



FPSE **ISSUES**

UPDATE

Downing the Tools: Threats to trades training in BC and recommendations for change



Federation of Post-Secondary Educators
400 - 550 West 6th Avenue
Vancouver, BC V5Z 1A1
www.fpse.ca

In 2002, the provincial government opted for a radical reshaping of BC's trades training and apprenticeship system. The move came less than a year after the BC Liberals took office in May 2001.

Emboldened perhaps by the massive majority that they had in the legislature (77 government MLAs and only two Opposition members), the government chose to scrap the Industry Training and Apprenticeship Commission (ITAC) and replace it with a so-called new model for training. Under this new system the Industry Training Authority (ITA) became responsible for managing access, content and funding of trades training in BC.

Even in its move to reshape the province's training system, the government took something of a ready-fire-aim approach to changing the system. In February 2002, ITAC offices were closed and close to 200 counsellors, staff and administrators were dismissed. It would take another 18 months before ITAC's replacement, the ITA, was designed, launched and supported by enabling legislation.

During this interim period, trades training fell into a limbo-like status with no effective leadership. In many respects, this rocky start to the so-called new model was a foreshadowing of what was to replace ITAC.

Instead of a training system in which input and advice were sought from key stakeholders in the system (employers, workers, post-secondary educators and government), the new model was heavily weighted to input from employers. Where ITAC had developed a system to ensure effective support and counselling for apprentices, the

new model embraced a vastly scaled down approach where prospective apprentices had to rely on "self-registration," a move which later proved to be disastrous for apprentices and post-secondary institutions.

The labour movement, in general, and our Federation, in particular, were sceptical that the new model would lead to the stated objectives that the government trumpeted when it scrapped ITAC. However, those objections were ignored as the government decided that its strong majority gave it free reign to make radical changes to the existing system of trades training.

This paper was initiated by trades training instructors in the public post-secondary system who, like many in the labour movement, believe that it is time to overhaul the new model. These instructors point to chronic problems in the current system that have their origin in the policy, governance and funding principles that are central to the new model's approach to trades training. They also note that despite claims that the scrapping of ITAC would promote and accelerate trades training, the opposite has happened, leaving BC's economy vulnerable to the problems of a growing skills shortage.

The discussion summarizes many of the problems with the new system. It also recommends ways to improve that system, expand access for students and ensure that key stakeholders are once again included in

a collaborative effort to improve the quality and effort of trades training and apprenticeship in BC.

Why is Trades Training Important?

A central contextual point in the debate over trades training and apprenticeship is understanding the important role that this level of training plays in the broader economy. Beyond the specific skills that this training provides an individual, a properly designed and funded system of trades training contributes three essential elements to a modern and growing economy: labour mobility, higher incomes, and a positive return in investments made by employers committed to apprenticeships.

Labour mobility refers to the ability of an individual to find employment, without serious impediment, from one jurisdiction to another. Part of that mobility requires that an individual's skills, training and credentials are recognized across jurisdictions. For trades training in Canada, that means having a certificate of qualification for a specific trade recognized in more than just the province in which it was received.

Labour mobility also links an individual's rights with the broader objective of increased productivity. When an individual's skills are recognized across jurisdictions (provincial, national or international), that individual is better positioned to find secure employment. The less recognized the skill, the less mobility a worker has and the more vulnerable they are to the limited employment options in their local area.

For the broader economy, increased labour mobility means higher productivity because workers are able to move to where the

jobs are. That mobility translates into lower unemployment and higher labour force participation rates, two critical components of increased productivity.

The higher wages and higher incomes associated with trades training are directly connected to increased labour mobility. On the income side, higher skill levels move in tandem with more hours of paid employment per year. A 2001 Statistics Canada report shows that those with a post-secondary certificate or diploma record approximately 30 per cent more hours of paid employment per year than workers of comparable age who do not have the same level of training or skill. Higher wage levels also track positively with higher skill levels. The most recent evidence on this was provided by the report by the Canadian Council on Learning (CCL) which shows those with some form of post-secondary education (diploma, degree, certificate, or completed apprenticeships) earn at least 25 per cent more than those who have only completed high school.

Often overlooked in the debate over trades training and apprenticeships is the return to an individual employer who is prepared to sponsor an apprentice. Prior to the research done by the Canadian Apprenticeship Forum (CAF), the argument from employers was that taking on apprentices was a cost to individual employers. However, CAF research showed exactly the opposite. The average employer saw a 38 per cent return on the costs associated with sponsoring an apprentice. The study showed that rather than undermine productivity, apprentices (even in their first year) helped increase workplace productivity. As well, sponsoring apprentices helped improve employee retention, an increasingly important consideration in an economy dominated by growing skills shortages.

