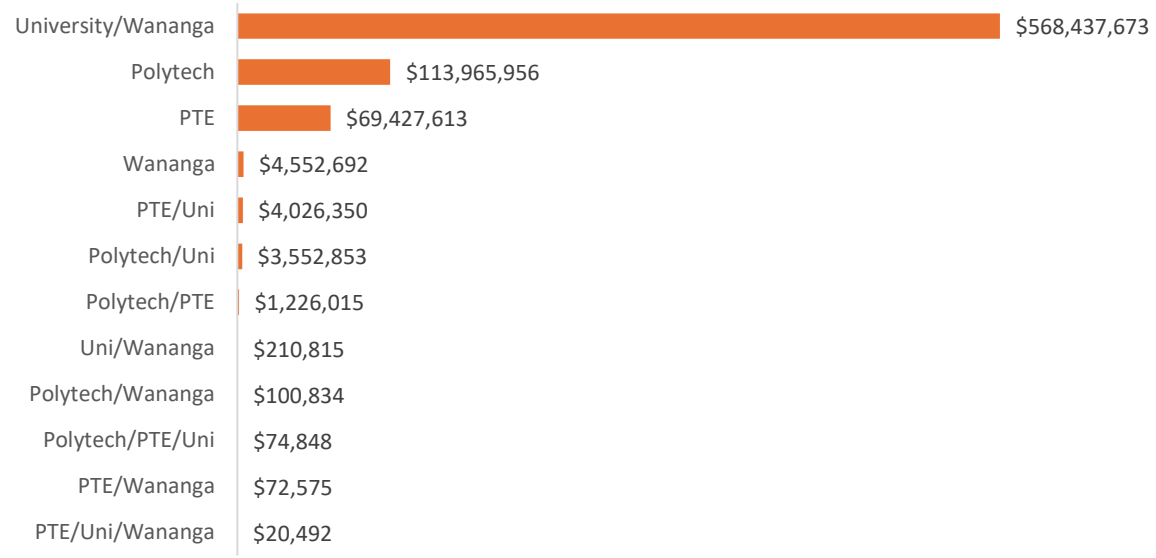
Source: Education Counts, Provider based Enrolments 2023

59. The funding determination for industry training indicates that "Work-based learning is not eligible for StudyLink loans and allowances"[58]. However, apprentices do appear to be eligible for off-job components costs of learning, but the information provided on this to learners is difficult to understand and not clear. This was verified in discussions with

[58] Tertiary Education Commission, 'Funding, Payments and Learner Fees – DQ3-7', Tertiary Education Commission, 2024, https://www.tec.govt.nz/funding/funding-and-performance/funding/fund-finder/dq3-7/funding-payments-and-learner-fees.

stakeholders. Subsequently, there is low uptake of student loans from those enrolled with providers who offer work-based learning (Figure 11).

Figure 11. Student loans by provider type, ($), January to September 2024



Source: Ministry of Social Development (2024)[59]

International comparisons offer relevant insights

60. Of the jurisdiction settings compared, the higher performing (in terms of completions) Netherlands, Germany, and Ireland provide interest-free loans, grants, and/or allowances to apprentices.[60]

61. In the Netherlands, apprentices are able to access a basic grant, a supplementary grant, and a loan. For apprentices and those learning in university programmes, the basic grant is performance based, in that if qualifications are gained within 10 years, the grant is not repayable. If qualifications are not obtained within 10 years, the learner must repay the full amount, plus interest.[61] Apprentices are not eligible for a tuition fees loan, which is only available to university learners.

[59] MSD, 'Student-Loan-Datafile-January-to-September-2024' (StudyLink Statistics, 2024), https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/statistics/studylink/2024/sep/student-loan-datafile-january-to-september-2024.xlsx.
[60] See Appendix 4: Summary of international apprenticeship policy settings for more information.
[61] DUO, 'Student Finance', Dienst Uitvoering Onderwijs, 2025, https://duo.nl/particulier/student-finance/basic-grant.jsp.

62. In Germany, the vocational training allowance (Berufsausbildungsbeihilfe, BAB) provides financial support to help pay for rent, travel, food.[62] Eligibility is limited to those who live away from home or who already have their own family and household. The allowance does not have to be repaid.

63. In Ireland, "craft workers" which includes construction and infrastructure apprentices, are eligible for a tool allowance. In 2024, this was approximately NZD1,600.[63]

64. While we were unable to find evaluative evidence on the success, or otherwise, of the student finance arrangements for apprenticeships in the Netherlands, Germany, or Ireland, a recent evaluation of the Canada Apprentice Loan (CAL) offers some useful lessons. The CAL supports completion of a designated Red Seal trade. The CAL provides up to CAD4,000 (approximately NZD5,000) in interest-free loans per period of technical training.[64] The loan can be used to pay for tuition, tools, equipment, to help support family, and living expenses.

65. The evaluation concluded that the loan contributes to completion of training, and responds well to the needs of women, Indigenous apprentices, disabled recipients, older recipients, and those on low incomes.[65] 81% of CAL recipients indicated that the loan was important or very important in covering the costs of training and other related expenses. Additionally, 79% of recipients indicated that they used the loan to help make ends meant, as opposed to paying tuition, buying trade-specific tools, or buying training books, computer, or uniforms. 65% of Indigenous CAL recipients indicated that knowing about the CAL was an important or very important factor in the decision to register for apprenticeship training.

66. On the loan itself, the take-up rate for women has generally been higher than for men.[66] Loans are also mostly disbursed to construction-related apprentices. The evaluation also

[62] Federal Ministry of Labor and Social Affairs, 'Vocational Training Allowance (Berufsausbildungsbeihilfe, BAB)', sozial plattform, 20 December 2023, https://sozialplattform.de/en/content/vocational-training-allowance-bab.
[63] Department of Education, 'Payment of Tool Allowance to Craft Workers - 2024', gov.ie, 10 October 2024, https://www.gov.ie/en/circular/19416-payment-of-tool-allowance-to-craft-workers-2024/.
[64] Government of Canada, 'Canada Apprentice Loan', Government of Canada, 10 January 2025, https://www.canada.ca/en/services/jobs/training/support-skilled-trades-apprentices/loan.html.
[65] ESDC, 'Evaluation of the Canada Apprentice Loan: Phase 2', Evaluation Directorate, Strategic and Service Policy Branch (Employment and Social Development Canada, 2020).
[66] ESDC.

found a statistically significant relationship between the CAL and apprenticeship programme completion.[67] The evaluation also found that apprentices were using other financial support measures, and this was particularly so for the more vulnerable groups. For example, disabled apprentices relied more on personal loans compared to other groups, and women and disabled apprentices relied on another job and help from parents or family. Given the relatively recent implementation of the CAL, there are no findings available on debt levels and repayment of the loan.[68]

Apprentices also benefit from wrap-around supports, which could be more consistent and coordinated across the system

67. Our analysis identified that not all barriers to apprenticeship completion are financially driven. Research shows that some of the most common barriers to participation and completion in apprenticeship programmes include travel, struggling with the work and study balance, and whānau obligations pulling individuals away from work.[69] Some participants in more intensive support programmes (such as Pae Aronui) have complex housing, learning, whānau, behavioural, alcohol and drug, mental and physical health, needs and challenges. The level of additional support required to get some of these learners to the start-line can sometimes exceed expectations of programme facilitators.[70]

68. It is apparent from the programmes included in this review (and elsewhere) that effective pastoral care can help resolve issues for apprentices, helping them to transition into new roles, particularly where they have not had much work experience in the past, or have complex needs.[71] For example, Pae Aronui rōpū actively worked with rangatahi and, where possible, their whānau to build tailored solutions. Rangatahi were provided with transport services to attend training and interviews. Some staff also provided transport to work sites, job interviews, medical appointments, and check-ins with other

[67] ESDC.
[68] ESDC; ESDC, *Evaluation of the Canada Apprentice Loan: Final Report*, Phase 1 (Gatineau, QC: Employment and Social Development Canada, 2017).
[69] Allen + Clarke, 'Formative and Process Evaluation of the Mana in Mahi Prototype - Second Evaluation Report'.
[70] Chelsea Grootveld, 'Pae Aronui Evaluation: Year One Evaluation Report', For Te Puni Kōkiri (Aiko Consultants, 2020).
[71] Allen + Clarke, 'Formative and Process Evaluation of the Mana in Mahi Prototype - Second Evaluation Report'.

government organisations. In some cases, they helped rangatahi to find suitable accommodation closer to work opportunities.[72] Similarly, those participants in the Te Ara Mahi programme who received a higher level and quality of pastoral care, reported a greater range and intensity of positive outcomes.[73]

69. Pastoral care that is culturally appropriate and takes account of learner's preferences, history, and whānau, helps learners to be active and engaged participants in their own education and training.[74] For example, connecting to culture and identity was a fundamental approach used by all rōpū to engage and retain rangatahi in Pae Aronui. Iwi and marae-based rōpū were placed to work in this way, having a vested interest in connecting with their own. For many rangatahi engaged in Pae Aronui, this was the first time connecting to te ao Māori and whakapapa in a positive way, and in the case of iwi rōpū, their iwitanga. This built rangatahi up and served as a protective factor, supporting rangatahi through the highs and lows beyond Pae Aronui. For rangatahi engaged with iwi rōpū, they felt positive about and supported by their iwi.[75]

Construction apprentice, male, Māori and Pacific peoples, 25-29 years old, Waikato

"I'm just lucky that I fell on a good company … who offered whanaungatanga, and it's just where everything just feels like it's family oriented. Everything we do is as one.

… when I first met [my employer], we had a good connection as well, and he really helped me understand what I wanted to do and the reasons for going with [a Managed Apprenticeship] because I was going to go by myself, straight to a company. Just because I didn't like the thought of my money going elsewhere before coming to me because I have a young family, and I need to provide and make sure I get the funding that I need to be financially stable."

