

**A RESPONSE BY THE
BRITISH COLUMBIA AND YUKON TERRITORY
BUILDING AND CONSTRUCTION TRADES COUNCIL
TO THE
DISCUSSION PAPER
A New Model For Industry Training In BC**

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to the
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B.C. & Yukon Territory Building & Construction Trades Council
to the discussion paper
*A New Model For Industry Training In British Columbia***

INTRODUCTION

The British Columbia and Yukon Territory Building and Construction Trades Council (BCYT-BCTC) is the umbrella group for 12 construction trades and 22 construction unions in the province. There are roughly 35,000 journey level and registered apprentice workers who are members of unions affiliated to the BCYT-BCTC. This submission is our response to the Discussion Paper: A New Model for Industry Training in British Columbia by the ITAC Transition Advisory Committee issued in December 2002.

Construction craft unions have a primordial connection to apprenticeship training. Craft associations were granted legal recognition over 500 years ago. For the next 400 years, Guilds, the precursors to today's unions, had jurisdiction over the designation of master craftsmen and apprentices. Craft unions in North America have been involved with skills development and apprenticeship training from their inception over 100 years ago. While on-the-job training comprises 85% of an apprentice's indentureship to an employer, formal classroom training has always complimented skills development. Each craft union sets limits on the number of apprentices to each Journeyman, usually about three or four. Adherence to apprenticeship ratios is a quality measure and legacy that dates back to the Guilds.

Currently there are roughly 16,000 apprentices in the province. Half of these are indentured to employers in the construction industry. This disproportionate number means that the construction industry is providing the skilled workforce for many other industries including forestry, pulp and paper, BC Hydro and infrastructure maintenance for municipal, provincial and federal governments.

Across the USA and Canada statistics show that over 80% of the construction industry apprentices who successfully complete their requirements for trades qualification certificates are sponsored by Joint Apprenticeship Training Boards (BCTC unions and Employer Boards).¹

We begin our submission with a rebuttal to the premises used by the Transition Advisory Committee invoked to justify changes to the status quo. Our submission then looks at the process used to impose the new model for skills development. Following is a look at the construction industry in BC. Next is a detailed look at

¹ Union vs. Open Shop Training, Latest study of apprenticeship programs finds 82% of registered apprentices union, Cockshaw's Construction labour News and Opinion, January 2003, Vol 33, No.1

ITAC and discussion of our contentions with the proposed new training system. We finish with reasoned arguments against the proposal to eliminate compulsory trades.

PREMISES OF THE DISCUSSION PAPER

The Discussion Paper begins by listing its view of weaknesses in the current system. We take issue with the Transition Advisory Committee's understanding of the problems with ITAC and with the conclusions drawn from these claims.

* With regard to integrating ELTT with apprenticeship indentureships. If ELTT programs for some trades are requiring that students take a program of up to 12 months in length for which industry then only credits 6 - 8 weeks, this is a problem of the schools offering the program. Before the advent of ELTT, pre-apprenticeship programs used to last just four months. ELTT is not a guarantee that the learner will begin an apprenticeship. Apprenticeship only takes place when there is an agreement (indentureship) with an employer or joint board. Too many ELTT graduates have arrived at our doors (the joint boards) expecting to be automatically accepted as apprentices. ELTT graduates are accepted but it's not guaranteed. It is wrong for educational institutes and government agencies to lead students on by intimating that apprenticeships are guaranteed for those that take an ELTT. The success of ELTT varies for each trade. Educational institutions should become more accountable to each specific trade within each industry. This said, the success of ELTT should not be measured in the number of graduates who find jobs, but rather the number that go on to be apprentices (currently about 20%). Right now the government trumpets the success of the program by counting the number of ELTT graduates who wind up working at Canadian Tire, Home Depot and other less than satisfactory employment opportunities.

