

**Toward a World-Class BC Construction Industry Training  
System**

**A Working Paper**

**Presented by:**

**the British Columbia Construction  
Association**

**the Council of Construction Trade Associations of BC**

**the Canadian Home Builders' Association - BC**

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## **PURPOSE:**

The BC Construction Association (BCCA), the Council of Construction Trades Associations of BC (COCTA) and The Canadian Home Builders' Association – BC (CHBA-BC) propose a new industry-led system for governing and administering apprenticeship and industry training in all sectors of the British Columbia construction industry.

## **BACKGROUND AND CONTEXT:**

A new system to ensure a skilled construction workforce needs to be conceived within the existing and future public policy, economic, labour market and construction industry contexts. Since the impetus is a result of the public policy decision to disband the Industry Training and Apprenticeship Commission (ITAC), the government context is provided first.

### **Public Policy**

On January 17<sup>th</sup>, 2002, the provincial government announced that it was disbanding ITAC and introducing a “new model” for industry training and apprenticeship in BC. The Ministry of Advanced Education (AVED) website states the following:

As a result of the government's Core Services Review of ITAC, which included stakeholder consultation and research into how other jurisdictions deliver industry training and apprenticeship programs, the government has decided to phase out ITAC and implement a new approach to industry training and apprenticeship for British Columbia.

The new industry training and apprenticeship model will result in a more streamlined training system that is more flexible, efficient and responsive to industry needs.

More specifically, AVED lays out the principles that will be reflected in the new model as follows:

- Clear roles for industry, apprentices/trainees and government:
  - Industry will play a lead role in moving towards a training system that better meets sector needs and will validate standards for trades credentials that reflect workplace requirements and needs.
  - Apprentices will have greater responsibility for their training.
  - Government's role will be limited to standards and credentials.
- A small number of broad-based sectoral advisory committees will be established to replace the Trade Advisory Committees that existed under the ITAC structure.
- Opportunities will be increased for private trainers to participate in training and credentialing.
- Multiple pathways for training will be implemented to increase flexibility for trainees and their employers.
- The average length of programs will be reduced and new programs will be developed to address areas where skills shortages exist and to better meet the needs of industry.
- Credentialing will be based on skill and ability rather than reliant on time spent in a trade.

At the federal level, in February 2002, the Minister of Human Resources Development Canada (HRDC) released a major report on *Skills and Learning*, in which industry training and sectoral initiatives play a significant role. A new BC construction industry system and governance model would be consistent with federal policy directions. Also, the new structure could be formally linked with the national Construction Sector Council, recently created by the industry and federal government.

### **Economy and Labour Market**

In the meantime, employers throughout BC are becoming increasingly concerned about existing and impending skill shortages and the ability of BC's existing apprenticeship and training system to keep pace with economic demand and changes. Over the last year, the construction industry has seen shortages in certain trades and occupations, and its leaders are concerned that these will only broaden and increase.

The aging of the Canadian population and workforce is particularly evident in BC's construction industry, with a higher than average age in many construction trades. Further, in recent years, BC has suffered from migration to Alberta and Ontario. This will only worsen with increased aging, lower birthrates, and global competition—unless something is done by industry and governments, the BC construction industry will lose the race for increased competitiveness and productivity.

The instability and uncertainty of BC's apprenticeship and training system evolves during a time of economic volatility and industry vulnerability. Therefore, BCCA, COCTA and CHBA-BC members feel strongly that it is time to work towards the implementation of a new construction industry training system.

### **BC Construction Industry**

The BC construction industry directly employs 125,000 British Columbians or 7% of the province's workforce, earning nearly \$3 billion. Construction in BC contributes a total value of \$15 billion or 15% of the province's Gross Domestic Product. This does not include the larger impact of the industry if one considers the multiplier effect of three indirect jobs per construction job. This would mean that construction activity affects one in five workers in BC.

Construction apprentices represent 53% of BC's total registered apprentices—or almost 8,000 of almost 15,000 existing apprentices. Training in 29 construction-related trades (*see the attachment on "List of Designated BC Construction-Related Trades"*) represents close to \$20 million or 30% of ITAC's current Entry Level Trades and Apprenticeship Technical Training budget in 2001/2002. Also, a significant portion of certificate, diploma and degree programs in BC are related to people working in or entering the construction sector. No matter how one measures it, BC's construction industry is a major part of the economy, the labour market, and the industry training system.