70. While not every apprentice will require intensive pastoral care in order to complete their apprenticeship, there are complexities in the provision of effective pastoral care to vocational learners. We heard that this is in large part due to the dual role apprentices have in the system as both students and employees. This creates ambiguity regarding who is responsible, the training provider or employer, for their overall wellbeing and

[72] Grootveld, 'Pae Aronui Evaluation: Year One Evaluation Report'.
[73] BERL, 'Te Ara Mahi Programme Evaluation'.
[74] MartinJenkins, 'MPTT Evaluation Findings' (Wellington: Martin, Jenkins & Associates, 2017), https://www.tec.govt.nz/assets/Reports/2d9d86feda/MPTT-Evaluation-Findings-MartinJenkins-report-Oct-2017.pdf.
[75] Grootveld, 'Pae Aronui Evaluation: Year One Evaluation Report'.

pastoral care needs. The Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021 sets out the role of providers in ensuring the organised and formal provision of practices to support the wellbeing and safety of all tertiary learners.[76]

71. Formally, pastoral care in apprenticeships is largely weighted on the training advisor, who has the relationship with the apprentice on site. However, in practice, their effectiveness can be limited by work-based learning providers not always enabling training advisors to adequately support their apprentices; training advisors not always having the capacity to adequately support their apprentices and employers; the frequency of visits; and the scope of their responsibilities – there is a lack of understanding of the roles, responsibilities, and rights of the different actors within the tripartite relationship.[77] The process was described by stakeholders as "fairly loose", and with learner needs often being identified through training advisors' own observations, there is scope for individuals to fall through the cracks.

72. Employers also have a duty of care to the apprentice through their employment relationship. However, the role of employers regarding the provision of formal pastoral care for apprentices as learners is not addressed in the Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021. The Code of Good Practice for New Zealand Apprenticeships[78] lays out good practice for an employer, which includes being informed about the apprenticeship process and what is required, being a good employer in accordance with the relevant legislation, ensuring active and effective training and mentoring (in collaboration with the education provider), allows access to off-job training, and communicates with and supports the training providers relationship and access to the apprentice. However, this document does not outline any specific responsibilities for the employer regarding pastoral care. This creates a gap, particularly

[76] NZQA, 'The Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021' (New Zealand Qualifications Authority, 2021), https://www2.nzqa.govt.nz/assets/Tertiary/The-Code/pastoral-care-code-of-practice-2021-english.pdf.
[77] Allen + Clarke, 'Investigating Training Advisors in Work-Based Learning in the Construction and Infrastructure Sector' (ConCOVE Tūhura, 2024), https://concove.ac.nz/assets/Final-report/Training-Adivsors-ConCOVE-final-report-04-Oct-2024.pdf.
[78] TEC, 'Code of Good Practice for New Zealand Apprenticeships' (Tertiary Education Commission, May 2023), https://www.tec.govt.nz/assets/Publications-and-others/Code-of-Good-Practice-for-New-Zealand-Apprenticeships.pdf.

given individuals will spend more time with their work-place trainer than the training advisor.

73. We heard strongly from employers that they recognise the important role they play in apprentices' lives outside of work. Some had guided apprentices to navigate KiwiSaver, life administration, and provided general counsel and mentorship. A few also spoke of the mental health and neurodiversity challenges their apprentices had faced. Employers want to see their apprentices succeed, but many, particularly small businesses, lack the resources or knowledge to provide comprehensive pastoral care.[79] They also felt there was little support available for employers on how to deal with these matters: "From a support basis, there's very little out there. You've gotta go and look for it all. There's no way that you go to the local assessor. He doesn't know. He's not gonna give you any assistance…"

74. There are some examples of programmes and schemes that offer insights into a path forward. In our research we came across several examples where pastoral care had been streamlined, with clear roles and responsibilities outlined, to the benefit of apprentice. For example, some of the apprentices and employers we spoke to were part of group training organisation arrangements. One of the core intentions of the Group Training Scheme (GTS) Fund was that coordinators would provide additional pastoral support for both the apprentice and their employer, acting as apprenticeship brokers, arranging for job placements, and providing ongoing assistance.[80] It is described by stakeholders as a triangular employment relationship between the group training organisation (GTO), the host business, and the apprentice themselves. Stakeholders noted several benefits with the GTO approach in relation to pastoral care. The GTO is able to provide a consistent point of contact for the apprentice, outside of their training workplace, providing mentorship and tracking progress, ensuring they are working towards milestones, and that everyone is happy in the arrangement. However, it was also noted by GTOs that some apprentices who come to them through intensive support programmes, such as

[79] For example, the Allen + Clarke (2020) evaluation found that many employers did not know about the range of MSD programmes available to participants, such as Te Heke Mai. We also heard in our interviews that in many cases, awareness of these supports comes down to the participant's relationship with a MSD case manager.

[80] MSD and TEC, 'Group Training Scheme Fund' (Ministry of Social Development and Tertiary Education Commission, June 2020).

Mana in Mahi, and who are at risk of long term unemployment can present with more complex issues than most apprentices. In these cases, the GTO we spoke with highlighted that greater support to deliver pastoral care to address these needs is required.

75. Similarly, most Te Ara Mahi recipient organisations also had a dedicated support person for each apprentice. These support people were generally experienced in the specific industry or area or had prior experience in a similar capacity. These support people were able to develop close relationships with the apprentices and proactively identify challenges and barriers. This approach also resulted in consistency in experience for all participants as one person or a small team was in regular contact with all participants within a specific project. This model of support shifted the time-consuming burden of accessing information and support from the employers or participants on to the project facilitators.[81]

76. In 2020, Cook Brothers Construction received funding under the Provincial Growth Fund.[82] Through this funding, Cook Brothers committed to establishing an academy-style learning model supporting a nationwide network of apprenticeships. The Apprenticeship Academy created the role of Apprenticeship Development Coordinator (ADC) who was responsible for the day to day running of the apprenticeship programme, and provided essential pastoral care, mentoring, and guidance to apprentices throughout their journey. Typically, the ADC visited each apprentice once or twice a month to check-in, guide them through the requirements of their learning plan, address any questions, resolve challenges, and monitor their progress. The ADC also helped coordinate with the education provider assessors to provide clarity or information on the assessment requirements for apprentices if they need it. During these meetings, the ADC took the time to get to know each apprentice, understand their needs inside and outside of work. If required, the ADC worked with the apprentice to set professional and personal goals, and support actions to meet those goals.

[81] BERL, 'Te Ara Mahi Programme Evaluation'.
[82] ConCOVE and Skills Group, 'Case Study: Cook Brothers Construction Apprenticeship Academy' (ConCOVE, 2024), https://concove.ac.nz/assets/FINAL-Cook-Brothers-Academy-Case-Study.pdf.

77. Evidence suggests that pastoral care done well also leverages local relationships and networks to identify opportunities and remove barriers to apprenticeship participation and completion. For example, Te Ara Mahi recipient organisations were responsible for seeking out employment opportunities and connecting participants to these (in the case of employment projects). Success was defined by the recipient organisation's ability to identify locally available opportunities, and engage and build relationships with employers. Some of the ways these opportunities were identified or created, included staff attending or hosting career events, directly approaching local employers, and through existing connections. One Māori recipient organisation noted that having the local iwi connection was extremely valuable to be able to tap people on the shoulder and expand their network and to identify local supports to specific problems or barriers facing participants. All recipient organisations were extremely successful at identifying and even creating local employment opportunities and this was directly linked to the proactive approach to maximising connections.[83]

78. The benefit of a more streamlined approach to pastoral care, either through GTOs or a dedicated role, is the ability to manage the process through by playing an active leadership role responding to common challenges. This includes not only bolstering the employer capability to work with apprentices, but also providing an agile practice of responding to a wide range of changing apprentice needs. For example, when one stakeholder started, work readiness skills included literacy, numeracy and turning up to work. However, "today it is digital literacy, literacy, numeracy, … financial capability, the ability to take on board your own personal health and wellbeing and [issues] with drugs and alcohol still persist." There is a much bigger package of supports to look at, and employers or education providers are not always best placed to identify and provide support for these types of challenges.

79. These findings related to pastoral care are consistent with MBIE work on a workforce planning prototype for the construction and infrastructure sector, which included as a key recommendation the development of policy options to increase employers'

[83] BERL, 'Te Ara Mahi Programme Evaluation'.

awareness of, and access to, pastoral care support for new employees, particularly for SMEs.[84]

80. Pastoral care funding appears to have the most impact when it was flexible and able to be used in direct response to individual needs. The flexibility of Te Ara Mahi through being centrally funded and locally managed was described by many recipient organisations as one of the biggest factors in the success of their projects, and a direct contribution to participants' outcomes. Recipient organisations had the freedom to create employment and training opportunities based on what the local need was. Many said that the flexibility to use their allocated funding on the solutions they saw fit allowed them to seek out new connections and opportunities for their participants. Although participants were not privy to the details of funding or contracts, they experienced the flexibility of the recipient organisation meeting their needs with few barriers. This further enhanced trust between the participants and facilitators and staff.[85] There may be benefit in ensuring apprentices have parity in financial incentives to enter, remain, and complete their studies compared to other tertiary education learners.

There is scope to provide greater support for consistent, quality training across employers

81. The main objective of an apprenticeship is to ensure that learners receive adequate training and practice-based learning to become competent practitioners in their field. Apprentices learn skills, consolidate and apply trade-specific knowledge, and build attitudes and habits required for their occupation.[86] The fitness-for-purpose of the training programme is an important element of this. However, the quality of training is largely driven by the extent to which there are people in the workplace who are able,

[84] MBIE, 'Options for the Use of Government Levers to Support Construction and Infrastructure Sector Workforce Planning: A Workforce Planning Prototype'.
[85] BERL, 'Te Ara Mahi Programme Evaluation'.
[86] Selena Chan, 'Learning a Trade: Becoming a Trades Person through Apprenticeship' (Christchurch Polytechnic Institute of Technology, and AKO Aotearoa, 2013).

qualified, and available to train and assess apprentices, and the extent to which there is encouragement and support for the apprentice generally.[87]

82. Our interviewees noted the quality of training can vary significantly, especially when apprentices are supervised by individuals without formal training in education. This can affect the quality of their training and overall apprenticeship experience. Some employers have gone the extra mile to support their apprentices through their training, coordinating with training advisors, and ensuring time and flexibility for learners to complete any book work or practical assessments. However, this experience is not universal, and some referenced "old-school" mentalities getting in the way of training or creating an unsupportive learning-working environment. This disparity leads to inconsistent apprenticeship experiences across different employers and regions. Poor quality training, or lack of it in the workplace, is often cited as a key reason for non-completion of apprenticeships.