* With regard to multi-skilling. More will be said of this later but our primary objection is that breaking the trades into small skill components will lead to shoddy workmanship. At a minimum poor worker qualifications are a liability for developers, contractors and local governments (as inspecting authorities). A good example of this liability is the recent successful class action by owners of a leaky condo in Delta, BC. In that case, the court assessed damages of \$3 million to be paid by the contractors, developers and City of Delta. In a worst case scenario, shoddy workmanship jeopardizes public and worker safety. Non-qualified workers, or those limited to specific skills or tasks, involved in the construction of critical path systems, (e.g. gas, electrical and elevators) pose a danger to the general public who, as innocent victims, may happen to be in the vicinity of building systems that fail.

* Competency is already addressed by the current system. If a worker can demonstrate they have the skills, they are able to challenge TQ's.

* Attrition or apprenticeship drop-out rates are directly related to employer commitment to the indentureship. Various studies have shown that union and joint-board indentureships have a much higher completion rate than non-union indentureships.² This is because some non-union employers use apprentices as a source of cheap labour. These employers lay-off their second and third year apprentices as wage rates begin to rise. The blame should not be on ITAC but on employers who consistently abuse apprenticeship training as a source for cheap labour. The 2,400 apprentices registered with joint boards enjoy very high completion rates. This is thanks to close monitoring of apprentices by joint board apprenticeship co-ordinators. The problem of high attrition rates only applies to apprentices without such support.

* While some employers are not committed to the time based system of apprenticeship, the majority of contractors are strong supporters. A BC Construction Association sponsored survey showed that over 70% of employers (non-union and union alike) do not want to move to "task based" training. The vast majority of employers want "full scope" training (time-based) to remain.³

* Young people aren't choosing construction. This is not the fault of ITAC. ITAC began the out-reach to high schools. It was only after funding to ITAC was cut that the outreach programs were curtailed. Traditionally, apprenticeship levels in the construction industry mirror the current state of the economy and activity in the construction industry. When the economy is booming apprenticeship levels rise. Development of the oil sands in northern Alberta has greatly impacted apprenticeship. Alberta currently has 40,000 registered apprentices.

* The skills shortage is a continuing concern. We agree, however, you don't solve the skills shortage by watering down the requirements to attain a trade qualification certification.

Closing down ITAC is not going to solve the skills shortage facing the province. In fact, it will do just the opposite. The new training model has been ill advised. The vacuum created by closing ITAC will have devastating consequences for the BC economy, skills development and the safety of workers and the public. It is a complete misrepresentation to characterize ITAC as an inflexible monolithic institution unable to respond to industry's needs. Workers with "task specific" training are already sanctioned by ITAC and employed in the construction industry.

² See above note; also, Kunin, Roslyn, The Impact of Skills Development and Fair Wage Policy on Construction Costs in British Columbia, An Empirical Analysis of Some Key Issues, May 1997, Labour-Management Partnerships Program, Government of Canada

³ Apprenticeship: A Construction Industry Perspective, BCCA Task Force, Survey of 366 contractors, April, 1997.

THE TRANSITION ADVISORY COMMITTEE PROCESS AND PUBLIC CONSULTATIONS

Shortly after the government announced that ITAC would be eliminated, in the fall of 2001, a schedule of office closures was posted. The Ministry of Advanced Education followed up with the establishment of the ITAC Transition Advisory Committee. The mandate of the TAC was to formulate details of a post-ITAC training system. Labour was given two positions out of ten on the Transition Committee. Even though we knew that our voice was small and that we would be out voted, we felt we had little choice but to participate on the TAC. We were also less than happy with the process. Rather than have the committee determine the future of trades training, it would have been far more democratic to involve the public at that early stage. Given the overwhelming scope of the proposed changes and the far-reaching consequences (for workers, industry and the public at large), nothing short of a full public discussion about the changes would have been satisfactory. Public consultations should have been held in April 2002 when the Transition Advisory Committee first started its work.