How Has Trades Training Changed Under ITA?

The two dominant features of the new model for trades training are deregulation and employer-dominated governance and oversight. In effect, trades training and apprenticeship are now seen more as a service to employers rather than an opportunity that provides workers with access to new skills, more training and broader recognition for their talents. This bias in favour of employer demands helps explain why ITA eliminated stakeholder representation on their governing Board, gave preference to a credential in task-specific skills instead of encouraging the full-scope of a given trade and relegated public post-secondary institutions (where over 90 per cent of trades training programs are delivered) to the role of “service providers” rather than partners in the development of a skilled workforce.

For individual students, the shift from ITAC to ITA has been difficult. With virtually no administrative or counselling support services under the ITA, “self-help” has become the new standard for everything from registering for Foundation Training programs (under ITAC these programs were called Entry Level Trades Training) to full apprenticeship programs. As well, it has been left to apprentices to engage an employer in sponsoring their apprenticeship, a change that often leaves apprentices either vulnerable or at least uncertain about the degree to which their employer will fully support them with leave provisions to complete course requirements. This problem of employer support had been present under ITAC, but under that system counsellors played the role of advocate for the apprentice as well as a local coordinator to ensure training programs were fully subscribed. For public post-secondary institutions, the

change from ITAC to ITA has meant moving from a position of stakeholder to one of service provider. As stakeholders under ITAC, public post-secondary institutions had an active and critical role in system governance as well as program content and review. In their new role as service provider, however, post-secondary institutions faced an ITA that issues directives about program offerings, course content and funding formulas. In many instances these directives showed little flexibility and often ignored the unique problems of smaller (typically rural) colleges and institutes. Post-secondary institutions also have to contend with funding policies of ITA that are not supportive of other Foundation Training programs or Apprenticeship programs. In 2006, for example, ITA announced proposed changes in the duration of funded weeks for a broad range of trades programs. Those changes were drafted without consulting post-secondary institutions. In many instances, the changes meant cutting the number of funded weeks without any consideration for how to adjust course content to fit fewer weeks of funding.

ITA’s funding relationship with public post-secondary has also been adversely affected by its decision to fund only individuals in a class instead of funding the entire class. That change has proven disastrous for post-secondary institutions because of the “self-help” approach to registration. With no provincial scheduling system in place, prospective students register in several different institutions in the hope that they will get into one of their preferred training programs. However, for individual institutions, there is no way to anticipate whether the list of applicants for a program will all show up on the first day of class. It is not uncommon for an institution to run a program on the assumption that at least 16 students who registered will actually show up, only

to find that the class size drops to 12 students or less. With low utilization rates the institution is forced to effectively subsidize a class that could have had more students in it if there was a more coherent system of provincial data sharing and registration. There is also now a “claw back” of funds from institutions that do not reach full enrolment in particular training class. The effects of this latest move will be devastating, especially at smaller institutions.

Is the New Model Working?

It is clear that the change from ITAC to ITA has been anything but smooth. For more than a year and a half after scrapping ITAC, BC had no legislative replacement. When legislation to create ITA was introduced it took almost a year for the new Board to be confirmed and some form of operational presence to be established. Throughout this entire period valuable time was lost and any sense of policy leadership on trades training was nowhere to be found.

Although the transition to the new model for trades training has been fraught with controversy, the real test for the ITA was whether it would produce substantially better results than its predecessor, ITAC. Certainly the new model was not encumbered by any fiscal constraints. In its first two years ITA enjoyed the same budget as ITAC. In fact, that fiscal situation was improved starting in 2006 when the provincial government increased ITA’s budget by almost \$33 million over the authority’s three year service plan.

At first glance, ITA appeared to be making a difference. Registration in trades training programs increased dramatically starting in 2005. However, on closer scrutiny, the reported increase was extremely misleading. The new number included students

who were enrolled in introductory trades programs offered in the K-12 system. More significantly, the new number included anyone who was enrolled in what were formerly known as ELTT programs, Entry Level Trades Training Programs. These registrants inflated the numbers and made it appear that apprenticeship under the new model was being fully supported and subscribed.

However, the real proof of an effective trades training and apprenticeship system is the number of students who actually complete their apprenticeships in any given year. By that measure, ITA has been failing badly. Under ITAC, an average of 2,800 apprentices completed their apprenticeship every year. Under ITA that number dropped by almost 40 per cent between 2001 (the last full year of ITAC) and 2005. Since 2005, the number of apprentices completing their apprenticeship has increased but it is still below the level recorded in 2001.

