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Transforming Ontario's Apprenticeship Training System

*Supplying the tradespersons
needed for sustained growth*

A proposal from Ontario's colleges

July 2009

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1. Summary

Ontario's colleges share the provincial government's belief that apprenticeship must play a greater role in addressing skills shortages and contributing to innovative, high-performance workplaces that enhance Ontario's competitiveness.

Given the severity of the economic downturn, Ontario faces an immediate, serious challenge as apprenticeship workplace training is disrupted. Businesses are less able to take on apprentices and registrations drop as apprentices are often last on a company's payroll and first off. To help apprentices and their employers, Ontario's colleges propose that the government:

- Reform funding for alternative training schedules for apprentices, to accommodate employer workload priorities and improve apprenticeship completion. For example, support back-to-back education modules and more e-learning
- Allow apprentices to complete portions of their workplace hours and secure the needed skills/experience by expanding the in-school component to include select "equivalent-to-work experiences" through hands-on shop and simulation experience and in-college placements
- Expand the availability of programs such as co-op diploma programs at colleges that better prepare students to transition into apprenticeships
- Fund a series of pilot projects at colleges to reach out to non-participating employers to persuade them to participate in the apprenticeship system.

Following any recession, the shortage of trained tradespersons is often the first barrier to a robust recovery. In Ontario, the shortages of tradespersons will impact many government priorities such as infrastructure development, energy conservation and environmental protection. Ontario's colleges recommend a set of reform strategies to supply the skilled tradespersons needed for sustained growth. The recommended strategies are:

- Developing a vision to create the most successful apprenticeship training program in Canada
- Setting targets to produce the supply of skilled tradespersons that Ontario needs
- Developing policies to encourage increased employer participation, provide greater access to apprenticeship programs, and establish colleges as community hubs to strengthen the trades.

2. Immediate action to help apprentices and employers get through the recession

Given the severity of the economic downturn, Ontario faces an immediate, serious challenge as apprenticeship workplace training is disrupted. Businesses are less able to take on apprentices and, indeed, registrations drop as apprentices are often last on a company's payroll and first off.

The average age of an apprentice is close to 30 and many apprentices have family commitments. In this recession, they are vulnerable to long periods of unemployment and poverty. It will be difficult to maintain progress in their apprenticeships. Laid-off (or lay-off threatened) apprentices may give up on their training, especially if they have little or no chance of quickly finding another employer able to sponsor them to complete their credentials.

Ontario's colleges recommend several immediate initiatives to help both apprentices and employers get through the worst of the recession while sustaining progress through an apprenticeship. When the economy recovers and employers are looking for trained workers again, these initiatives will help ensure that there is a pool of job-ready individuals who have already progressed in their apprenticeship programs.

With the support and engagement of the college sector, we propose that the government:

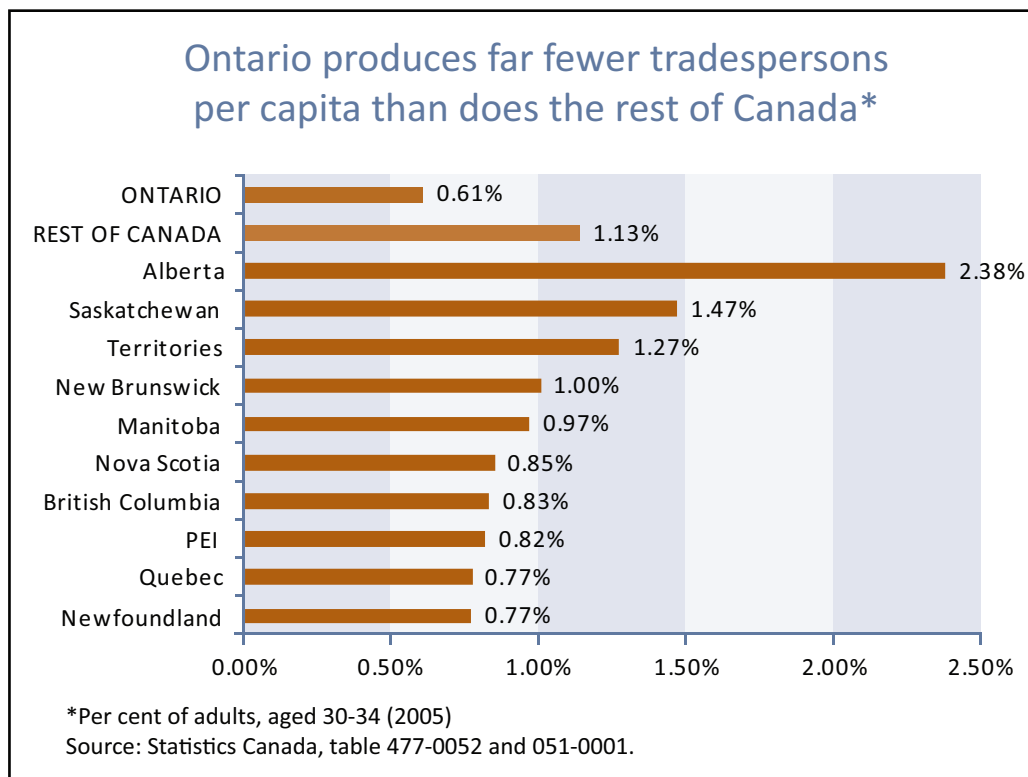
- Schedule back-to-back in-school training blocks for apprentices to compensate for the temporary limited capacity of employers to take on apprentices
- Allow apprentices to complete portions of their workplace hours and secure the needed skills/experience by expanding the in-school component to include select "equivalent-to-work experiences" through hands-on shop and simulation experience and in-college placements
- Expand the availability of programs such as pre-apprenticeship programs that better prepare students for transition to apprenticeship training
- As a series of pilot projects, fund colleges to reach out to non-participating employers to persuade them to participate in the apprenticeship system.

