

The Industry Training Authority and Trades Training in BC: Recalibrating for High Performance

Report of the Independent Review Lead
Jessica L. McDonald

February 2014

This report has been prepared by the Independent Review Lead working closely with team member Danielle Van Huizen on all aspects throughout the review. The report has been greatly assisted by the dedicated support of the Industry Training Programs Unit of the Ministry of Jobs, Tourism and Skills Training, in particular Katherine Rowe, Bev Verboven, Bev Shuttleworth and Kim Buchanan. The review team is also particularly grateful to all of the individuals who made themselves available for interviews, as listed at the end of the report.

Table of Contents

Executive Summary	1
Context.....	1
Key Observations and Recommendations	1
A Seamless, Outcome-Oriented System	2
Enhanced Industry Leadership.....	5
A High-Performance Culture for ITA	8
Increasing Access for Apprentices	10
An Effective Transition.....	12
Background.....	13
Purpose and Scope of the Review	13
Key Government Strategies	13
Industry Training System in British Columbia	14
History of British Columbia’s Industry Training System.....	16
Current Role of the ITA and its System Partners.....	16
Funding for the Industry Training System.....	21
Planning to Meet Demand for Skilled Workers	22
Current Supply/Demand Outcomes.....	23
Key Observations.....	25
Recalibrating for High Performance	28
A Seamless, Outcome-Oriented System	28
<i>Clarifying roles and working together</i>	<i>28</i>
<i>Introducing common objectives with measurable outcomes</i>	<i>29</i>
<i>Coordinating priorities and decisions within government.....</i>	<i>31</i>
<i>Governance and role of the ITA</i>	<i>32</i>
<i>Trades Training Consortium of BC as a Crown agency</i>	<i>33</i>
Enhanced Industry Leadership.....	34
<i>A more transparent and meaningful role for industry.....</i>	<i>34</i>
<i>Re-constituting the ITA Board.....</i>	<i>36</i>
<i>Participation by organized labour</i>	<i>38</i>
<i>Recognizing variability between sectors and trades.....</i>	<i>38</i>
A High-Performance Culture for ITA	40
<i>Accountability for responsiveness to users.....</i>	<i>40</i>
<i>Key performance indicators.....</i>	<i>40</i>
<i>Demand-driven funding decisions</i>	<i>41</i>
<i>Multi-year planning</i>	<i>42</i>
Increasing Access for Apprentices	44
<i>The secrets to success: screening, tracking, and personal support</i>	<i>44</i>
<i>Employer responsibility.....</i>	<i>45</i>
<i>Promoting trades as a career</i>	<i>48</i>
<i>Public sector leadership.....</i>	<i>48</i>
<i>Partnerships to create opportunities.....</i>	<i>49</i>
An Effective Transition.....	51
Appendix A: Consultation Participation List	52
Appendix B: Sources	56

Executive Summary

Context

Over the next 10 years, the province of British Columbia is expected to experience significant economic growth resulting from the emerging liquefied natural gas industry and the growth of other sectors, including mining and forestry. This growth is anticipated to yield thousands of jobs in all regions of the province and across many sectors. At the same time, British Columbia's aging demographic means that the rate of retirements is exceeding the rate of new entrants.

The federal and provincial governments across Canada have made skills training and development a priority and are taking steps to address a looming labour shortage. There are voices that argue to the contrary; that if a labour shortage exists there would be visible increases in wage rates, low unemployment rates and high job vacancy rates. Depending on the region or occupation in Canada, it is possible to draw that conclusion, with labour demand evident in the west while the east is facing excess supply in certain occupations. However, in British Columbia the reality of current and growing labour shortages is a clear message heard from all sectors.

Positions in the trades are anticipated to account for just over 10% of new labour market demand between 2010 and 2020 (104,640 out of an estimated one million positions), although some projections produced by industry sectors place these estimates much higher. The government has a core goal of positioning British Columbians to be first in line for these job openings. To successfully deliver on this vision, British Columbia must ensure an optimized training system that capitalizes on the province's full potential in planning and responding to labour needs.

The Premier, in her June 2013 Mandate Letter to the Minister of Jobs, Tourism and Skills Training (JTST) directed the Minister to conduct a review of the role and function of the Industry Training Authority (ITA), the Crown agency responsible for oversight of the industry training system for credentialed trades. This review was initiated on September 5, 2013. It examined the current mandate of the ITA, including governance, roles and responsibilities, the outcomes achieved to date, and the relationships and interactions with its key system partners. This report shares observations and provides recommendations to the Minister to lead to improved outcomes of the industry training system.

Key Observations and Recommendations

Since creating the ITA as part of a new industry-led system, government has achieved significant positive outcomes. There has been a substantial increase in the number of apprentices registered, as well as the number of credentials issued each year. There are increased opportunities for youth, Aboriginal people, women and immigrants to participate in the trades. Many program reviews have been undertaken across the approximately 100 apprenticeship programs, creating an up-to-date system. Red Seal pass rates surpass the national average in many trades.