What’s particularly shocking about this completion rate is that the dismal performance coincided with a substantial increase in ITA’s budget. By 2006 ITA’s budget had increased by over 16 per cent. That budget is projected to increase by another 15 per cent over the next two years. When you consider that most Ministry budgets—with the exception of Health—have been restrained to increases of less than 3-4 per cent per year, the ITA increases are significant. Yet, despite these increases, completion rates—the core measure of performance for ITA—have remained relatively flat compared to 2001.

Where is this new money going? Part of it has flowed to the creation of Industry Training Organizations (ITOs) which were created as part of ITA’s effort to decentralize trades training and make the training effort more “responsive” to industry needs.

**INDUSTRY TRAINING AUTHORITY
FISCAL YEARS 1996/1997 TO 2006/2007**

Table 1: Number of Provincial Certificates Issued

Fiscal Year	Provincial Certificates Issued ¹		
	By Completion of Training Programs	By Challenge of Examination ²	Total
1996/1997	2,920	1,551	4,471
1997/1998	2,961	1,164	4,125
1998/1999	2,905	898	3,803
1999/2000	3,001	1,013	4,014
2000/2001	2,868	774	3,642
2001/2002	2,930	1,010	3,940
2002/2003	2,539	862	3,401
2003/2004	1,906	422	2,328
2004/2005	1,928	450	2,378
2005/2006	2,369	530	2,899
2006/2007 ³	2,153	1,398	3,551

Notes:

¹ BC issues two types of certificates: Certificates of Qualification and Certificates of Apprenticeship. Persons completing apprenticeships and passing the Certificate of Qualification Examination are awarded BOTH certificates for the trade. In this case, the chart records only ONE certificate issued, in order to avoid double-counting the tradesperson.

² Starting in Fiscal Year 2006/2007, "By Challenge of Examination" includes certificates issued by completion of the modular Welder C, B, and A programs.

³ Total Certificates includes certificates issued to Oil & Gas Rig Technicians registered in Alberta but living in BC. The total reported by Alberta as of March 2007 is 91. Total certificates issued per AIMS 3,460 + 91 = 3,551.

The ITO model was tried in New Zealand but has proven to be a dismal failure there. The concept rested on the assumption that with an ITO in place employers in a sector would take greater ownership of training and ultimately put their own money into the training effort. That didn't happen in New Zealand and despite substantial up-front support from ITA here in BC, there is little evidence that employers are putting their own money into trades training.

The ITO approach has also created enor-

mous confusion amongst those trades not covered by an existing ITO. The most current information indicates that there are 56 trades for which there are no ITOs. In other words, these trades have no mechanism for revising course content or very limited means for adapting new technologies to their existing training programs.

The ITO approach also adds confusion by breaking down many of the full scope trades into task-specific credentials within a particular industry or sub-sector. For exam-

ple, the residential construction employers have been pressing to take full scope carpentry and break it down into task-specific credentials like forming or framing. While this change may be beneficial to a few developers, it does very little to improve mobility or ensure that an individual eventually completes their certificate of qualification (C of Q) in carpentry.

Training Tax Credit

In her 2006 provincial budget Finance Minister Carole Taylor set aside \$90 million over three years for a training tax credit. For public post-secondary institutions that had been struggling with declines in real per-student operating grants from the provincial government, the tax credit

announcement seemed at best curious and at worst a misallocation of training money that should have been directed at the very institutions that deliver over 90 per cent of trades and technical training. Instead, Taylor's announcement would mean employers would gain access to public money for training.

Details on how an employer qualified for the tax credit have taken considerable time to finalize. Many critics were concerned that the tax credit proposal was simply going to reward employers for training they should have done. Others pointed out that the tax credit might also reward an employer for training they were going to do anyway, with or without the tax credit.

INDUSTRY TRAINING AUTHORITY FISCAL YEARS 1996/1997 TO 2006/2007

Table 2: Number of Red Seal Endorsements Issued

Fiscal Year	Red Seal Endorsements Issued ⁴		
	By Completion of Training Programs	By Challenge of Examination	Total
1996/1997	2,249	458	2,707
1997/1998	2,403	693	3,096
1998/1999	2,360	506	2,866
1999/2000	2,433	660	3,093
2000/2001	2,282	512	2,794
2001/2002	2,281	510	2,791
2002/2003	2,074	492	2,566
2003/2004	1,593	290	1,883
2004/2005	1,619	306	1,925
2005/2006	1,952	370	2,322
2006/2007	1,711	410	2,121

Notes:

⁴ Red Seal Endorsements are not certificates. Persons passing the Interprovincial (Red Seal) Examination for a trade are issued Provincial Certificates with Red Seal Endorsement; these endorsements are not counted as additional certificates but are included as a sub-set of the numbers in Table 1 above.