If Ontario acts now, employers will be better positioned for the expansion to come, fewer apprentices will experience long periods of unemployment and poverty, and many more apprentices will be able to complete their programs and contribute to Ontario's competitive advantage.

3. Background: what is wrong with current policies?

Ontario is not producing the certified tradespersons it needs for growth

Ontario produces 46 per cent fewer certified skilled tradespersons than does the rest of Canada (relative to population), much lower than any other province or territory. Its in-school training programs are shorter than in any other province.



Ontario's poor performance in producing certified tradespersons has undoubtedly contributed to productivity growth that is half the Canadian rate, a decline in (real) wage rates, and a gradual slide into have-not province status.

These challenges will be magnified as Ontario seeks to recover from a worldwide recession at the same time that more experienced tradespersons retire and there are fewer young adults to replace them. Without immediate reform, Ontario's shortage of tradespersons will slow our recovery, making it difficult to reverse the province's slide into have-not status. Small businesses will not be able to take on new projects; manufacturers will be disadvantaged compared to their international competitors; and government priorities, such as infrastructure and the green economy, will lag.

The Conference Board of Canada estimates that Ontario will require 360,000 more workers by 2025 to achieve strong growth. Companies that face shortages of skilled employees risk losing business opportunities to competitors in other jurisdictions.

Ontario must build and enhance its reputation for a highly skilled workforce. Achieving that goal will require effective co-operation between government, employers, unions and educators.

Furthermore, careers in the skilled trades in manufacturing, construction, transportation and service sectors must be made more attractive to young people and to employers who must provide workplace training.

Few employers have the financial resources or breadth of operations to train

In a competitive economy, fewer companies can pay for training for their skilled workers. This profound corporate shift is operating across economies and sectors. For example:

- U.S. corporate training is down 45 per cent since 1990 (compared to GDP), with half spent on managers or government-required training
- Canadian per-employee corporate training has dropped 17 per cent in a decade. The amount of training is half the U.S. level, and half the funds are spent on managers
- Only one-sixth of employers with tradespersons are involved in apprenticeship.

In the current recession, the challenge for employers is much more serious. Previous slowdowns resulted in major reductions in apprenticeship registrations. This means:

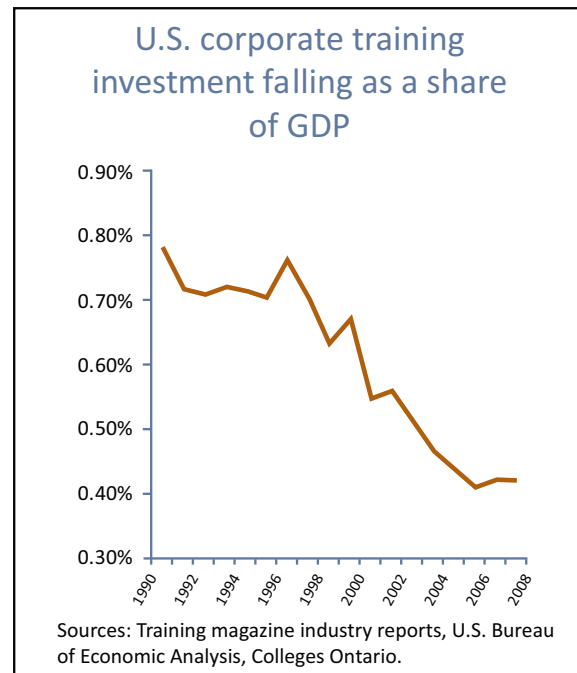
- Employers hire and retain fewer apprentices during periods of slowdown
- Apprentices are less likely to be able to get the full range of work experience required to fully complete their training
- Laid-off (or lay-off threatened) apprentices may give up on their training.

There is a need to ensure the supply of trained workers is maintained during the slowdown to avoid critical skills shortages during the next upturn.

Funding training is a particular challenge for 84,000 small businesses owned by tradespersons, small businesses who generally employ 70 per cent of skilled tradespersons, and industries competing with lower international wages such as manufacturing (100,000 tradespersons), resources and value-added tourism.

With increased specialization of firms, few employers, especially small- and medium-sized employers (SMEs), can provide the full range of work experiences demanded in traditional apprenticeships. For example, few firms building or installing windows can provide apprentice glaziers with the required instruction in making stained glass windows. Similarly, the 'master builder' profession once incorporated architecture, structural engineering, framing and cabinetry. This has now split into several distinct occupations, and with continuing change in the construction industry is further splitting into more specialized sub-occupations. One result is that firms can no longer offer instruction in the full skill set.

In the current training system, SMEs are burdened with a very large portion of the costs of training apprentices. While it is a societal objective to increase the number of apprentices who complete their trades credentials, it is unrealistic to expect that small businesses vulnerable to swings in the economy will be able to fund even higher costs than they now incur.



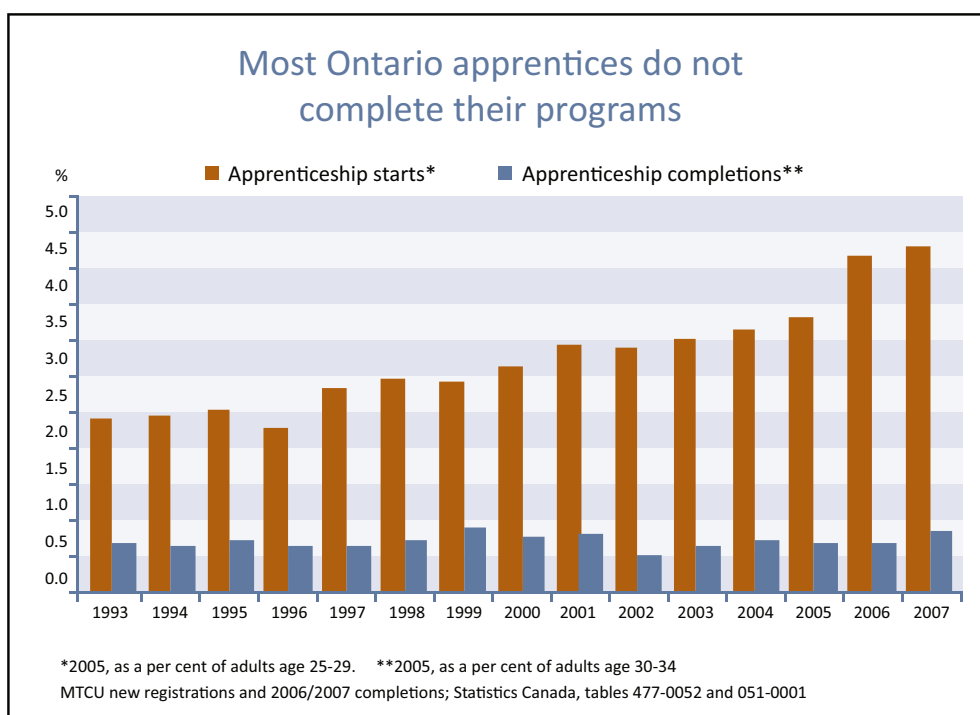
By contrast, larger employers, such as the public sector, hire few apprentices or unskilled employees, and typically incur little or no cost to train postsecondary graduates, who comprise a large share of their workforces. For example:

- Doctors, lawyers and architects were once all trained by the sector itself as apprentices but now their training costs have been shifted to government and students
- The training costs for new skilled occupations, such as information technology, are also not borne by the individual sectors.