Construction apprentice, male, New Zealand European, 20-24 years old, Canterbury

"One of my first jobs as an apprentice was at a commercial building site where one of the first people I met ended up having a go at me for asking another labourer to move a wheelie bin… yeah, so to start off, it wasn't the best.

Within the last few years, I've been employed through a bunch of different companies… some of them I moved on because they couldn't provide me with the work.

It would be better if employers take the time to explain things. I've had a couple of people who have gone, 'I want you to do this, now do it'… but I've got no idea sort of how to do it… and so you just have to try and figure it out."

83. It can also be difficult for employers to balance the priority of still doing business and creating training opportunities for apprentices to apply learnt skills in the field.[88] A lack of clear understanding about the qualification pathways and requirements amongst employers can also impact education and training outcomes for participants,[89] for example, if there isn't a training plan in place.[90] Evidence from the literature also

[87] Anne Alkema, *Literature Scan: The Reasons for the Non-Completion of Apprenticeships and Traineeships in Industry Training Organisations. Prepared for ITF and Ako Aotearoa* (Wellington: Healthrose Research Ltd, 2016).
[88] TPK, 'Pae Aronui: 3-Year Pilot to Test Innovative Ways to Improve Outcomes for NEET Rangatahi Māori', Summary (Te Puni Kōkiri, 2024).
[89] Allen + Clarke, 'Formative and Process Evaluation of the Mana in Mahi Prototype - Second Evaluation Report'.
[90] Stuart Jeffcoat and Michelle Jeffcoat, 'Evaluation of the Modern Apprenticeships Programme', Prepared for Tertiary Education Commission (Mobius Research and Strategy Limited, 2006).

shows that there is an increased administrative burden associated with taking on apprentices, who can be time and resource consuming to manage, particularly if they are inexperienced in the workplace. This can act as a barrier to employers recruiting apprentices in the first place.[91]

84. The cultural capability of the employer to recognise and respond to cultural differences can also impact the experiences of Māori apprentices. For example, the Ako Whakaruruhau project developed a set of resources to support organisational change and a positive learning environment, integrating knowledge of mentoring and learning, as well as raising awareness about the importance of cultural knowledge on-site, particularly place-based knowledge, or situated learning. They also clustered Māori apprentices on worksites to create a sense of camaraderie amongst participants. These interventions had a significant impact on the success of the apprentices.[92]

85. We heard that, in general, good companies will deliver high quality apprenticeship programmes no matter what, drawing upon the funding available to deliver a bespoke solution, tailored to the needs of their business and their employees. However, we also heard that these "good employers" are often larger organisations, or smaller organisations who are part of a larger supply chain and benefit from what the larger organisations can provide. Some companies lack the resources or have not developed the necessary behaviours within their organisation to support and deliver quality apprenticeships. These challenges have led some to suggest that apprenticeship programmes which result in increased overhead tend be more suitable for larger employers who have the administrative and financial infrastructure to absorb short-term financial dips, and undertake the level of paperwork compliance required.[93]

86. Many interviewees felt that New Zealand employers do not receive enough support to provide quality training. The amount of information a tradesperson is expected to know is vastly more significant than what it was 20 years ago, and the expectation on training employers to know and share this knowledge is going to become more, not less.

[91] Jeffcoat and Jeffcoat.
[92] Catherine Savage, 'Supporting Māori Apprenticeship Success through Mentoring and Building Employer Capability', Summary report (Wellington: AKO Aotearoa, 2016).
[93] Allen + Clarke, 'Formative and Process Evaluation of the Mana in Mahi Prototype - Second Evaluation Report'.

Employers want apprentices to be trained well. However, there is a risk that the knowledge being passed down will become limited if we continue to rely on information coming from the employer in the workplace. We heard that in some cases this is already occurring, with apprentices in workplaces where some emerging topics are not well understood. Regardless of the business size, it is widely felt that success requires a better understanding of the needs of employers and the provision of tangible support.[94]

87. This is also consistent with MBIE work on a workforce planning prototype for the construction and infrastructure sector, which included a key recommendation to develop options for leadership capability training to increase employers' ability to take on and retain new staff, including options to make this accessible to SMEs.[95] The OECD's work on apprenticeships internationally also highlights that the training capacity of employers must be built and supported.[96]

88. There is also evidence to show the importance of coordination and collaboration across employers, education providers, and industry to ensure the skills apprentices are learning are truly fit-for-purpose.[97] Overall, programmes need to consider how on-job and off-job learning can be effectively balanced, and integrated. For example, the Māori and Pasifika Trades Training (MPTT) programme has used its consortia approach to ensure partnerships between tertiary education organisations and local employers (as well as communities, including Māori and Pasifika groups). This helped education providers to become more innovative and better connected to employers so that they could be more responsive to their needs. In most cases, employer and industry perspectives added significant value to governance and helped to drive industry-led discussions on course content and programme delivery.[98]

89. There are some discrete examples of collaboration and support for employers in New Zealand. For example, BCITO has just launched a course to improve employer capability

[94] Alkema, 'Vocational Workplace Learning'.
[95] MBIE, 'Options for the Use of Government Levers to Support Construction and Infrastructure Sector Workforce Planning: A Workforce Planning Prototype'.
[96] OECD, *Seven Questions about Apprenticeships: Answers from International Experience*, OECD Reviews of Vocational Education and Training (OECD, 2018), https://doi.org/10.1787/9789264306486-en.
[97] Skills Consulting Group, 'Pathways, Pride, and Possibilities: Food and Fibre Apprenticeships in Aotearoa', For Muka Tangata and the Food & Fibre Centre of Vocational Excellence (Skills Consulting Group, 2023).
[98] MartinJenkins, 'MPTT Evaluation Findings'.

to host apprentices. This aims to address the assumption that employers automatically know how to train apprentices and recognises the need for formal training for employers to help them understand how to provide quality training environments for apprentices. The course is free of charge and as of August 2024, 10 courses had been provided to 120 employers. This exceeded BCITO's expectations in terms of participation and success. Participants have provided positive feedback and industry associations have also requested BCITO deliver bespoke training for their members. However, like in Australia, these courses are provided on a voluntary basis, and it is not mandatory for BCITO employers to undergo the training, or that workplace-based trainers have a formal training qualification or assessed level of competency.

90. Other jurisdictions have stronger monitoring of employers to ensure quality training. For example, Ireland has introduced the role of Authorised Officers (AOs) to ensure that employers have the capability to host apprentices.[99] These AOs support implementation of statutory elements of the apprenticeship system, including approval of employers to take on apprentices, the apprentice registration process, maintenance of the National Register of Apprentices and associated key apprenticeship data, and support for the welfare of apprentices while in training, which includes monitoring of the quality of on-the-job training.[100] In the Netherlands, employers need to be accredited by the Foundation for Cooperation on Vocational Education, Training and Labour Market (Stichting Samenwerking Beroepsonderwijs Bedrijfsleven; SBB). This accreditation process includes checking whether the company provides a quality learning environment and supervisors.[101]

[99] Department of Further and Higher Education, Research, Innovation and Science, 'Action Plan for Apprenticeship 2021-2025' (Irish Department of Further and Higher Education, Research, Innovation and Science, 2021).
[100] National Apprenticeship Office, 'Developing and Delivering National Apprenticeships in Ireland: A Handbook' (Government of Ireland, 2023), https://content.apprenticeship.ie/f/83224/x/46a5139d42/apprenticeshiphandbook_publicationjanuary2023.pdf.
[101] Cedefop and EBCO, 'Vocational Education and Training in Europe: Netherlands. System Description' (Cedefop; ECBO – Centre for Expertise in Vocational Education and Training, 2019), https://www.cedefop.europa.eu/en/tools/vet-in-europe/systems/netherlands; European Centre for the Development of Vocational Training., *Vocational Education and Training in the Netherlands: Short Description.* (LU: Publications Office, 2016), https://data.europa.eu/doi/10.2801/476727.

91. While many stakeholders agreed that it is in the system's best interest to support employers, others felt that it is not the government's responsibility and that the financial incentives currently available to employers should be sufficient to offset some of the risk and enable employers to provide sufficient training. This indicates that there is likely a balance to be struck between supporting employers to improve their training capability, and building sufficient accountability mechanisms to ensure that quality training is taking place. We also heard strongly that a formal "audit-type" process is neither required nor desired in the New Zealand context. This is a policy area that could be further explored to ensure any intervention is fit for purpose.

Funding can incentivise positive behaviours with the right levers in place

92. The research shows that wage subsidies provide a degree of incentivisation for employer participation. The initial period of an apprenticeship requires significant investment from businesses, with limited immediate return. This phase can be particularly challenging for small to medium-sized businesses, which may struggle to absorb the costs without immediate benefits. In some cases, it can be difficult to gain employer buy-in to take on apprentices, particularly where there is stigma around working with the previously unemployed (such as with the Mana in Mahi programme), or where there is reticence to take on local workers when there are other workforce options available (Te Ara Mahi). Financial incentives

Employer, male, 6-9 employees, Auckland, residential buildings, was an employer in Vancouver, Canada for many years

"I think New Zealand's 20 years behind in the apprenticeship programmes in the way that [Canada does] it and it's just a shambles here with everything.

It's all different and there isn't one central system. …

[Apprentices start with] between three and four months at British Columbia Institute of Technology, BCIT], at the college … They get paid, we subsidise the pay when they are at school and they learn their first year's modules. And then we get them for the next eight or nine months …

So the owner of the company or whoever's in charge of the apprenticeship programme signs the apprentice off. I'm the 100% responsible person. … for signing them off every year. To make sure they got that training and that they were capable.

