

Aide-Memoire: Apprentice retention initiatives by Te Pūkenga's work based learning divisions

To:	Hon Penny Simmonds, Minister for Vocational Education
From:	Gillian Dudgeon, Deputy Chief Executive
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Purpose

1. The purpose of this paper is to share with you research conducted in 2023 on understanding the various reasons why an apprentice chooses to withdraw from their programme, and what can be done about it, and the response by Te Pūkenga's work based learning (WBL) divisions.
2. The research findings are attached as **Appendix 1**.

Te Pūkenga commissioned research into apprentice retention in 2023...

3. The driver for the research was the trending decrease in retention rates of apprentices, in particular in the first year. The first-year retention rate of apprentices has decreased from 76% in 2018/2019 to just 67% in 2022, at a time when work-based apprentice numbers were increasing significantly in recent years – from about 48,000 in 2019 to 75,000 in 2022 (a 55% increase)¹.
4. The aim of the research was to understand the reasons why an apprentice chooses to withdraw from their programme, and what can be done about it. A mixed methods approach was used, with the following objectives:
 - identify the relative importance of factors influencing ākonga decisions to withdraw from their apprenticeship
 - identify what ākonga are doing post-apprenticeship, and why
 - propose a series of interventions to help improve retention rates, informed by the findings.
5. The researchers interviewed 105 learners, undertook quantitative analysis using the Stats NZ Integrated Data Infrastructure (IDI) to determine what individuals are doing when they withdraw (particularly in that first year), and a scan of existing research.

¹ Much of this increase is credited to the Apprenticeship Boost scheme introduced in August 2020, providing financial incentives and support for employers and apprentices.

... finding three sets of factors for withdrawal...

6. Each set of factors is significant in its own right, meaning a range of interventions are required.

Personal factors account for 26% of withdrawals...

7. Almost half of the interviewees (48%) mentioned that personal factors contributed to their decision to withdraw. For 18% this was the sole factor, but for most it played a lesser role.
8. A change in personal circumstances was the most cited personal factor for withdrawals. It contributed to the decision in some way (but not necessarily as the main reason) for one third of the interviewees. The most common changes in personal circumstances were health-related (of themselves or others), travel-related (some had committed to overseas travel expecting to have finished their apprenticeship at that point) or family-related (having one or more children during their apprenticeship).

System level factors were the next most prevalent at 31%...

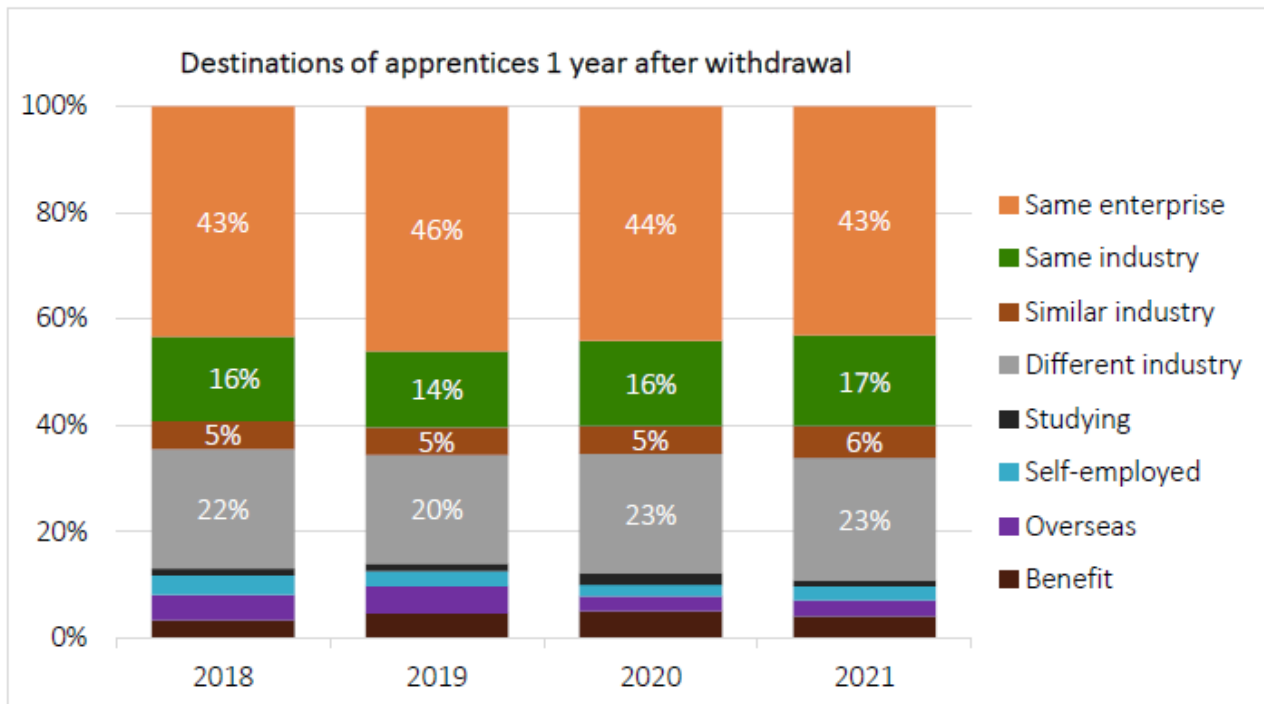
9. These are factors that are neither the employer nor the apprentice have control over.
10. They include the level of training wage rates, models of training and assessment (including cultural responsiveness), and the economic climate (for example, recessions result in higher rates of redundancy for apprentices). Some system level factors are within the control of WBL divisions (for example, delivery and assessment) while others are not (such as government policy).