Low apprentice completion and certification rates

While apprenticeship registrations have been steadily increasing, there is an urgent need to address the relatively low apprenticeship completion and certification rates:

- Unlike other postsecondary education (PSE) programs, a very high percentage of apprentices fail to complete the at-work portion of their training to become certified in a timely manner (see figure)
- A large group drop out, and of those who continue, only 53 per cent pass their Certificate of Qualification (C of Q) examination. Immigrants who attempt the C of Q fare worse: only 41 per cent pass
- Women and under-represented groups, who constitute a large share of adults without postsecondary education, have very low representation in most traditional apprenticeship programs
- As the apprenticeship system is not designed for laddering to other PSE programs, there are insufficient opportunities for individuals with trades qualifications to secure additional postsecondary credentials
- According to the provincial auditor general, Ontario's in-school training programs are shorter than in any other province, and in interprovincial exams, Ontario has the second lowest pass rate.



Societal attitudes

The image of the skilled trades hinders young people choosing to pursue a career through apprenticeship. Besides depriving the economy of a supply of key skills, many students are also deprived of potentially lucrative and personally satisfying careers.

Almost 80 per cent of Grade 10 students in Ontario expect to continue their education at university or college, but only about 50 per cent will actually do so directly from high school. Often this delays a successful transition into the workforce as young people search for options that will prepare them for sustaining employment.

Apprenticeship system requires modernization

A report by Graeme Stewart, of the Higher Education Quality Council of Ontario (HEQCO), provides an overview of the relevant literature on apprenticeship in Ontario. He identifies challenges including barriers to entry, and system performance concerns such as the inflexibility of program delivery, the lack of emphasis on 'soft' employability skills, and low completion rates.

Apprentices must be employees to be registered but more than 80 per cent of enrolled apprentices are also college students for the in-school apprenticeship curriculum. The relationship that colleges have with these students differs in significant ways from their relationship with other college students.

Over the past several years, there have been advances in moving from an archaic, inflexible apprenticeship system to one that is more modern and responsive to employer and apprentice needs. While the system has evolved to a certain extent, it is still characterized by rigid registration, scheduling, delivery and administrative processes.

There are numerous examples of new and responsive delivery methods by individual colleges; however, they are largely piecemeal and funded on a project-specific basis. As demonstrated by initiatives already underway, colleges are well able to support flexible, innovative approaches to apprenticeship training, including the use of prior learning assessment and recognition, e-learning and other distance-learning methods, and modular approaches.

The Ministry of Training, Colleges and Universities (MTCU) schedules in-school training, contacts apprentices to notify them of upcoming training, and tracks apprentices. The role of the colleges in marketing, scheduling and tracking students is not consistent with their role for other college programs. This exacerbates the perception of apprenticeship as a "terminal" program, not linked to other parts of the education system. Another result is administrative duplication, particularly of student tracking by both colleges and MTCU.

There is an opportunity to review and reassess the ministry and college roles and responsibilities, and to realign them to create a more effective and efficient delivery system. In addition, realigning the roles will be more consistent with the colleges' expertise and responsibilities regarding program planning, marketing and implementation, and the ministry's role in establishing the policy framework, program standards and accountability frameworks.

4. Apprenticeship reform strategies

The Ontario government's "Reaching Higher" plan for postsecondary education and the 2008 and 2009 Ontario budgets reaffirm:

- Ontario's competitive advantage depends on workforce skills that exceed those available to its competitors in Canada and globally
- The need for strong linkages between the skills and poverty reduction strategies for unskilled and under-represented groups.

The government's expansion of apprenticeship starts, the doubling and extension of the Apprenticeship Tax Credit, and its current operating and capital funding increases demonstrate a strong commitment to supplying the skilled tradespersons Ontario needs for sustained growth.

Most recently, the introduction of the Ontario College of Trades and Apprenticeship Act (OCTAA), 2009, conveys Ontario's dedication to advancing the skilled trades in the province. Ontario's public colleges view the College of Trades as an important component in the modernization of the apprenticeship system. The College of Trades will play an important role in influencing the development of Ontario's apprenticeship system. It will be critical that we collectively ensure that training and education for the trades is an integral part of the province's postsecondary system and not isolated from the mainstream. Apprenticeship training needs to be considered as the third pillar of the postsecondary enterprise.