… it was way more robust a programme there, way more checks and balances."

like the Apprenticeship Boost can insulate employers from financial risk, allowing them to trial potential workers at minimal cost.[102] Wage subsidy can also give employers flexibility with providing training and pastoral care, allowing them the "capacity to care".[103] The 49% increase in apprenticeships since 2019 is often attributed to direct employer incentives, and it is feared that the removal of these direct benefits will reduce enrolment and increase terminations.[104]

93. The OECD warns that the international experience suggests that financial incentives to encourage employers to take on apprentices should be used with caution, and be carefully evaluated.[105] The OECD comments that incentives which give employers a fixed sum to take on an apprentice, has small impact on the overall provision of apprenticeship places.

94. We also heard that, in some cases, financial incentives like the Apprenticeship Boost have been misused by employers which presents a design challenge for policy makers. Sector stakeholders noted that many new apprentices enrolled under the Apprenticeship Boost came from the existing workforce, rather than new entrants to the industry. This indicates that employers may be formalising the training of current employees rather than bringing in new talent in order to qualify for the subsidy payments. Additionally, there has been an increase in the average age of apprentices entering programmes under the Apprenticeship Boost, indicating that incentives might be attracting older workers who are already part of the workforce, rather than younger individuals new to the industry. We also heard anecdotes about a minority of employers signing on new apprentices without providing them with any training or supporting them towards completion. The lack of monitoring and accountability mechanisms of employers and the training they provide can exacerbate misuse of the incentive.

95. Recently, countries such as Ireland and Australia have implemented changes to simplify the incentives and support structures. In 2022, the Australian Apprenticeships Incentive

[102] Skills Consulting Group, 'Te Hiku Group Employment Programme (Tupu) Case Study', Prepared for Te Hiku Iwi Development Trust and Food and Fibre CoVE (Skills Consulting Group, 2022).
[103] Allen + Clarke, 'Formative and Process Evaluation of the Mana in Mahi Prototype - Second Evaluation Report'.
[104] Skills Consulting Group, 'Pathways, Pride, and Possibilities: Food and Fibre Apprenticeships in Aotearoa'.
[105] OECD, *Seven Questions about Apprenticeships*.

System (AAIS) was introduced to transition away from the short-term COVID-19 response measures and to simplify the incentive structure. For employers (in priority occupations), this includes a hiring incentive of up to $5,000 ($2,000 at 6 months and $3,000 at 12 months after commencement) per apprentice. The Australian Government funds non-financial support through seven Australian Apprenticeship Support Network (ASSN) providers. These providers are responsible for signing-up apprentices, ensuring the apprenticeship arrangement is genuine and appropriate, and both the employer and apprentice understand their roles and responsibilities. They also provide mentoring, counselling, and pastoral care for both parties, including relationships with specialist providers for referral. The effectiveness of these changes on the Australian apprenticeship system is yet to be determined, but there may be lessons learned for the New Zealand context in the future.

96. While financial incentives like Apprenticeship Boost are important, we heard that it is important these keep pace with costs, which have risen over the past few years. There is also clearly the need for better management of these payments and understanding of how they are contributing to outcomes for apprentices and for the system. However, the effective management of financial incentives requires comprehensive and unified data to provide a more holistic view of the sector. It also requires accountability mechanisms so that poor practice can be identified and be managed accordingly. Interviewees raised concerns that funding organisations have little to no visibility of education and employment outcomes that have resulted from Apprenticeship Boost. There was consensus amongst stakeholders that very few employers would take on apprentices without extra support, but there could be better targeting of that support, and monitoring of employer accountabilities to ensure the right behaviours and quality apprenticeships are being provided and that value for money is being achieved.

97. At the macro level, we also heard that incomplete datasets limit the sectors' understanding of root-issues, which can impact the effectiveness of funding being directed into the system. For example, one interviewee stated that an issue of under-supply of apprentices could be viewed as a skills shortage, a labour shortage, or a skills gap. Improved data and definitions could assist policy makers to make better informed decisions that could enhance this aspect of the apprenticeship system.

There is a need for improved access and navigation of apprenticeship resources and information

98. Several of the apprentices and employers that we spoke to noted that information about support programmes and initiatives can be difficult to find. This information is spread across a number of websites and organisations, including Careers New Zealand, various providers, and TEC. This makes it difficult for participants and employers to identify official information on apprenticeships, particularly for employers where information is not typically sign-posted for them. While some employers may be generally aware of the direct funding available to them through programmes, we heard that this is not the case for all. Many employers, particularly smaller businesses, are not aware of the broader wrap-around supports available to their staff through agencies such as MSD (for example, Te Heke Mai). The literature reinforced that while diverse marketing is central to reaching a range of employers, this information needs to be up to date, comprehensive, and audience specific for it to be useful and relevant.[106]

99. Many of the apprentices we spoke to talked about how their journey into an apprenticeship was supported by relationships with people within their immediate networks. They were able to identify work and training opportunities through people they already knew and were able to speak freely about the realities of what it is like to be an apprentice in their chosen trade. We also heard from stakeholders how this can be an effective pathway into employment on an individual basis, however, at the system level this isn't a sustainable or scalable approach to attracting talent into the sector, with a high potential for individuals to fall through the cracks.

100. In many other jurisdictions there is a dedicated website or portal containing all of the relevant information regarding apprenticeships.[107] For example, England has an online apprenticeship service which provides information, a matching service, and enables all interactions for employers and apprentices to be logged. The service enables employers to access and manage funding, advertise vacancies, register for apprenticeship train-the-

[106] Allen + Clarke, 'Formative and Process Evaluation of the Mana in Mahi Prototype: First Evaluation Report' (Allen & Clarke, 2019).
[107] www.apprenticeships.gov.uk; www.apprenticeships.scot; https://apprenticeship.ie/; www.apprenticeships.gov.au; Stagemarkt.nl | Stages bij erkende leerbedrijven

trainer courses, select training providers for their staff, and give feedback on apprenticeship training. It also manages levy payments paid into the system. Ireland also has a similar "user-centred Apprenticeship Management System (AMS)" to simplify employer engagement with apprentices. The AMS allows employers to access information on their apprentices from across different programmes, allowing for end-to-end management of company apprentices – from recruitment and selection, apprentice application process, programme progress, employer grant payments, and apprenticeship consortia-led engagement and development opportunities.[108]

101. Interviewees noted that the administrative burden for employers and apprentices could be reduced through the development of a similar system that consolidated information and opportunities for apprentices and employers. It was recognised that there are other avenues for information and resources, such as Builders Hub, and that BCITO had attempted something similar but were unable to identify who was accessing Apprenticeship Boost.

Plumbing apprentice, female, Latin American, 20-24 years old, Waikato

"I still think we've got a long way to go at secondary schools. And the encouraging. When I was doing Gateway, my teacher prioritised all the uni students. … she's like, "alright, here sign up to a pre-trade. I need to sort out the uni students". That was something that I thought shouldn't be like this. I was still looked down upon …

I knew I want to do plumbing, because I'm passionate about it. But if there was someone else who wanted to do that, and they got that same reaction that, "Oh, maybe I shouldn't do this. Maybe I should be going to uni like everybody else", because this teacher reacted a certain way."

Perceptions towards apprenticeships may have implications for participation

102. Several interviewees highlighted a perceived issue with the parity of esteem between vocational training and university education. In New Zealand, trades are often perceived as a fallback option for students who are not academically inclined, rather than being seen as a respected and valuable career. This perception is supported by research that shows a perception among young New Zealanders that universities have a higher standing in society, provide better education to a higher level, and vocational

[108] Department of Further and Higher Education, Research, Innovation and Science, 'Action Plan for Apprenticeship 2021-2025'.

education caters to a lower class of students.[109] Interviewees spoke of a reluctance of some secondary schools to promote non-university pathways, even when they offer degrees and high-quality education.

103. Learners' perceptions of vocational education may contribute to skill shortages in key trades. Training providers in general struggle to attract students whose other viable option is university study, even when a vocational training route is better suited to that individual. This is an established issue, for example, one TEC Ministerial briefing suggests that it may also be part of the reason why a majority of apprentices in New Zealand are aged 25 or older, as students come to realise the value of a trades qualification after spending some time in the workforce.[110] One of our interviewees reflected on this journey having graduated in philosophy in the UK some years ago, then decided working in an office wasn't for him, and is now at the beginning of a plumbing apprentice aged 35-39 years.

104. These perceptions can also impact employer's willingness to participate in apprenticeship programmes. In New Zealand, government policy has historically used vocational training programmes to target young people who at risk of disengaging from school or who are NEET.[111] For some employers, this can limit participation in some programmes, particularly those (like Mana in Mahi) which are specifically designed to support at-risk individuals into sustainable employment. There can be a stigma around working with the previously unemployed[112] or some scepticism towards 'government schemes', that make it difficult to get buy-in from employers, especially if they have other labour options.[113]

105. We heard that perceptions around vocational training also contribute to some of the diversity and inclusion challenges within apprenticeship programmes (but is not the only driver of inequities in participation). The industry has a notably low uptake of female

[109] TEC, 'Tertiary Education Report: Perceptions of Vocational Education and Careers in New Zealand', Ministerial briefing (Tertiary Education Commission, 15 June 2018), https://www.tec.govt.nz/assets/Ministerial-papers/6d56b4c3f8/B_18_00388-Perceptions-of-vocational-education-and-careers-in-New-Zealand.pdf.
[110] TEC.
[111] TEC.
[112] Allen + Clarke, 'Formative and Process Evaluation of the Mana in Mahi Prototype - Second Evaluation Report'.
[113] Skills Consulting Group, 'Te Hiku Group Employment Programme (Tupu) Case Study'.

apprentices. In 2023, 94% of apprentices in the construction and infrastructure sector were male, compared to just 6% female.[114] We heard that barriers to female participation, include inadequate facilities, such as the lack of diverse bathroom facilities on construction sites, and an unwelcoming environment that is not conducive to gender diversity and inclusivity. Additionally, we heard that career advisors and schools are not effectively promoting trades to diverse genders, further exacerbating the issue. Established evidence highlights that lack of diversity can limit opportunities for women and other underrepresented groups, and also deprive the industry of the benefits that a diverse workforce can bring, such as improved business culture and profitability.