As the Transition Advisory Committee met, last summer and fall, the two labour representatives on the Committee, Rod Goy of the IBEW and Phillip Legg from the BC Federation of Labour, provided regular updates to Building Trades Training Co-ordinators and Business Managers. In spite of their affiliation to unions, Goy and Legg were encouraged by some Committee members to provide briefings on the background and details of trades training in the province. The labour representatives spent many hours educating Committee members about the necessity of proper training to meet national standards and the importance of full scope of training. Given that TAC members are now fully aware of the role of the provincial government as the authority over trades qualifications and the danger of easing qualification requirements, it is now nothing short of scandal that the Committee recommend that government allow unqualified workers to construct and maintain critical path systems on BC construction projects.

Public consultations, which began in January 2003, have been a failure from the outset. The procedure of limiting consultation to invited guests has been perceived as a way for the TAC to limit public comment on the Discussion Paper. In spite of this hindrance, at every single public consultation meeting a variety of stakeholders and other interested members of the public at large have shown up to the meetings without proper invitations. In Vancouver, Surrey and Prince George between 50 to 80 individuals were forced to stand outside the doors of the consultation meeting. In Nanaimo, Kamloops and Ft. St. John, non-invited people interested in the meeting were allowed in but the Committee members appeared to be unwilling to accept the overwhelming criticism of the Discussion Paper. Good government is about building consensus around policy changes, not engendering division. Judging from the Transition

Advisory Committee's reaction to the vast majority of those who attended the meetings in January and February 2003, the word "consultations" has been nothing more than a platitude so that the government can appear to have interacted with the community.

In spite of the obstacles faced by those who wanted to participate in the consultations, the numbers attending the meetings grew as the Committee travelled across the province. The 80-100 people who attended the first three meetings in Nanaimo, Vancouver and Surrey, grew to 250 in Kamloops and 200 in Prince George.

The great majority who attended the public consultations were opposed to the Discussion Paper proposals. At most meetings 90% of the comments were against the "new system". At Ft. St. John only two speakers, of the 25 present, spoke in favour of the changes. A schedule of office closures for ITAC, attached, is just further proof that the Transition Committee had no intention of taking the consultation process seriously. The last ITAC office is scheduled to close its doors on March 31st. No wonder the public sees the consultation process as little more than a smokescreen to placate widespread opposition on the changes.

With employers, labour, educators and learners all opposed to the new apprenticeship system, one wonders why the government is so relentless in pursuing its plan. Who is in favour of the changes?

The Building Trades calls on the government to reverse its headlong rush towards the elimination of ITAC and to consider the public consultation process seriously. The opposition to the proposals is broad based. Beyond the unions affiliated to the Building Trades Council, the opposition includes the vast majority of non-union and union construction contractors (as evidenced by a radio ad campaign by the Coalition of Construction Industry Associations: www.constructiontraining.com) college educators, rank and file journeypersons, consumers and the public at large.

THE CONSTRUCTION INDUSTRY

The construction industry has a unique stake in trades trading. It is worth taking a few moments to set the context of our perspective on the Discussion Paper.

There are approximately 115,000 construction workers in the province, equal to 10% of the workforce. The industry contributes \$15 billion to the provincial GDP.

Workers in construction are at the whim of economic cycles. Construction is the first industry to bounce back after a recession and the first to lay-off at the end of a boom. The cyclical nature of the industry means that workers rarely work

full-time. In a good year the average construction worker works less than an average worker from all other occupations combined. Some trades, i.e. electricians, plumbers and pipefitters and glaziers are more likely to work full-time. Others such as labourers, roofers, plasterers and carpenters are less likely to work full-time throughout the year.

During downturns in the BC economy many trades workers are looking for work outside the province (the oil sands project in northern Alberta has been an active site for many BC workers over the last two years). During busy periods the BC industry has often had to rely on workers from outside of the province in order to fill labour market demands.

Thus, worker mobility is a critical part of construction economics. The concurrent issue with mobility is the requirement to maintain standard levels for trades qualification for the construction workforce across Canada and the USA. Qualification standards ensure that employers get the skills they need, whether the employer is in New York or Vancouver.