It will be essential that we ensure that there are no unintended consequences flowing from the establishment of the College of Trades. There are risks, for example, that the imposition of employer fees for the college could discourage the expansion of the voluntary trades.

The colleges are pleased that the Ministry of Training, Colleges and Universities (MTCU) will maintain an active role in apprenticeship development, specifically through retaining the authority to designate Training Delivery Agents and by continuing to provide funding for the in-school portion of apprentices' training. As the OCTAA moves forward through the parliamentary process, Ontario's colleges look forward to working with MTCU to ensure that necessary exemptions for programs such as co-op diplomas are approved.

While much has been accomplished to expand and reform apprenticeship training, Ontario is not producing enough certified tradespersons for sustained recovery and strong longer-term growth. Moreover, most apprentices fail to complete the at-work portion of their programs, few women and under-represented groups participate, and there are very few ladder opportunities, even to similar trades.

To meet the needs of the economy, while addressing requirements for inclusion and individual success, Ontario colleges recommend the following apprenticeship reform strategies:

Vision: the most successful apprenticeship training program in Canada

For Ontario to have the most successful apprenticeship program in the country, the following criteria must be met:

- The skilled trades must be regarded throughout Ontario as a highly valued and accessible career option, with certification considered the equal of diplomas and degrees
- Ontario's apprenticeship system must play an expanded role in addressing skills shortages and contributing to innovative, high-performance workplaces that enhance Ontario's competitiveness
- Students must be fully supported and encouraged to complete their programs through modern educational facilities, techniques and learning materials that support individual learning styles
- Apprenticeship programs must attract and retain individuals from all sectors of society, including under-represented groups and women. The colleges welcome the role of the Chief Diversity Officer envisaged within the College of Trades legislation and look forward to working with this individual to address these issues.

Targets: supplying the skilled tradespersons Ontario needs

The following are targets to help the province fulfil the vision:

- Ontario's apprenticeship program must be directed to strategic needs and to eliminating bottlenecks in order to contribute effectively to solid economic growth. It must:
 - Attract more apprentices to high-demand skilled trades
 - Continue to develop new trades as required by various sectors
- The completion rate in apprenticeship programs in Ontario must increase to 70 per cent by 2020
- The participation of under-represented groups in apprenticeship programs must be increased, so that by 2020 the participation is equal to each group's representation in the general population.

5. Strategic priorities

Colleges propose the improvement and strengthening of the system be focused in the following areas:

Employers: greater participation

Employers should be encouraged to have greater participation in apprenticeship training, and the costs paid by employers should be no higher than the costs paid by other employers of postsecondary graduates.

The following measures are recommended to improve employer participation:

- Expand pre-employment programs such as employment-readiness programs, mathematics and communications, and programs that provide exposure to the skills required in a range of trades in the workplace
- Expand co-op diploma and certificate and similar innovative programs to provide employers with more skilled employees, and provide flexibility in timetabling apprentice in-school training to reduce the impact on employer workload requirements
- Fund prior learning assessments and bridging programs for newcomers to the province who wish to challenge for the Certificate of Qualifications (C of Q)
- Fund colleges to work with employers to encourage them to participate in the apprenticeship system, to work with high schools to expose students to trades opportunities, and to work with community media to strengthen perceptions about the trades
- Fund Colleges Ontario to work with Ontario's Workforce Shortage Coalition to survey employers on the benefits (e.g., return on investment), challenges and desired system improvements impacting the decision to employ apprentices.

Apprentices: address access, retention and certification

The following measures are recommended:

- Strengthen and lengthen in-school training for apprenticeship to ensure there is sufficient time to meet employers' requirements
- To assist employers to offer a full set of required work experiences, pilot the expansion of enriched training involving work practices through simulation, diagnostic exercises, etc.
- To improve options and the mobility of apprentices, enable apprentices to secure credit recognition and transfer into other apprenticeships and college programs
- To increase the apprentice C of Q pass rate, have training delivery agents deliver refresher courses on requirements
- Strengthen apprentice access to supports such as career exploration and preparation, and assessment of prior learning, which can help potential apprentices select and begin training that best meets their needs

- Stimulate additional innovation in the delivery of apprentice training by encouraging more activities such as:
 - The use of e-learning to allow apprentices to complete their in-school portions at their convenience and without having to be absent from the workplace
 - The delivery of part-time evening classes for in-school learning, allowing apprentices to “learn while they earn”
 - The expansion of partnerships between colleges and other training delivery agents
 - The delivery of joint diploma-apprentice programs, allowing apprentices to earn both a college technician diploma and an apprenticeship designation at the same time
- Ensure francophones have the opportunity to study in French
- Modify existing college comprehensive tracking mechanisms to collect and analyse data on apprenticeship.