There is scope to further clarify desired outcomes and ensure the package of support aligns with strategic goals

106. We heard that roles and responsibilities are not always clear across government, education providers, as well as industry and employers. From a government policy perspective, skills issues cut across a variety of areas, and it is not uncommon for multiple agencies to be involved in addressing skills development, educational attainment, and ultimately the benefits of qualification in terms of productivity. In New Zealand, MoE, MBIE, MSD, TPK, TEC, and NZQA each contribute to policies related to skills development and apprenticeships.

107. Different government agencies are looking to achieve different goals and objectives, as will different Ministerial portfolio areas. For example, the MoE approaches skills development from a learner perspective ensuring quality skills and knowledge are gained, while MBIE may look at an issue from a business-needs, economic growth, and productivity perspective, and MSD seeks to support people gaining skills for social betterment, but it also has key targets to reduce the number of people receiving Jobseeker Support. These perspectives are all valid and valued. In recognition of the number of agencies involved there are a several mechanisms within government to support the coordination of policy and implementation of apprenticeships and apprenticeship support.[115]

[114] Ministry of Education, 'New Zealand's Workplace-Based Learners', Education Counts, May 2024, https://www.educationcounts.govt.nz/statistics/new-zealands-workplace-based-learners.
[115] Such as the Labour Market Ministers Deputy Chief Executives Group and the Officials group.

108. While the apprenticeship support system may be clear to government agencies – the industry stakeholders, employers, and learners who contributed to this study perceived that it is unclear, involves multiple parties, and lacks articulated commitment on what apprenticeships are set out to achieve. Additionally, there was a perception that the agency delivering the incentives may, unintentionally, signal the priority outcome the Government is seeking from apprenticeships generally. For example, a few stakeholder interviewees commented that while the bulk of apprenticeship-related payments are via MSD, because the agency has the systems and processes already in place for this to be managed, it sets the expectation and perception that MSD has an active role in the apprenticeship system, and that the purpose of apprenticeships is social development, rather than education, learning, and/or economic growth. We recognise that from a policy perspective that apprenticeships have outcomes related to social development, education, learning, productivity, and economic growth, but it is the perception and signalling that the industry and employers are responding to – in the absence of an articulated policy for apprenticeships and apprenticeship support.

109. Government agency interviewees also recognised that there wasn't a consistent approach to developing, monitoring, and evaluating policies and taking a systems-approach to addressing gaps or under-performance. As a result, there isn't currently an overarching view of the performance of the apprenticeship (support) system, and the checks and balances for apprentices, providers, employers, and group training organisations, so it is difficult to assess whether these components are working together effectively. While there is evaluative evidence for many of the individual support programmes, these are reported in isolation. Therefore, it is challenging to determine whether the cumulative suite of support programmes is working as a whole and delivering on intended outcomes, providing confidence on overall investment and value for money.

110. To counter some of these challenges, other jurisdictions have developed single funding frameworks, and/or a national apprenticeship strategy or plan. In the Netherlands, the VET Internship Pact 2023-2027[116] was signed on 14 February 2023

[116] OCW, SZW, and other organisations, unions, and associations, 'VET Internship Pact 2023 - 2027' (The Hague: The Ministry of Education, Culture and Science, 2023).

between the Ministry of Social Affairs and Employment, Ministry of Education, Culture and Science, and 14 other entities, including industry associations, local government, education providers, and unions. This Pact states that all organisations are "committed to ensuring that all students receive an internship or apprenticeship with excellent support and enabling conditions, including appropriate remuneration for the internship". The Pact focuses on improving internship supervision, eliminating internship discrimination, providing sufficient internships, and offering appropriate remuneration. Comparatively, there is no explicit mention of apprentices or apprenticeships in The Statement of National Education and Learning Priorities (NELP) and Tertiary Education Strategy (TES) in New Zealand.[117]

111. Addressing these challenges presents an opportunity for New Zealand to reimagine and strengthen its apprenticeship support system. By clarifying desired outcomes and aligning support packages with strategic goals, New Zealand can ensure that apprenticeships effectively contribute to the nation's economic growth, productivity, social development, and educational achievements. Moreover, taking a more active role in understanding how various initiatives interact, overlap, and where policy gaps may exist, can enhance the system's overall effectiveness. Ensuring alignment among all participants on the desired outcomes will mitigate confusion for external stakeholders, minimise gaps, and prevent duplication of efforts.

112. To be successful, such an approach will require employers, industry, and the government to work in strategic partnership under a consistent strategic direction for training, social, and economic outcomes. This partnership should include well-considered investments to support these outcomes and ensure that both employers and learners receive the necessary support to succeed. Clearly defined roles and responsibilities are essential so that that each party can effectively contribute to the process.

[117] Ministry of Education, 'The Statement of National Education and Learning Priorities (NELP) & Tertiary Education Strategy (TES)' (Ministry of Education, 2020), https://assets.education.govt.nz/public/Documents/NELP-TES-documents/FULL-TES-2020.pdf.

Recommendations

113. Our research emphasises the critical role that government-funded apprenticeship support programmes play in ensuring both the quantity and quality of the workforce. These programmes and initiatives serve as key interventions to address the needs of the construction and infrastructure sector. While our recommendations are primarily directed at the government – as the scope of the research question was related to government support policy settings – we also recognise the essential roles that industry, employers, and the tertiary sector must play. It is only through strategic partnerships and collaboration with the government that the desired outcomes can be achieved.

114. With this in mind, we present the following recommendations to enhance the effectiveness and coherence of apprenticeship support programmes. Our high-level recommendations present a direction of travel for further research, policy analysis, and decision-making about the future development and implementation of apprenticeship supports.

Provision of clear strategic direction for apprenticeships, and alignment of outcomes

115. While there are a number of mechanisms within government that support the coordination of policy and implementation of apprenticeships and apprenticeship support, there are no outward-facing statements on what (construction and infrastructure sector) apprenticeships are expected to achieve or guiding principles for their implementation. Our research identified that industry stakeholders, employers, and apprentices would benefit from a consistent strategic vision to work towards, as it would clarify the outcomes that are sought from programmes and funding incentives, and improve the delivery of intended policy outcomes. There would be benefit in considering how this collective view could be formed and articulating this publicly.

116. A collective view of outcomes intended from apprenticeships and apprenticeship support should also include:

- Clear roles and responsibilities for stakeholders within the apprenticeship system.

- Support programmes and incentives for apprentices and employers that contribute to strategic goals, bolster apprenticeship participation, and support completion.
- Robust mechanisms for setting, maintaining, and updating quality standards for training delivery and pastoral care, including quality assurance processes and accountabilities for training providers and employers with clear consequences for poor performance.
- Clear pathways into apprenticeships from schools and other entry points (which are increasingly important), along with well-defined progression routes to higher qualifications and specialised roles.
- A funding and incentive model that is aligned with policy objectives – confirming the importance of the construction and infrastructure sector, encouraging both quality and quantity of the workforce, supporting priority cohorts of learners, and ensuring adequate investment in teaching capability, pastoral care, and resources.
- A monitoring and evaluation framework to monitor progress consistently across supports, and track progress towards shared outcomes.

There would be benefit in further defining what good pastoral care looks like, and who is responsible for delivering this for apprentices

117. As evidenced throughout this report, the apprenticeship system faces unique challenges in providing effective pastoral care and support for apprentices. Key issues include a lack of clear roles and responsibilities between training providers and employers, inconsistent and uncoordinated pastoral, and insufficient support for apprentices with complex needs. Additionally, cultural considerations and the costs associated with comprehensive pastoral care further complicate the situation. However, we have also highlighted evidence indicating that pastoral care is essential as it supports apprentices to navigate personal and professional challenges, transition into the workplace, and ensure they successfully complete their training. To address these problems, we propose several recommendations.

- Develop a shared understanding and define what constitutes good practice in relation to pastoral care for apprentices.
    - This should include reference to specific outcomes, processes, and practices for work-place based learners.
    - Consider developing a cost framework for delivering good pastoral care to understand the total cost to the system and anticipated return on investment to help inform funding decisions.

- Clarify roles and expectations for delivering good pastoral care.
  - This should clearly articulate the roles and responsibilities of training providers and employers in delivering pastoral care, including where there may be cross-over or dual-responsibilities.
  - Roles and responsibilities, along with the definition of good pastoral care for apprentices could be explicitly referenced in the current Pastoral Care Code of Practice for Tertiary and International Learners, the Code of Good Practice for New Zealand Apprenticeships, or standalone guidance.
- Investigate ways pastoral care delivery can be streamlined through a single point of contact through the training provider or otherwise.
  - This streamlined approach should provide training advisors and employers with a point of contact where they can access information and refer apprentices should there be a need.
  - It should also provide apprentices with a single point of consistent contact so that trusted relationships can be developed over time.
  - It should also focus on developing relationships with place-based service providers where apprentices can be referred to if there are additional needs.
  - Consider how this streamlined function could be funded to meet the needs of the apprentices in its care, including that it is sufficiently flexible so that funding can be directed towards tailored supports.
- Collaborate with local iwi to ensure Māori apprentices receive culturally appropriate support, are connected to their whakapapa and community, and leverage their expertise and resources in support Māori apprentices.

There is an opportunity to formalise employer capability interventions and strengthen accountability mechanisms to ensure quality training for apprenticeships

118. This report has also highlighted varying levels of employer capacity and capability to deliver quality training for apprentices. Key issues include conflicting priorities across business and training objectives, sufficient resources to invest in apprenticeship training, and the technical knowledge and training capabilities of individual workplace trainers. However, this directly impacts the quality of training and support apprentices receive, which in turn impacts their experience and success, and the productivity of the workforce overall. To address these challenges, we propose the following recommendations for consideration.