### **RATIONALE:**

The rationale for a new construction industry training system and governance in BC is four-fold:

1. It will lead to a more vibrant, competitive construction industry and workforce.
2. It will respond to the emerging public policy directions in BC.

3. It is consistent with the broader context of a national skill standard system (i.e. Red Seal Program) in the Canadian construction industry, and analogously, to other sectors.
4. Evidence of success in other jurisdictions of the proposed type of system.

As mentioned earlier, construction activity is a significant driver of the BC economy. The degree to which this industry maintains competitiveness and growth and a highly skilled, adaptable workforce will pay dividends across the province and the economy. The proposed new training system will be industry-governed and administered, and will be operated more efficiently and effectively than from within the public sector.

A key rationale for proposing a new system of governance and administration of industry training for the construction industry in BC is the imperative to take action to ensure this important engine of the province's economy has the necessary "human capital" to grow and flourish. The secondary reason is the recent changes in BC regarding ITAC and the government's plans for the future. The following points respond to the provincial government's interests in a new training system:

- **Government's "new model" criteria** – This proposal reflects key parts of the Ministry's stated criteria: provides clear roles; more efficiently meets sector needs; limits government's role; uses a small number of sector groups; provides opportunities for private trainers; provides greater apprentice responsibility; more effectively addresses skill shortages; and provides more flexible training.
- **BC Government Priorities** – This proposal is very consistent with the provincial government's recently released Strategic Plan, New Era vision (e.g. "a thriving private sector economy"), Core Review principles, and AVED's Service Plan.
- **Effectiveness and Cost- Efficiency** – This proposal will provide for a more effective regime for ensuring the construction industry and its partners address the necessary skill requirements. It will also be cost-effective from both a tax-payer and industry perspective. A construction industry-run training system will be much more efficient and streamlined than that administered by previous government administrations.
- **Industry consensus** – A large number of construction groups and employers who employ thousands of workers support this proposal. Organizations whose memberships endorse this proposal include: COCTA, BCCA, CHBA-BC.
- The evidence of this type of governance and system for industry training will achieve the goals of industry, government and workforce and is reflected in improved outcomes from experiences in other jurisdictions such as the U.S., New Zealand, Australia, the United Kingdom and Scotland. The National Skill Standards Board in Washington, D.C., and the evidence from New Zealand both demonstrate results around the world.<sup>1</sup> For example, a comprehensive evaluation<sup>2</sup> of New Zealand's skill standards system in 1997 found the following improvements:
  - An increase in industry-led design, management, and delivery of training.
  - An increase in the quantity and quality of relevant industry training.
  - Formal structured training was established in industries previously lacking in training.

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<sup>1</sup> *International Initiatives* (National Skill Standards Board, <http://www.nssb.org/inter.htm>).

<sup>2</sup> *Skill New Zealand: A Stocktake as of December 1997* (Wellington, New Zealand: Education and Training Support Agency, April 1998).

- Industry training was accessible to all who required it.
- Training pathways were diversified.

While this refers to a national system, New Zealand's population of 3.7 million is comparable with BC. (See the attachment on "New Zealand's Skill Standards System").

### **PROPOSED NEW SYSTEM:**

BCCA and COCTA propose a new industry training and apprenticeship system for construction trades and occupations in British Columbia, based on the following principles:

- Industry governed.
- Industry financed.
- Industry relevance.
- Efficient, streamlined administration.
- Quality training.
- Provincial and national skill standards and qualifications.
- Cost-effective for industry, workers and the taxpayer.
- Training investments shared by those who benefit from the training.
- Ensure a supply of skilled labour.

Industry training and apprenticeship will be governed and administered by the construction industry for construction trades and occupations as per the following elements.

### **Mandate/Mission**

A *Construction Industry Training Board* (CITB) would be established to govern industry training and apprenticeship in all sectors of the BC construction industry. This board would also have responsibility for administering (not delivering) industry training and apprenticeship, setting of occupational standards and administering the certification process. Government would continue to officially award the credentials and would set broad policy parameters for industry training and apprenticeship standards and credentials.