Certified tradespersons: establish programs to support lifelong learning

Linking the pursuit of a career in the skilled trades more closely to the postsecondary system would emphasize the importance of the skilled trades, the job satisfaction and pay levels available in the trades, and would increase their appeal as career choices. Apprenticeship needs to be considered the “third pillar” in the postsecondary sector.

The following are recommendations to strengthen apprenticeship within the postsecondary system:

- Provide journeypersons with greater opportunities for advanced credentialed education, such as C of Q endorsements, or “master craftsman” programs/credentials, focusing on advanced technical knowledge and/or business and management skills
- Create programs to encourage apprentices to multi-skill
- Establish mentoring skills as a core requirement and endorsement in all advanced in-school apprenticeship programs, and offer these courses to current tradespersons.

Colleges: community hubs to strengthen the trades

Colleges play an essential part in the strengthening of apprenticeship within the postsecondary system. The following recommended improvements build upon current directions in the colleges:

- Create college-based community hubs for the trades, with facilities to:
 - Train apprentices, pre-employment participants and technicians in closely related fields
 - Expose high school students in the Ontario Youth Apprenticeship Program and High Skills Majors to the college and work environment
 - Expand partnerships with local and regional employers, unions, school boards and other relevant community organizations

- Colleges would be responsible for:
 - Involving employers and encouraging far more to participate in training for the skilled trades
 - Providing needed supports for students with learning disabilities and from under-represented groups
 - Raising the visibility of the trades in their communities
- Colleges work jointly with MTCU and employers to research retention issues and develop strategies to address challenges and improve completion rates.

6. New management and funding framework for colleges

In order to achieve the vision, targets and strategic priorities outlined and to establish a more effective and efficient system, colleges recommend that the ministry:

- Develop and implement a performance-based accountability framework for the apprenticeship in-school training system, to provide better information to students, parents, employers and the public
- Streamline and make more consistent the enrolment management process
- Realign the respective responsibilities between the ministry and the colleges with respect to marketing, recruiting, assessment, testing and scheduling for apprentices in college programs
- Establish a new outcomes-based funding model to hold colleges accountable for the effective and efficient use of funding. The model would:
 - Allow for longer-term planning based on projected/managed enrolment, in-year variances and better use of operating and capital resources
 - Encourage integration of training for the skilled trades with other postsecondary programs to replicate workplace practices and encourage laddering
 - Allow smaller class sizes for small/specialized apprenticeship programs, francophones and rural communities
 - Enable more effective communications with apprentices and employers
- Implement a tuition fee policy for apprentices so that apprentices make a reasonable contribution towards the costs of their education. Financial assistance through OSAP should be available to pre-apprentices and apprentices on the same basis as other postsecondary students, and eligible costs should include: tuition, textbook and other related educational costs and living expenses.

7. Conclusion

The McGuinty government has made postsecondary education a key priority so that Ontarians can prosper in an advanced economy competing in a tough world environment.

Colleges believe that the government must address serious problems in the current system, especially the declining numbers of employers that can afford to pay for more costs of training than are incurred by employers of other postsecondary graduates. We recommend that the government:

- Create a new vision for the best trades program in Canada that includes:
 - Addressing student access, success and program retention and completion
 - Encouraging greater employer participation by providing more skilled and “work-ready” apprentices to employers
 - Providing greater opportunities for tradespersons to continually upgrade their skills and knowledge (lifelong learning)
- Set targets to supply the skilled tradespersons Ontario needs for sustained growth
- Establish a new management and funding framework for colleges that:
 - Realigns responsibilities between the government and colleges, taking account of the efficiencies available by building on existing structures used by other postsecondary students enrolled in colleges
 - Results in cost-effective, efficient and accountable high-quality training.



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