... with employment factors being the most likely driver at 42%

11. These are factors over which the employers have control, and include relationships, working conditions, workplace culture, the quality of on-the-job training, and employers' attitudes to training.
12. The research shows that a supportive employer who models good work practices and work ethic, and the provision of pastoral care, is important for retaining apprentices.

... and a consistent pattern of where they go when they withdraw

13. The researchers found that the broad destinations of withdrawn apprentices do not appear to have changed in the last four years. From this they concluded that although withdrawal numbers have increased, the reasons for withdrawing have not changed.
14. Analysis of the destination of apprentices one year after withdrawal show consistently 60% are either with the same employer, or in the same industry (this goes up to 76% for apprentices over 40) (see figure 1). This suggests to the researchers that it is not the job that is the issue, but rather something about the training programme which has led them to withdraw.
15. A further 5% are in a similar industry.
16. Over 20%-23% change industry, while the remain ~10% are self-employed, studying, on a benefit or overseas.
17. Most withdrawals (65%) occur in the first or second year.

Figure 1: Destinations of withdrawals 2018-2021 (Stats NZ IDI)

The report recommended a number of actions to support apprentices...

18. Given the pattern of early withdrawals (one third in the first year), the evaluation suggested that the interventions of the highest value and importance should be targeted support in that first year of the apprenticeship. A **first year success programme** proposes an holistic approach that:
- looks at the resources provided on commencement from a user perspective (asking questions such as “What do I need to do first?”, “What do I need to know about the first year?”, “What are the on-job and off-job requirements?”)
 - enhances the sense of progress and success in the first year by developing ‘quick win’ credits to allow learners to achieve in their first month and a structured minimum credit achievement plan for Year 1
 - supports learner through structured mentoring and learning plan agreements
 - refines processes for developing learning plan agreements with ākonga and employer
 - ensures diverse learning styles are addressed and finds new ways to assist with literacy and numeracy needs.
19. Second and subsequent years should **build on the support programme** from the first year, with mentoring better targeted and triaged, and supported by activities such as:
- creating virtual and in-person ‘learning communities’ to provide peer support, delivering more pastoral care using new tools to deliver support in different ways (e.g., WhatsApp, Facetime)
 - enhanced delivery and assessment by reducing repetition of content, ensuring assessments are clear, and identifying common questions around technical aspects of units.
20. **Employment/transition bridging** will assist learners to find an optimal employer, and to bridge the transition between employers/WBL divisions/parts of Te Pūkenga where this is needed through more flexibility. Assistance could be provided when a move between employers is

necessary, and some flexibility allowed in the length of the transition period to allow for individual apprentices' situations. Some learners may also wish to continue the theory component of their apprenticeship while they are between employers.

21. **Support learners to get past roadblocks** by identifying any common assessments/units that they are having difficulty completing and facilitating a way for them to get some support to pass them.
22. **Employers may also require support**, especially those who are new to employing an apprentice, who have had high withdrawal rates in the past, or who have not previously employed, for example, younger people or women. There needs to be improved understanding what additional support employers may need, particularly those with little prior experience with work-based apprentices, or those flagged as high-risk.
23. Finally, the researcher considered **completion grants**, providing financial assistance to learners close to finishing but for whom there may be financial barriers to completion.