- Consolidate and promote awareness of existing resources and supports available to employers.
    - This could include developing a centralised online repository of apprenticeship information as has been implemented in other jurisdictions.
- Consider how industry and training providers can collaborate further to leverage expertise and resources and find training efficiencies within the system.
    - This could include short-term exchanges across workplaces so that apprentices receive the breadth of opportunities to apply their learning to a variety of tasks.
    - It could also consider how smaller businesses might be able to partner with larger companies in their network to leverage training resources available in the sector.
- Promote and consider expanding upon and formalising workplace training programmes for employers and their trainers.
    - This should involve collaboration with training providers and industry bodies to ensure the content is aligned across occupations and providers, and meets the standard required.
    - Industry bodies could also play a role in promoting these courses to its members and encouraging participation.
    - Explore if and how government investment in these training programmes might lead to better quality training outcomes for apprenticeships.
    - Investigate whether there are benefits in mandating this training for employers in the New Zealand context.
- Investigate appropriate accountability and reporting mechanisms to ensure employers are providing quality training.
    - Accountability mechanisms to explore could include external review and verification as has been implemented in other jurisdictions, such as Ireland's Authorised Officers (AOs) or the accreditation process by the SBB in the Netherlands.
    - Alternative approaches may be more fit-for-purpose in the New Zealand context, such as putting stronger parameters around financial incentives, ensuring that apprentices are achieving positive learning outcomes in order for employers to qualify for subsidies.
    - Ensure that these mechanisms are not overly burdensome, but rather focussed on improvement and adherence to best practice, and that employers are set up for success with access to the right support to provide quality training regardless of size of circumstance.
- Conduct further research into the specific needs, gaps, and challenges facing employers of apprentices so that targeted interventions can be designed and delivered to meet their requirements.

- Consider and define the Government's role in relation to investing in employer capability.
  - There are different perspectives on whether the government should be investing in supports to uplift employer capability regarding training. There is further scope to explore whether investment in employer capability is aligned with the strategic intentions of the apprenticeship system and how government can partner with industry to achieve the desired outcomes.

Summary of recommendations

119. The following sets out the key recommendations from this report:

1	**Consider the case for a clearer and collective view of the outcomes sought from the system, that gives consideration to the following:** • Clear roles and responsibilities for stakeholders within the apprenticeship system. • Support programmes and incentives for apprentices and employers that contribute to strategic goals, bolster apprenticeship participation, and support completion. • Robust mechanisms for setting, maintaining, and updating quality standards for training delivery and pastoral care, including quality assurance processes and accountabilities for training providers and employers with clear consequences for poor performance. • Clear pathways into apprenticeships from schools and other entry points (which are increasingly important), along with well-defined progression routes to higher qualifications and specialised roles. • A funding and incentive model that is aligned with policy objectives – confirming the importance of the construction and infrastructure sector, encouraging both quality and quantity of the workforce, supporting priority cohorts of learners, and ensuring adequate investment in teaching capability, pastoral care, and resources. • A monitoring and evaluation framework to monitor progress consistently across supports, and track progress towards shared outcomes.
2	**Develop a shared understanding of good pastoral care for apprenticeships**, including: • Clear outcomes, processes, and best practices.

	• Explicit roles and responsibilities. • A cost framework to understand the financial implications of delivering good pastoral care and its return on investment.
3	**Consider ways pastoral care delivery can be streamlined.** • Investigate a single point of contact for pastoral care through the training provider or another entity. • Consider mechanisms for flexible funding for tailored support. • Collaborate with local iwi and Māori communities to ensure culturally appropriate supports and services are integrated into pastoral care delivery.
4	**Consolidate and promote awareness of existing resources, funding/incentives, and supports to employers and apprentices.**
5	**Foster greater collaboration and formalise employer training programmes**, and explore related policy questions, including: • Whether government investment in employer training is aligned to desired outcomes. • If there are benefits to mandating training for employers (or workplace trainers) of apprentices in the New Zealand context.
6	**Investigate appropriate accountability and reporting mechanisms for employers of apprentices**, and whether delivery of quality training should be linked to financial incentives.
7	**Conduct research to better understand the capability gaps and challenges facing employers.**
8	**Consider and clarify the government's role in relation to investing in employer training and capability development.**

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Appendix 1: Definition of the construction and infrastructure sector

Concordance between Ministry of Education and Tertiary Education Commission definitions of construction and infrastructure sector (NZSCED)

Ministry of Education	***Tertiary Education Commission***
Civil engineering (Narrow field of study)	Construction and infrastructure
030901 - Construction Engineering	030901 - Construction Engineering
030907 - Water and Sanitary Engineering	030907 - Water and Sanitary Engineering
030910 - Road Construction	030910 - Road Construction
030999 - Civil Engineering nec, mixed or nfd	030999 - Civil Engineering not elsewhere classified
031101 – Surveying	031101 - Surveying
Electrical and electronic engineering and technology	031301 - Electrical Engineering
	031309 - Communications Equipment Installation and Maintenance
031311 - Power Line Installation and Maintenance	031311 - Power Line Installation and Maintenance
031313 - Electrical Fitting, Electrical Mechanic	031313 - Electrical Fitting Electrical Mechanics
	040101 - Architecture
	040103 - Urban Design and Regional Planning
	040105 - Landscape Architecture
	040107 - Interior and Environmental Design
	040199 - Architecture and Urban Environment not elsewhere classified
Building	040301 - Building Science and Technology
040303 - Building Construction Management	040303 - Building Construction Management
040305 - Building Surveying (Inspection)	040305 - Building Surveying (Inspection)
	040307 - Building Construction Economics (including Quantity Surveying)
040309 - Bricklaying and Stonemasonry	040309 - Bricklaying and Stonemasonry
040311 - Carpentry and Joinery	040311 - Carpentry and Joinery
040313 - Ceiling, Wall and Floor Fixing	040313 - Ceiling Wall and Floor Fixing
040315 - Roof Fixing	040315 - Roof Fixing
040317 - Plastering	040317 - Plastering
	040319 - Furnishing Installation
040323 - Glazing	040321 - Floor Coverings
	040323 - Glazing

Ministry of Education	*Tertiary Education Commission*
040325 - Painting, Decorating, Sign Writing and Other Finishes	040325 - Painting Decorating Sign Writing and Other Finishes
040327 - Plumbing, Gasfitting and Drainlaying	040327 - Plumbing Gasfitting and Drainlaying
040329 - Scaffolding and Rigging	040329 - Scaffolding and Rigging
040399 - Building nec, mixed or nfd	040399 - Building not elsewhere classified

Appendix 2: Using a systems change and policy coherence framework

To support our analysis and research design, we used two frameworks:

- Systems change[118]
- International Labour Organisation (ILO) participatory assessment of policy coherence[119]

The six conditions of systems change approach recognises that understanding policies, practices, and resource/funding flows are important for structural change, and they are explicit dynamics. But relational change and transformative change relies on understanding and working on relationships and connections, power dynamics, and mental models.[120]

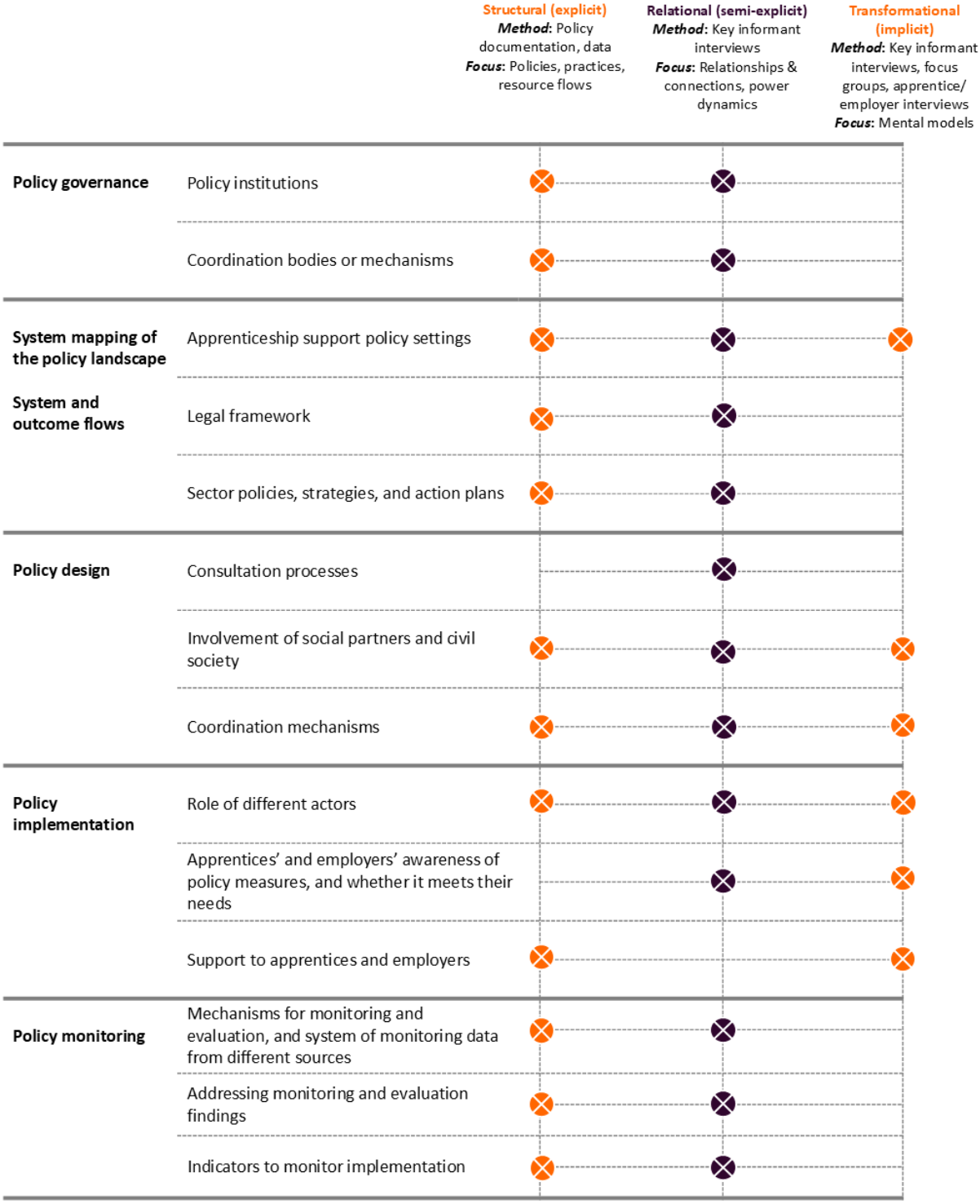
The ILO have developed and published a manual on how to undertake policy coherence assessments on labour migration[121], which we have adapted to understand apprenticeship support policy. Due to the number of different initiatives that have some relationship with apprenticeships in the construction and infrastructure sector, it was important to consider how well they all fit together. The policy coherence assessment framework looks at:

- The governance, policy accountability, and coordination arrangements.
- Where policies fit within the wider system, and connections with other systems.
- How the policy was designed, including the purpose, and who was involved.
- How the policy was implemented, including roles, awareness, and effectiveness.
- How the policy is monitored and reviewed.