National standards are maintained and recognized through the "Red Seal" program. The Red Seal website, under the auspices of HRDC and the Canadian Council of Directors of Apprenticeship, states: "Red Seal allows qualified trades workers to practice their trade in any province or territory in Canada where the trade is designated without having to write further examinations.... A national occupational analysis, developed for each Red Seal trade, is used as a base document for the development of interprovincial standard examinations and is encouraged to be used by the provinces and territories for curriculum development." Interprovincial flexibility will be curtailed for BC workers when ITAC shuts its doors and the new model takes effect.

Another aspect of the construction industry is the ruthless nature of its market competition and the abuses that result. One example is the practice of "bid-shopping" or cheating the tender process. With "bid-shopping" the general contractor will by-pass its own employees for a part of the work on a project. The general then "shops" around for a cheap deal from among a variety of sub-contractors. Sub-contractors may in turn sub the work out to yet a cheaper bid. With this practice the customer gets less than what they bargained for when the tender was let to the general. When governments condone diluting worker qualifications, as proposed in the Discussion Paper, it will have the effect of sanctioning bid shopping for substandard work.

Another feature of the construction industry is the widespread phenomenon of the underground economy. Classic black market activity, partial or grey market players, barter specialists, moonlighters, under the table cash payments, disguised employers and/or accounting procedures are all found in construction. The working group on underground employment in construction, headed by KPMG with involvement of six federal government departments and

four industry associations, completed the most comprehensive study of the underground economy in construction in Canada. One of the more interesting findings of the study was the insidious way that underground activity is established and extended. The study documents how honest employers are sucked into the downward spiral. All it takes is for one competitor to cheat the system to provoke the honest contractor to say, "I don't want to, but I guess I've got to play this dumb game too." Once in the underground system the contractor has to find a way to dispose of "all the cash." The cash economy is perpetuated and fuelled with new cash transactions from past black market activity.⁴

In BC, the Joint Compliance Team, an initiative of the provincial and federal government departments, estimated that over \$80 million is lost annually (in unpaid taxes and WCB premiums) in the residential construction industry. The federal auditor general has estimated that the underground economy costs federal and provincial governments \$12 billion per year.⁵ Deregulation and lack of enforcement, as proposed under the new model for apprenticeship training in the province, will only add to and abet the underground economy.

The construction industry has the highest fatality rate in the province. In the ten year period 1991-2000, the WCB accepted claims for 249 fatalities in the BC construction industry. Not all of these workers were killed on construction sites – some fatalities are caused by exposure to hazardous materials and may not manifest until years after the work is performed. Forestry has the second highest fatality rate. There were 193 BC workers killed in the forestry industry over the same period.

Most construction accidents happen during a worker's initiation into the industry. Young workers are most at risk because they are in the process of learning about the hazards of the industry. Journey level workers must complete a wide range of safety training for the construction industry (WHIMIS, Confined Space Awareness, Fall Protection, Level 1 First Aid, Respirator Awareness, etc...). The Discussion Paper proposals will lead to less journey level certificates. Certifying workers for less than journey level status will compromise worker safety.

Statistics comparing union and non-union workers in the industry (by employers with payrolls greater than \$500,000) indicate that union workers, affiliated to the BCYT and/or the BC Federation of Labour, make up about 37% of the workforce. Independent unions (CLAC, etc..) represent about 5% of the workforce. Non-union workers employed by companies who are members of the Independent Contractors and Business Association (ICBA) represent about 9% of the

⁴ Strategic Analysis of Underground Employment in the Construction Industry, KPMG, Dec. 1997, p.91

⁵ Tax Cheats Pocketing \$12 Billion a Year, The Vancouver Sun, April 21, 1999, p. A14

workforce. The remaining workers, 49%, are non-union and employed by companies not affiliated to the ICBA (source: *The Construction Industry Human Resources Project, 1997, CLRA*).

There are roughly 13,200 construction companies in the province. Most of these are small companies, employing less than five people. Just over 1,400 construction companies belong to the Construction Labour Relations Association (CLRA); these are the signatories to negotiated agreements with BCYT-BCTC unions. There are less than 300 construction companies with memberships in the ICBA.

ITAC AND THE NEW TRAINING MODEL

ITAC was established in 1997 as a new institution to include stakeholders in trades training. The old Provincial Apprenticeship Board was unable to effectively react to changes in technology and market needs in terms of skills development. Attracting interest and increasing the number of apprentices in the system was a primary mandate of ITAC.