For post-secondary educators and their institutions, the tax credit was more evidence that the provincial government wanted to further privatize training BC. By establishing the tax credit, public money for training would flow into employers' hands who, in turn, would contract with private providers to meet the criteria necessary to qualify for the tax credit in the first place. Existing capacity in the public post-secondary system would be largely bypassed with this training scheme, a move that further undermines the public system.

Federal-Provincial Agreements

Although the federal government does not have direct input into post-secondary education or trades training and apprenticeship, it can influence both through federal-provincial agreements and the setting of national standards. On both fronts there are reasons to be concerned. The Harper government has been reluctant to endorse anything that bolsters labour market standards. As we have seen in the case of the temporary foreign worker program, for example, the federal government has moved to eliminate many of the important protections and regulations that prevented Canadian employers from using the program as a source of cheap and temporary labour. The labour movement across Canada has good reason to believe that this same deregulated approach could be easily applied to trades training.

Unfortunately, the move within BC, under ITA's leadership, to allow the break down of full scope trades into task-specific credentials has the potential to seriously erode the existing Red Seal program. That program ensures that provincial C of Q's are recognized across Canada. Although the Red Seal program does not apply to all trades, it does cover a significant number of con-

struction and metal trades. While the Harper government has not taken direct aim at the Red Seal program, it has, through funding cuts and tax policy, indicated its preference for a deregulated approach to labour market issues in general and trades training policies in particular.

The federal government's influence on trades training is also affected by federal-provincial labour market agreements. Through these agreements, the federal government details cost-sharing arrangements that it will support. Many of the funded programs involve labour market training initiatives. There has been a shift in the way the federal government cost-shared funding is allocated. More and more of that money is being re-directed to support labour market training that is delivered by private trainers. Like the tax credit program, this labour market funding often targets sectors and employers rather than strengthens the capacity of the existing public post-secondary education system.

Recommendations for Change

There are major problems with BC's current system for trades training. The entity established to lead trades training in BC, the Industry Training Authority, has fallen far short of meeting the goals that the provincial government set for it. The ITA's failure to increase one critical measure, the number of apprentices who successfully completed their apprenticeship, came despite significant increases in its operating budget (increases that were made at a time when most Ministry budgets were being restrained). Moreover, the failure to improve completion rates came at a time when BC was experiencing a growing skills shortage, due in part to the failure of ITA to meet its stated objective of increasing the supply of skilled trades.

Many factors have contributed to ITA's failure, but our Federation believes that it is time to re-think many of the key operating and funding principles of the ITA. That re-thinking needs to be built around the following principles:

- **To guarantee true mobility consistent with Canada's Charter provisions, BC's system of trades training needs to strengthen measures that would allow an individual to achieve a Red Seal certification if it is available in their chosen trade.**
- **To strengthen the integrity of trades training in BC, the public post-secondary institutions, which currently provide over 90 per cent of trades training and apprenticeship programs, must continue to be the trainer of choice for all trades training and apprenticeship programs.**
- **To ensure a balance of views and oversight, the governance structure of the agency tasked with delivering trades training programs in BC must include faculty union representation as well as representation from the broader labour movement.**
- **To improve the reporting and accountability function of the ITA, the Authority must be brought back into the Ministry of Advanced Education.**
- **To ensure that training meets the standards of sound pedagogy, the ITA needs to respect the shared governance of curriculum development by government, institutions and faculty.**
- **To enhance the capacity of public post-secondary institutions to continue to deliver high quality trades training, those institutions**

need to be adequately funded for curriculum development, capital cost, counselling services, and registration. As well, the ITA's funding formula needs to be changed in ways that support classes of students and allows institutions and faculty to appropriately manage and deliver trades training.

- **To guarantee real equality of access to trades training, the ITA needs to make new investments in initiatives that open access for under-represented groups in trades training. These groups would include women, first nations, visible minorities, and those with disabilities.**
- **To ensure comprehensive and high quality training, trades training instructors must have contractual commitments equivalent to academic freedom for other faculty in public post-secondary institutions.**

Conclusion

Trades training plays a critical part in building a modern sustainable economy. The radical changes to BC's trades training system have done little to position our province or our workforce with opportunities to fully access trades training. The shift from ITAC to ITA has been costly and has failed to deliver the improvements in trades training that were used to justify the change in the first place. It's time to correct the mistakes made by that shift. Our Federation is committed to working with the provincial government, public post-secondary institutions, employers and others in the labour movement to ensure that trades training in BC meets its full potential.