We pulled these two approaches together so there is a single cohesive analytical framework for this research project (Figure 12). The framework shows the different parts of

[118] Kania, Kramer, and Senge, 'The Water of Systems Change'.
[119] ILO, *Manual on Participatory Assessment of Policy Coherence*.
[120] Kania, Kramer, and Senge, 'The Water of Systems Change'.
[121] ILO, *Manual on Participatory Assessment of Policy Coherence*.

Figure 12. Framework for research design and analysis



the apprentice support policy settings we are looking at, the research methods that will be used, and the particular focus that the research method intends to tap into.

Appendix 3: Research methods

The research project approach was approved by the Unitec Research Ethics Committee.[122]

One-on-one and group interviews with 8 apprentices and 6 employers

We interviewed apprentices and employers either in-person, online, or on the phone. Interviews were between 30 and 60 minutes. Participants were recruited via advertising on social media, Project Working Group networks, word-of-mouth, and available networks.

The recruitment of interviewees was challenging as we weren't able to rely on the networks of Project Working Group members as hoped. It was also a difficult time to interview apprentices and employers with a downturn in the market, and the sector feeling like it had been over-surveyed. During the fieldwork timeframe, the Government also sought feedback on proposed reforms for three parts of the vocational education system.[123]

The initial sampling strategy was to select interviewees based on certain criteria: ethnicity, sex, age, business size, region, stage of apprenticeship, and sub-sector of the industry. Because of the difficulties in recruitment we took a pragmatic approach, however, the resulting sample represent a good cross-section of the industry.

The following sets out the demographics of the apprentice and employer interviewees:

Apprentices	
Ethnicity (able to select more than one group)	5 European 2 Māori 1 Pacific peoples 1 Latin American
Sex	6 Male 2 Female
Age group	2 20-24 years old 4 25-29 years old 2 35-39 years old

[122] Approved by the Unitec Research Ethics Committee from 13 May to 15 May 2025. Reference 2024-1005_ConCove.

[123] Ministry of Education, '2024 Vocational Education and Training Reforms', Ministry of Education Te Tāhuhu o te Mātauranga, 25 October 2024, https://www.education.govt.nz/have-your-say/2024-vocational-education-and-training-reforms/details.

Apprenticeship stage	6 Currently in an apprenticeship 1 Near completion 1 Completed in last year	
Employer size category	1 1-5 employees 1 6-9 employees 3 10-19 employees 3 20-49 employees	
Region	1 Auckland 1 Taranaki 1 Gisborne	2 Waikato 1 Canterbury 1 Otago
Sub-sector (able to select more than one group)	8 Residential 3 Non-residential 1 Heavy and civil engineering construction 2 Construction services	

Employers		
Business self-identification	1 Māori company 5 None of the options (Māori company, Pacific company, Migrant company)	
Sex	5 Male 1 Female	
Employer size category	1 1-5 employees 2 6-9 employees 2 20-49 employees 1 100+ employees	
Region	2 Auckland 1 Gisborne	2 Wellington 1 Canterbury
Sub-sector (able to select more than one group)	5 Residential 2 Non-residential 1 Heavy and civil engineering construction 1 Light commercial	

Interviewees were provided with a Participant Information Sheet so that informed consent could be provided. Apprentices interviewed one-on-one were provided with a $50 voucher as an appreciation of their time. Apprentices taking part in the group interview were provided with a $30 voucher as they were already being reimbursed as part of their representation on a Managed Apprenticeship representative group away-day.

Analysis and triangulation

We used traditional qualitative analysis methods, thematic analysis, to analyse the interviews to gather themes and in-depth findings on what has and hasn't worked for apprentices and apprentice support policy settings.

Appendix 4: Summary of international apprenticeship policy settings

	New Zealand	England	Scotland	Ireland	Australia	Canada	Germany	The Netherlands
Definition and duration	New Zealand Apprenticeship Managed Apprenticeship • Enrolled at an ITP • Level 4 qualification • Often used to refer to arrangements where an organisation employs apprentices and that organisation manages apprentices and the host employer arrangement	• Employed for at least 30 hours per week, including time training away from the workplace • Independent assessment at end of apprenticeship • Intermediate Apprenticeships (Level 2) – 12-18 months • Advanced Apprenticeships (Level 3) – 2-4 years • Higher Apprenticeships (Level 4-7) – up to 5 years	Foundation Apprenticeships • Secondary school, employer, and provider Modern Apprenticeships • New and existing employees • Construction and related MA is a 2-year programme Graduate Apprenticeships • Designed by industry, backed by universities • Qual up to Master's degree level. 4-year programme	• Initial off-the-job training within a dedicated Training Centre, while advanced skills are taught within a higher education institution. • Programmes are full-time and of between 2-4 years in duration.	"Australian Apprenticeships" includes apprenticeships and traineeships	Apprentices must register with the appropriate governing body. Red Seal Trades – common standards to assess skills across Canada in specific trades. In order to work unsupervised in a number of trades in Canada, it is necessary to be a certified journey person. Usually an apprentice becomes a certified journeyperson after completing requirements and passing exams.	No official definition of apprentice or apprenticeship. The system developed historically out of the medieval guild system. Training within the dual system of companies and vocational schools.	The Education and Vocational Education Law clearly defines requirements for the dual pathway (beroepsbegeleidende leerweg or BBL): • comprise at least 850 hours of education per year, of which at least 200 hours must be school-based instruction (begeleide onderwijsuren) and of which at least 610 hours must be work placement (beroepspraktijkvorming, bpv). • In practice, this means that apprentices usually spend 1 day per week in the education institution and 4 days per week in the company
	3 – 4 years	**1 – 5 years**	**2 – 4 years**	**2 – 4 years**	**3 – 4 years**	**2 – 5 years**	**2 – 3 years**	**2 – 4 years**
Key agencies	• Ministry of Education • Tertiary Education Commission • Ministry of Social Development • Ministry of Business, Innovation and Employment • Te Puni Kōkiri • Waihanga Ara Rau • Hanga-Aro-Rau • ConCOVE • NZQA	• Department for Education (DfE) – policy • Education and Skills Funding Agency – funding and regulation of training providers • Institute for Apprentices and Technical Education (IFATE) – standard setting • HM Revenue & Customs (HMRC) – collects apprenticeship levy through the PAYE process.	• Directorate for Fair Work, Employability and Skills – policy • Skills Development Scotland (SDS), manages and funds delivery of MAs • Scottish Funding Council (SFC), fund colleges • Scottish Qualifications Authority (SQA) Accreditations – accredit and regulate qualifications • SQA Awarding Body: develop, maintain, improve qualifications, quality assure providers for FA and MA • Quality Assurance Agency (QAA), monitoring quality of GA delivery	• Department of Further and Higher Education, Research, Innovation and Science – policy lead • Apprenticeship consortia - employer, employee representatives, education and training providers and other key stakeholders. Directly responsible for programme validation, quality assurance and delivery. • National Apprenticeship Office (NAO): Oversight of management, quality and integrity. Brings together SOLAS and the HEA. (TEC equivalent). • A new National Apprenticeship Alliance (NAA) which is representative of	• Department of Employment and Workplace Relations – policy • Apprentice Connect Australia Provider (since 1 July 2024). Currently 19 around Australia. – mandatory, bridging/support organisations • Group Training Organisations (GTO) • Registered Training Organisation (RTO) – deliver and assess • ASQA Australian Skills Quality Authority. Regulates RTOs • Jobs and Skills Councils. Develops training packages.	• Employment and Social Development Canada (ESDC) – policy and funding • Provincial and Territorial Governments. Each province and territory has its own apprenticeship authority. Administration, regulation, certification, standards. • Canadian Apprenticeship Forum (CAF-FCA) – CAF-FCA is a national, non-profit organisation that promotes apprenticeship training and works to influence apprenticeship policies. It conducts research, provides resources, and facilitates collaboration among stakeholders. • Industry Training Authorities (ITAs). Provincial organisations	• Federal Government – policy, system architecture, and direction • Association of German Chambers of Commerce and Industry (DIHK) and the German Confederation of Chambers of Skilled Crafts (DHKT, part of the German Confederation of Skilled Crafts). Umbrella organisations of the "competent bodies" who support and monitor provision of in-company training.	• Ministry of Education, Culture and Science • The Foundation for Cooperation on Vocational Education, Training and Labour Market (Stichting Samenwerking Beroepsonderwijs Bedrijfsleven - SBB) has a coordinating role – advise, accredit and coach work placement companies develop and maintain the qualification structure – provide research and information on the labour market, work placement and efficiency of VET-programmes – advise the minister of Education, Culture and Science on linking vocational education with the job market. • DUO - Dienst Uitvoering Onderwijs: administration