It is simply wrong to characterize ITAC as an inflexible, unresponsive bureaucracy. ITAC provided, for the first time, a meaningful role for all stakeholders. Trade Advisory Committees were a labourious effort but the results were mutually agreed upon plans to reach common goals. Contractors, Labour, Educators and the Government were involved in training as partners. Yes, the Trade Advisory Committees could have streamlined their membership and operated under more strict guidelines in order to foster common goals. This is no reason to abolish the system and go back to a unilateral governance model, as is now proposed. The new model will only exacerbate mistrust. Less communication between the stakeholders will add to the instability and disorganization facing learners.

The new model claims that outcomes will have a higher priority than under ITAC. We strongly disagree. Outcomes are exactly what ITAC was about. Industry is demanding that apprentices are fully equipped to work. ITAC ensured that certifications maintained their credibility by maintaining national standards. Employability is directly related to skills levels. The new model threatens the credibility of BC certifications. This will have negative consequences for employability.

It is wrong to state that ITAC lacked accountability. The CEO for ITAC was directly accountable to the Minister and to the ITAC board. ITAC's structure promoted accountability.

The new governance model claims to "streamline" decision making with a smaller board. Our concern is that the new Board will act in an arbitrary

manner, beholden to special interests within the employer community. There seems to be little access to the Board from labour. Even if labour is represented it will be an unequal balance in favour of employers.

We are highly concerned about the lack of staff under the new model. In order to meet the needs of supporting apprentices, monitoring progress and/or ensuring that Interprovincial Standards Examinations are current, that certification inquiries are answered, and that technical training and upgrading is supported, any skills development model requires a trained staff who thoroughly understand the process and funding for trades training. What the new model promises is less resource staff. Cutting staff will rip the guts out of an administrative process with a proven record.

It is wrong to reject the ITAC advisory committees with the label "inflexible". The TAC's were highly responsive to changes in technology and able to quickly consolidate new curricula with existing material so as to eliminate repetition. This was one of the outstanding benefits of collaborative governance enabled by the TAC's.

THE PROPOSED NEW TRAINING SYSTEM

At the time ITAC was being established, in 1997, the BC Construction Association Industry Task Force on Apprenticeship Training conducted a survey of 366 trade and general contractors (36.5% certified to the BCYT-BCTC, 7% certified to non BCYT-BCTC unions and 56.3% non-union) to investigate employers' views on skills development. In the survey employers overwhelmingly supported mandatory ELTT and compulsory designated trades. Employers were very worried about changes to apprenticeship training that could impact negatively on maintaining standards. Building Trades unions cite the survey throughout this section of our submission to backup our opposition to the proposed changes.

The Discussion Paper claims to provide employers with the option of "full scope of training" or "task training approach." The problem is that in construction, this is no option. The nature of the construction industry, as pointed to above, is ruthless competition to win tender bids. Even though the majority of contractors prefer workers with "full scope of trades training" the new model will force contractors to opt for the fast track approach in order to compete. The new model will effectively "dumb down" the standards as contractors abandon the more expensive full scope approach so that they can compete with contractors who train to tasks.

The modular approach is being aggressively pursued in the new training system, according to the Discussion Paper, to facilitate industry. It's not new to observe that market forces encourage breaking the trades into small skill components. The concern is that certification of worker competence based on completion of

modules will eventually deskill the workforce. Over the long term a deskilled workforce will have detrimental impacts on all employers, as there will be very few workers who have had the motivation to complete all relevant components in a trade.

In spite of the challenges, (the disruption of employers' operations when apprentices are at school, etc...) the majority of employers, fully 65%, support time based training - two to ten week courses depending on the trade. This current method of delivering technical curriculum is the choice of employers because it guarantees that the current high standards of qualification are not impaired.