... prompting activities at Te Pūkenga's WBL divisions

24. In response to the report, Te Pūkenga established a WBL Acceleration Fund of up to \$1 million to support the implementation of new initiatives or scaling of existing initiatives to support first year apprentices in 2024.
25. They sought submissions to support first year apprentices that offered targeted, individualised delivery, and assessment to successfully achieve 20 to 30 credits.
26. Eight of the nine WBL divisions made submissions, which were all supported. The fund was divided equally between each of the eight divisions, with each receiving \$125,000.
27. The initiatives are summarised in Table 1.

Table 1: WBL Acceleration Fund initiatives

WBL Division	Initiative
Primary ITO	<p>Mt Cook Alpine Salmon (MCAS) Apprenticeship Support</p> <p>Increase the number of registered Aquaculture SME assessors based in Twizel and Christchurch to improve support to learners to complete workbooks, workplace assessments, and facilitate wrap-around support.</p> <p>Hoake tātou, Let's Go</p> <p>Scale targeted literacy support and digital upskilling for learners in apprenticeships in the Agricultural and Horticulture sectors, through Literacy Aotearoa.</p>
Connexis and EarnLearn	<p>1st Year Apprenticeship – Supplementary support Initiative</p> <p>Provide additional support to first year apprentices, with a focus on Māori, Pacific and disabled learners while meeting the requirements of each organisation to Te Tiriti as a crown entity.</p>
HITO	<p>Headstart – induction and guidelines to support apprentices and trainers in the first 3 months of a hair dressing apprenticeship</p> <p>Three-month targeted induction programme for apprentices, employers, and trainers to improve understanding of workplace expectations, and support apprentices to achieve 10 credits in the 3 months, receive peer support and SME coaching, plus to manage expectations to ensure</p>

WBL Division	Initiative
	challenges to off the job course training for apprentices to participation are improved.
Competenz	Effective Learner Onboarding Improve employer experience and outcomes to boost learner retention and tailor employer engagement.
Careerforce	Scaling up of facilitated sessions for NZ Apprenticeship in Advanced Care and Support, Increase the number of facilitated sessions and locations and create online delivery resources to increase access to more geographical regions and allow learners to attend sessions outside of work hours as many are unable to be released to attend face to face sessions.
BCITO	Supporting new and existing trainers to support learners Create a new "train the trainer" face-to-face or on-line course to teach onsite trainers to be great trainers. Apprentice Handbook Supports apprentices to navigate the first 12 months of a new apprenticeship with BCITO consistently, drawing on existing tools and resources on BCITO's website and myBCITO. The handbook is a coherent interconnected resource drawing together material to improve guidance and support for new apprentices, clarity, and transparency in a reference tool.
Service IQ	New apprentice and new employer support Dedicated resource to support new apprentices, with a focus on enhancing a sense of purpose, improve retention and provide vital pastoral care. The project will resource targeted support for first-year apprentices, and their workplaces.

ConCOVE has also conducted its own research

28. The Construction Centre of Vocational Excellence (ConCOVE) has also conducted research into its own industry.
29. They identified several areas within the current apprenticeship support system where there are challenges and opportunities for improvement. They have presented their initial findings to agencies and are now finalising their report. It should be available in the near future.
30. The report is focussed at the system level rather targeted initiatives, but have thematic links to the Te Pūkenga findings, and matters that have been raised in recent consultation on the redesign of WBL.

Next steps

31. Te Pūkenga divisions are in the process compiling reporting on their current initiatives to support better learner outcomes. This was a funding condition applied to investment funding for Te Pūkenga for 2025 as TEC did not see enough evidence of the work the WBL divisions were doing to support improved learner outcomes in their respective industries.
32. This reporting will outline what work has been undertaken and achieved to date and how progress is being monitored and measured, and what work they will focus on in 2025, in particular how these activities will support improvement in performance and outcomes for learners.

33. We would also expect to see WBL Divisions reporting on the apprenticeship initiatives funded in 2024.

34. These reports are due to the TEC on 30 April 2025.



Gillian Dudgeon

Deputy Chief Executive, Delivery,
Tertiary Education Commission

21 February 2025



Hon Penny Simmonds

Minister for Vocational Education

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Appendix 1: Te Pūkenga research into apprentice retention