	New Zealand	England	Scotland	Ireland	Australia	Canada	Germany	The Netherlands
			• Education Scotland, external reviews of elements of MA • Scottish Apprenticeship Advisory Board (SAAB): voice of employers. • Sector Skills Councils for each sector. Set standards. Feed in labour market perspectives. Role is diminishing.	apprenticeship stakeholders. Governance to support development of new single coherent system. • Quality and Qualifications Ireland (QQI): quality and standards		that manage apprenticeship programmes, including registration, training, and certification.		and financing of state-regulated VET • Sector-specific schools and training centres, and large multi sectoral regional training centres
Funding instruments	Unified Funding System – for the delivery of vocation education and training UFS has three components • Learner component • Delivery component • Strategic component	Levy • all employers with a pay bill of over £3 million per year (2% of employers). The levy is set at 0.5% of the value of the employer's pay bill, minus an apprenticeship levy allowance of £15,000 per financial year. • Have to be spent on apprenticeship training and assessment. Can't be used for wages. • 2020-21: 64% of apprenticeship starts were supported by levy funds. • Government 10% top-up. • Employers able to transfer to non-levy employers. 2021/22: 5,500 apprenticeships funded by transfers. • 2021/22: total value of the levy funds just under £5 billion. • 2020-21: £1.30 billion of levy funding was paid to providers on behalf of employers. • Construction industry employers pay Construction Industry Training Board levy. Engineering construction industry pay the Engineering Construction Industry Training Board levy. Used to provide training to the whole industry. Apprenticeship levy is additional.		National Training Fund (NTF) established in 2000. Replaced the Apprenticeship Levy. NTF is funded by a levy and the European Social Fund. • 1% of payroll of private and public sector employers. • In 2021 it was estimated that the NTF was EUR 774 million.	Australian Apprenticeships Incentive System (AAIS) is the Australian Government's primary financial assistance programme providing incentives to both apprentices and employers, at around $1.1 billion per year in 2022–23 and 2023–24. A range of programmes at the state level. AAIS was introduced in July 2022 to replace the previous Australian Apprenticeships Incentive Programme and to transition away from the short-term COVID-19 response measures.	Canadian Apprenticeship Strategy: • Union Training and Innovation Program (UTIP) – three streams of funding • Equipment purchases • Innovation • Green training • Organisations to support SMEs • Grants	Training levy in the construction sector. The construction sector introduced a training levy in 1976. All companies have to pay the levy. The amount is settled in the collective bargaining agreement. The levy is used to finance all inter-company training and a large part of the in-company training. The training companies finance the in-company training. The Federal States fund the vocational schools (mainly teaching staff salaries) and the local authorities' equipment and infrastructures.	Government funds the apprenticeship scheme. No EU funding is involved.
As a proportion of all apprentices	46% building	7.3% construction, planning and the built environment	25% construction and related	20% construction	29% building	64% electricians, carpenters, plumbers 24% carpenters	28% crafts	28% Technology and built environment (2023)
Completion rates	43% building (after 5 years) 49% electrical 55% civil engineering	53% construction (2024)	74% construction (2019)	65% carpentry (2019) 73% electrical 69% plumbing	53% construction (2019)	47% carpenter (2021) 57% construction electrician 52% plumber	75% construction (2019)	70% all industries (2022/23, all)

	New Zealand	England	Scotland	Ireland	Australia	Canada	Germany	The Netherlands
Support for employers	• Apprenticeship Boost Initiative (ABI)	• Sign a training plan with apprentice and provider. • Levy service account or 5% of cost and government tops-up the rest. • Smaller employers pay 5% of the cost of training and assessment. • Online apprenticeship service – Access and manage funding – Receive transfers – Advertise vacancies – Choose courses and providers – Choose assessors • Flexi-job apprenticeships: Agencies that employ apprentices and arrangement placements.	• Apprenticeship Employer Grant offered during COVID-19 but now no longer available. • Government funding is supposed to be a partial subsidy to be supplemented by employers.	• Generation Apprenticeship portal • Authorised Officers (AOs) support implementation of statutory elements of the apprenticeship system, including approval employers to take on apprentices, the apprentice registration process, maintenance of the National Register of Apprentices and associated key apprenticeship data; and support for the welfare of apprentices while in training, to include monitoring of the quality of on-the-job training.	• Apprenticeships Data Management System (ADMS) – Secure platform where employers and apprentices can manage their apprentices, apply for incentives, and track the progress of their claims Payments for employers: • For priority occupations, hiring incentive of up to $5,000 paid in 2 instalments ($2,000 at 6 months and $3,000 at 12 months after commencement). • Employers of apprentices not in priority occupations receive no financial support. • The Disability Australian Apprentice Wage Support (DAAWS) payment is also available.	• Apprenticeship Service programme: ESDC funds organisations that work with employers in the skilled trades. The organisations give financial support to small and medium-sized employers to hire first-year apprentices: – $5,000 for each eligible new first-year apprentice hired – $10,000 if the apprentice hired is from an equity-deserving group • No funding available as ESDC reviews the programme.	• Employers must employ at least one company instructor who has a professional qualification and has passed an aptitude test. • Support for SMEs who take on apprentices and help improve quality of apprenticeships.	• Employers need to be accredited by the SBB. This accreditation process includes checking whether the company provides a learning environment and supervisors. • Eligible companies are able to apply for a subsidy. Maximum of EUR 2700 per year per apprentice. • The more companies make use of the subsidy the less money is available per apprentice (there is a ceiling and the budget is equally shared amongst applicants, with a maximum of EUR 2,700 per apprentice). • Companies apply when the apprenticeship training is completed. • Subsidies at the sectoral level include for the metal and electrotechnics sector: EUR 2500 per year per apprentice (max 5 apprentices), with an additional EUR 1000 paid as a bonus on completion. • Internship Pact MBO 2023-2027
Support for apprentices	• Fees Free covers the fees for the final year of tertiary study or training in the first provider-based qualification or work-based programme you complete after 1 January 2025, up to $12,000 including GST.	• Apprentice Rate for 19 and under, and 19 and over first years • National Minimum Wage applies • Paid for working hours and training hours • Don't pay any of the training or assessment costs		• Generation Apprenticeship portal • Apprenticeship Employer Database • Training payments and allowances – aligned to gross wages paid by the industry • Tool allowance of EUR888 for Craft Workers, Craft Chargehands and Craft Foremen, for the year 2024	No upfront costs to starting an apprenticeship. Employer is responsible for training related costs. Training fees are set by the RTO and vary depending on the qualification. There are 2 payments for eligible apprentices: • Eligible apprentices in priority occupations can claim the Australian Apprentice Training Support Payment (AATSP) of up to $5,000 over 2 years. • New Energy Apprentice Support Payment of up to $10,000 over 4 years.	• Apprenticeship Incentive Grant (AIG): The AIG is available to apprentices in Red Seal trades who have completed their first or second year. AIG is a taxable cash grant of $1,000 per year or level, for a lifetime maximum amount of $2,000 per person. It ends 31 March 2025. It will be replaced by the Employment Insurance benefits. • Apprenticeship Completion Grant (ACG): is awarded upon completion of the apprenticeship. ACG is a one-time taxable cash grant lifetime amount of $2,000 per person for	• Collectively agreed training allowances • In 2020, collectively agreed training allowances averaged €963 per month overall. The highest training allowances were paid in the public sector at €1,076. The training areas of agriculture, liberal professions and crafts were below €900. Skilled trades were €850. • The salary is provided for the whole duration of the training. It increases per training year. • If live on your own, the Employment Agency provides Berufsausbildungsbeihilfe (BAB) that supports	• Legal minimum wage • Apprentice social insurance • Basic grant + supplementary grant. Amount depends on living situation. January to July 2025. **Per month** / **With parents** / **Away from home** Basic grant: €103.78 / €338.68 Supplementary grant maximum: €424.57 / €451.97 Loan: €226.08 / €226.08 Total student finance: €754.43 / €1,016.73

	New Zealand	England	Scotland	Ireland	Australia	Canada	Germany	The Netherlands
					Interest-free Australian Apprenticeship Support Loan (AASL) • If in priority occupation. In 2023–24, the maximum loan value is $24,493. The loan does not become repayable until the apprentice is earning above a minimum threshold (currently $51,500 per year).	registered apprentices who complete their apprenticeship training and obtain their journeyperson certification. It ends 31 March 2025. • Canada Apprentice Loan: interest-free loans to apprentices registered in a Red Seal trade to help cover the costs of technical training.	apprentices during training with a monthly allowance.	• The "Work agenda" signed on 14 February 2023 by the Ministry, VET-council, education and employers' organisations, VNG and SBB the following incentives are agreed: – Each student receives appropriate compensation, which is at least deductible from a reimbursement that includes all expenses (including travel expenses if they are not reimbursed in any other way). – The training company pays this allowance for expenses. – This allowance is offered on top of the wages. • Contribution towards course fees • Internship Pact MBO 2023-2027
Strengths and points of difference	• Specific and tailored supports for Māori and Pacific peoples apprentices	Employer levy	"one of the most flexible and wide-ranging systems in the OECD"[124]	• An economic assessment of the apprenticeship system will be delivered by the end of 2024 to inform the direction of the system post 2025. • Aos support implementation of statutory elements of the apprenticeship system, including approval employers	• February 2024: announced establishment of the Strategic Review of the Australian Apprenticeships Incentive System • Mandatory nature of Apprentice Connect Australia Provider to support employers, providers, and apprentices • Interest-free apprenticeship support loan	• Interest-free loan • Support to be subsumed into general Employment Insurance benefits • Completion grant • Canadian Apprenticeship Strategy (2019) • Specific support to SMEs • Specific support to improve equity	• The relatively smooth transition into employment and the resulting low youth unemployment are seen as important strengths of the system.	• High employment rate of apprentices post-completion, above EU average
Weaknesses	• Multiple programmes in place, funded and designed by different agencies	• Employers have found the levy account difficult to administer	• 16% of employers offer apprenticeships. Relatively little involvement of micro and SMEs. • No explicit incentives for employers to deliver apprentices.	• Moving to a single apprenticeship system, but untested.	• Apprentice Connect Australia Provider introduced in July 2024. Untested.	• System currently under review. No funding available while that occurs.	• Some of the more recent data shows that there has been a swing to more people taking up the university route, rather than apprenticeships	• The more companies make use of the subsidy the less money is available per apprentice • Fragmentation of sector-based incentives leading to unequal access to financial

[124] OECD, *Strengthening Apprenticeship in Scotland, United Kingdom*, OECD Reviews of Vocational Education and Training (OECD, 2022), https://doi.org/10.1787/2db395dd-en.

	New Zealand	England	Scotland	Ireland	Australia	Canada	Germany	The Netherlands
			• SDS doesn't know the costs to training. Providers may ask for employers to contribute more.					support for apprentices and companies. • Apprentices not directly financially supported by the government.