Regulation of worker qualifications, through compulsory trades, is recent and still evolving as a means to ensure construction quality. The electrical trade, for example, received compulsory status in 1996 but there is currently no monitoring measure in place to ensure compliance. Public and worker safety in the province is governed by a vast array of regulations that measure the work, not the worker. Regulations on the quality of work are governed by development by-laws, building codes, electrical codes, boiler and pressure vessel codes, gas codes, WCB regulations, environmental legislation, transport regulations, etc.

Compulsory trade certifications in the seven construction crafts (Electrician, Plumber, Steamfitter/Pipefitter, Sprinkler System Installer, Refrigeration Mechanic, Roofer, Damp and Waterproofing Technician and Sheet Metal Worker) have been strongly supported by employers. Only 17% of employers have indicated support for not requiring mandatory certification of workers. Fully 70% of employers support mandatory compulsory certification. This support extends to those trades not currently designated compulsory. It is clear that employers would like to see compulsory designations widened to encompass many more of the 22 trades in construction.

The Discussion Paper absolves itself from the compulsory designation debate by pointing to a new Safety Systems Act. The implication is that somehow the Safety Systems Act will ensure that building products are constructed to meet safety standards. The problem is that the Safety Systems Act is still vague on details. It came as a complete shock to businesses and labour representatives at a briefing on the new SSA, held February 4, 2003, to discover that private inspection companies will be authorized to vouch for the quality of new construction work. In small towns across the province it is not hard to imagine the potential for conflict of interest between a private inspection company and the building contractors who did the work.

The new proposed Safety Authority, to oversee administration of the SSA, is also vague on liability details. The government seems to want to extricate itself from the responsibility of administering safety by passing the buck to the new Safety Authority. The question arises, who would want to sit on this new Safety Authority

if the government is unwilling to accept its ultimate responsibility as the regulator and authority responsible for construction quality and safety?

Another dubious measure touted by the SSA is the enactment of Equivalent Standards Agreements. According to the authors, "Equivalent Standards Agreements will enable participants to meet safety objectives using innovative, creative and effective management processes." A scenario for an ESA sees contractors allowed to hire one journey level worker and ten helpers to construct highly sensitive structures (boilers, electrical systems, pipelines or elevators). Improperly supervised helpers are known to make mistakes. When a helper encounters a problem for which he/she has no qualification and the journey level worker is not present, how will the helper respond? Under pressure to produce, the helper may simply guess, or fumble their way through the job. The result will be shoddy workmanship on critical path systems.

According to answers provided at the February 4th briefing, the Safety Systems Transformation staff are working closely with ITAC staff to determine what trade qualifications may need to remain after compulsory trades are eliminated. It appears as though Safety Systems Act staff are pointing their fingers at the ITAC Transformation Advisory Committee while the TAC is pointing fingers at the SSA. Who is in charge?

CONCLUSION

The Discussion Paper leaves readers with many unanswered questions about the future of trades training in the province.

The primary thrust of the proposed new model is the certification of workers who have completed some modules of training and the elimination of compulsory trade certifications. The new piecemeal certifications are opposed by the majority of employers and construction contractors whether they are union or non-union. The so-called "task specific" training will, over the long term, deskill the BC workforce. The repercussions will impact employers whose workers lack the multiple skills and flexibility required to get the job done, workers who are denied the flexibility of inter-provincial mobility and finally the general public, who will be at the mercy of critical path safety systems that fail when shoddy workmanship manifests as exploding gas lines or boilers, electrical fires and elevator accidents.

We call on the government to re-assess the advice it has received on changing the current apprenticeship training model. The proposals contained in the Discussion Paper should be opened to a full public debate over the course of the next six months. Legislation to change ITAC should be stalled until the public has had a full opportunity to comment.

Should the government decide that revisions to skills development are required, we urge that all stakeholders be involved in the development of the new model.

If the government is determined to change the system, why not do it right the first time. Bringing in changes now, with the promise to make revisions as required, is an admission of weaknesses in the Discussion Paper proposals. We urge the government to listen to Business, Labour, Educators and the Public and halt the enactment of the new model for apprenticeship training.

Submitted by the
British Columbia and Yukon Territory Building and Construction Trades Council