The CITB would undertake strategic planning, an annual labour market needs analysis, an annual training plan, an annual stakeholder meeting, and other activities in order to execute its mandate.

### **Legislation**

The creation of the CITB would require government to amend the existing *Industry Training and Apprenticeship Act* to enable construction—and possibly other industry sectors—to execute the above mission. It would also be required to amend the WCB regulations—if the industry and government agree to use this system as an instrument to finance construction industry training and apprenticeship.

## **Governance**

The voting members of the CITB would be composed exclusively of construction employers. The other elements of the CITB governance would be as follows:

### **Composition**

The Directors of the Board shall consist of the elected trade/occupation advisory body chairs, which are expected to number between 10 and 15. The elected trade/occupation body chairs shall be voting members of the Board, representing construction industry employers who employ construction apprentices and trainees. The Deputy Minister of Advanced Education and the BC/Yukon Region Director-General, HRDC would be non-voting directors of the Board.

In order to maintain a manageable size, it is recommended that union/worker and education representatives not be on the CITB. See “Stakeholders” sub-section below.

### **Election**

Each trade/occupation advisory body would elect a minimum of six representatives or such number as approved by the CITB Board to its committee in accordance with the criteria outlined below. One of these representatives would be elected as chair, who in turn would automatically become a member of the CITB Board. Advisory body appointments would be for terms of up to four years, and would be staggered to allow for a balance of continuity and “new blood.”

### **Criteria**

To be eligible for election to a trade/occupation advisory body, individuals shall have a demonstrated track record of employing apprentices and have an ability to represent the interests of the broader system.

Only contributing employers shall be eligible to vote for individuals to be elected to an advisory body.

### **Decision-Making Process**

The CITB would make decisions based on a majority vote. It should avoid at all costs the virtual inertia in major policy decision-making by the Provincial Apprenticeship Board, the ITAC Board, and similar multi-partite stakeholder boards and councils. An interim board could be created to establish specific governance operating principles for the CITB.

### **Strategic Policy Issues**

The legislative amendments should provide for the CITB to make strategic policy decisions—within broad government parameters or policy standards—regarding occupational and program standards, designation of new trades/occupations, accreditation of training providers, allocation of funds, industry training and apprenticeship administration, ratios, wage rates, etc. However, the CITB should take care not to get mired in operational policy decisions and procedures. It is recommended that CITB adopt some form of “policy governance” model.

### **Trade/Occupation Advisory Bodies**

A trade/occupation advisory body would be created for each construction trade and occupation or for each cluster of them. Their mandate would be to provide advice—from the perspective of specific trades or occupations—to the CITB on policy issues related to industry training and apprenticeship.

These bodies could be called “Trade Advisory Committees” or some other label could be used to differentiate them from the past (e.g. “Construction Apprenticeship Advisory Committee”, etc.).

It is important that these bodies focus on policy issues and matters prescribed by the Board or other issues of strategic importance for all or specific trades/occupations.

It is recommended that trade/occupation bodies not be created for each of the 29 construction trades and occupations; rather, these should be grouped into a smaller number of 10-15 clusters. It is further recommended that geographic representation be reflected in the make-up of these trade groupings. Representatives of BCCA and COCTA shall assist in the development of these initial trade groupings.

### **Administration**

The CITB would have a small administration to support the Board, manage the resources, recommend industry training and apprenticeship providers, and administer standards, credentialing, etc. An Interim CITB Board could be responsible for hiring the first CEO, who in turn will put together the initial management team and structure, based on principles and parameters set out by the Interim Board. The Board should be careful to create an administration that is not “shackled” by government regulations and requirements.

### **Financing**

The CITB model anticipates that industry will administer training operations, and fund them in conjunction with provincial government funding that supports complementary training initiatives equivalent to other post secondary training environments.

### **Standards-Setting**

Government will have the ultimate responsibility for industry training and apprenticeship policy standards and the “designation” of trades and occupations based on the recommendations of the CITB Board. Each industry sector, including the CITB, will have responsibility for setting occupational standards for each designated trade or occupation.

### **Training Providers**

The CITB will maintain a contractual relationship with public and private training providers throughout the process, and will allocate funding based on accreditation criteria and program standards; in some cases, competitive bids will be solicited. The CITB administration will develop an accreditation process and annual training plan process for allocating funds. The Board will approve this, with input from the trade/occupation bodies.

### **Stakeholders**

The CITB will create “advisory committees” or “reference groups” for training providers and unions and workers to provide input on its policy decisions and strategic planning. Their input will be provided to trade/occupation bodies, the administration, and the Board. An annual Stakeholder Conference will be held to meet directly with these stakeholders. CITB will establish other ad hoc advisory groups or task forces as necessary to address specific issues and needs.

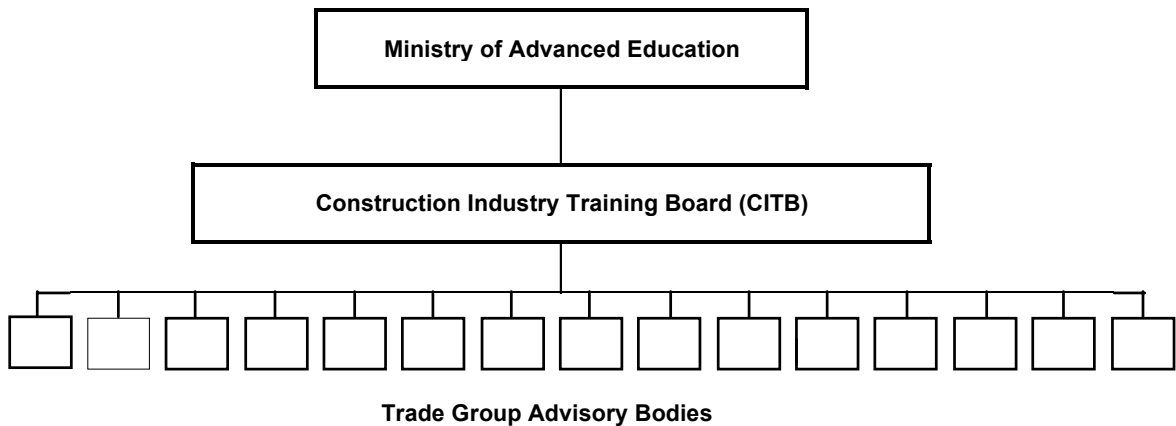
## **Credentialing**

While government will have responsibility for credentialing standards and for issuing credentials as recommended by the CITB, the CITB and other sectors will administer the certification process in their industry, or out-source this to an agent. This arrangement could be analogous to the national vocational qualification authorities in other jurisdictions. The provincial and federal governments could use the construction industry and the implementation of this proposal to establish a benchmark for provincial and/or national standards and qualification systems across all major sectors.

## **IMPLEMENTATION:**

If the provincial government indicates support in principle for this proposed system, a detailed implementation plan will be prepared. This plan would include details on necessary resources, the financing model, timelines, roles, etc.

### **Construction Industry Training System Structure**



**List of Designated Construction-Related Trades in BC**

- 1.** Boilermaker
- 2.** Building Maintenance Worker – First Nations
- 3.** Carpenter
- 4.** Cement Mason
- 5.** Domestic/Commercial Gas Fitter
- 6.** Drywall Finisher
- 7.** Electrician
- 8.** Elevator Mechanic
- 9.** Floorcovering
- 10.** Hardwood Floor Layer
- 11.** Heat/Frost Insulator
- 12.** Ironworker
- 13.** Joiner
- 14.** Lather (Interior Systems Mechanic)
- 15.** Log Home Builder
- 16.** Mason (Bricklayer)
- 17.** Painter and Decorator
- 18.** Plasterer
- 19.** Plumbing
- 20.** Refrigeration Technician
- 21.** Residential Steep Roofer
- 22.** Roofing, Damp and Waterproofing
- 23.** Sheet Metal
- 24.** Sprinkler System Installer
- 25.** Steamfitter/Pipefitter
- 26.** Tilesetter
- 27.** Welder
- 28.** Glazier
- 29.** Architectural Sheet Metal

### The Construction Industry's Proposed System Addresses Government Criteria

GOVERNMENT'S CRITERIA FOR A NEW APPROACH	BCCA's & COCTA'S PROPOSED SYSTEM
<b>Province of BC's Strategic Plan</b>	
<p>Goal: A strong and vibrant provincial economy.</p> <p>Objectives:</p> <ul style="list-style-type: none"> <li>• A skilled workforce.</li> <li>• A prosperous economy.</li> <li>• Employment opportunities.</li> <li>• Affordable and fiscally responsible government.</li> </ul>	<p>Construction represents a major contribution to provincial GDP and employment. The proposed system will be more affordable for taxpayers and accountable to industry and government. It is the best option for ensuring a skilled workforce and for ensuring that construction continues to grow and add value to the provincial economy.</p>
<b>AVED's Service Plan</b>	
<p>Goal: Economic and social development.</p> <p>Objectives:</p> <ul style="list-style-type: none"> <li>• Reduce shortages in strategic skill areas.</li> <li>• Expand training and skills development.</li> </ul>	<p>Construction training represents approximately 40-50 percent of government supported industry training and apprenticeship. The proposed system will help ensure that construction skill shortages are limited and construction training is expanded.</p>
<b>General Features of New Approach (see <i>New Model</i> on AVED website)</b>	
<p>Flexible, efficient, and responsive to industry needs.</p>	<p>The proposed industry-governed system will provide the most responsive training and credentialing approach for construction industry needs, including optimal flexibility, efficiency and effectiveness.</p>
<b>Specific Aspects of New Approach (see <i>New Model</i> on AVED website)</b>	
<p>Clear roles for industry, apprentices/trainees and government.</p>	<p>Clear roles for governance, construction industry stakeholders, government and training providers.</p>
<p>A system that better meets sector needs.</p>	<p>A much better system for meeting construction industry skill requirements.</p>
<p>Greater responsibility for apprentices/trainees.</p>	<p>Greater responsibility for industry and apprentices/trainees.</p>
<p>A small number of broad-based sector committees.</p>	<p>Construction is a broad-based sector and the proposed system will dovetail nicely with government's plan.</p>
<p>Opportunities for private trainers to participate in training and credentialing.</p>	<p>The new governance model will focus on selecting the best public and private training solutions based on industry skill and service standards and needs.</p>
<p>Multiple pathways for training with more flexibility for apprentices/trainees.</p>	<p>The new system will provide for an articulated bridging and laddering of construction-related training programs, with multiple entry and exit points.</p>
<p>The average length of programs will be reduced.</p>	<p>The proposed system will ensure the construction industry selects the most cost-effective training.</p>
<p>Credentialing will be based on skill and ability rather than time spent in the trade.</p>	<p>The proposed system will expand the use of competency-based training.</p>

## **New Zealand's Skill Standards System**

Skill New Zealand (SNZ) is a crown agency with a mandate to improve access to structured training in the workplace and thereby contribute to the competitiveness of New Zealand. Management of the industry training system is a key component of the organization and under the *1992 Industry Training Act* (amended in 1997) responsibility for managing industry training and apprenticeship was devolved to 46 "Industry Training Organizations" (ITOs) that are recognized by government.

Each ITO is responsible for:

- Setting national skill standards for its industry.
- Providing information and advice to employers and trainees.
- Arranging for the delivery of on-the-job training, including developing training materials.
- Arranging for the delivery of off-the-job training.
- Arranging for the assessment of trainees.
- Arranging for the monitoring of training quality.

SNZ enters into contracts with ITOs to set skill standards on the New Zealand Qualifications Authority (NZQA) Framework, and to manage work-based training arrangements. SNZ administers an Industry Training Fund which provides funding for industry-based training and an Industry Training Development Fund which provides resources to assist industry groups in establishing ITOs. The key policy principles underpinning the allocation of both funds are that:

- All parties share in the cost of industry training arrangements.
- A diverse range of training arrangement developed by ITOs are supported by SNZ to ensure growth in systematic training across all industries.
- Work-based training and on-the-job assessment are encouraged as a way of keeping training relevant to the needs of industry and enterprises and cost-effective.