Overall, there is broad support for the continuation of government's shift towards an industry-led system. There is also a welcoming of this review as a timely effort to give new consideration to some elements of the system and enable further progress. While many improvements have been made, there are opportunities to continue with further measures that will help ensure industry has access to labour supply in the trades and that British Columbians are first in line for opportunities. These areas for potential improvement are summarized below under the following headings:

- A seamless, outcome-oriented system

- Enhanced industry leadership
- A high-performance culture for ITA
- Improving access for apprentices

A Seamless, Outcome-Oriented System

Clarifying roles and working together

There are many partners in the system, including Industry Training Organizations (ITOs), public and private training providers, the K-12 system, labour organizations, employers, employer associations and others. There are also multiple government agencies and programs involved, largely led by the Ministries of Jobs, Tourism and Skills Training (JTST), Advanced Education (AVED) and Education (EDUC). While the ITA’s role of allocating funding for trades training, reviewing and setting program standards and issuing credentials is still relevant, it does not currently operate within a seamless system with all partners and decision makers working towards the same identified priorities, strategies and targets.

There are significant differences in the points of view between sectors – and system partners – on many issues. Certain partners, particularly organized labour, feel marginalized. Others, particularly employers and employers’ associations, do not feel heard within the system. Over the recent past, several new directions have been introduced such as de-regulation of trades and modular training that have caused strain because they were not fully inclusive during development, were seen to benefit single interests, and they impacted the whole system. Conflict between views as to the “right” policies, programs and funding priorities has led to deep silos in the system, with each partner focusing on their own interests. Because different concepts benefit different interests, these approaches have become associated with ideological positioning and the system is somewhat resistant to open discussion.

A shift towards multi-year planning based on common evidence, clear demand-related targets and consistent accountabilities is a key step that would enable the system to work together more closely and achieve the best possible outcomes. A system that today operates under clear and consistent government objectives should become one that focuses every effort on alignment with agreed targeted strategies to meet specific and measurable outcomes.

To work together more effectively, it is also important to make the roles of each partner in the system more clear.

Introducing common objectives with measurable outcomes

Currently, there are no overarching targets for the overall outcomes of the system, leading to one-off decisions and misalignment of funds. Without clear coordination between ministries and system partners driving towards the same outcomes, the system operates in silos and is not achieving optimized performance.

It is recommended that government’s core role of providing strategic direction and accountability oversight be enhanced with the addition of a specific responsibility to deliver an annual plan with the best available data forecasting labour market demand by sector, priority trades and geographic region. In this role, government would take the responsibility of collecting and analyzing province-wide supply and demand data by sector and region based on fixed factors such as demographics as well as variable factors such as economic growth. To ensure industry supports the data outcomes, newly created Sector Advisory Councils should have an advance opportunity to inform and endorse the data sources selected and any planning assumptions, as well as the identification of priority trades for specific attention.

It is also government's responsibility to make public policy choices to govern a Crown agency's decision making process. In the case of meeting labour market demand, the Province has clearly stated that British Columbians should be positioned to be first in line for new positions. This means that the ITA's accountabilities must be guided by sub-targets to meet untapped potential amongst British Columbians. These sub-targets should reflect assumptions on the ability to increase participation by: unemployed or underemployed British Columbians; and other Canadians; with the balance then being filled by foreign skilled workers.

There is much debate about whether the recruitment drives for foreign workers is an appropriate approach to fill the gap. A cursory look at the demand projections for British Columbia's workforce leads to a reasonable assumption that foreign workers will be needed. The objective of the system should be to know the number that this remaining deficit represents, and to be disciplined about following a plan that focuses on meeting the targets set in the other categories at the same time.

The resulting demand targets and sub-targets, broken down by sector and for key trades, should form the key performance indicators for both the ITA and all related decision makers within government, as discussed below. Some consideration should be given to introducing these targets by regulation.

Recommendations

1. Government should introduce annual and multi-year planning to define province-wide sectoral and regional labour market demand targets for sectors and high priority trades that fall under ITA oversight. Planning should clearly identify fixed factors such as demographics, and variable factors, such as economic assumptions. Through this planning, government should set galvanizing targets for the overall outcomes of the system. Industry should be involved in endorsing the planning process in advance, including data sources and assumptions (see Recommendation 12 regarding Sector Advisory Councils).
2. Clear sectoral sub-targets should be set by government to address the potential to increase participation from aboriginal communities, and from the K-12 system. Annual evaluation of overall system outcomes should pay close attention to whether these sub-targets are being met.
3. The remaining projected trades-related supply/demand deficit should be analyzed to determine a minimum necessary target to be filled by temporary foreign skilled workers by sector.
4. As a separate initiative, the planning process should also be used to assess whether the right proportion of available funding is directed to trades training versus other academic and vocational programming, based on projections of relative labour market demand and costs of programming.

Coordinating priorities and decisions within government

With the entire system driving to common outcomes based on targets set by government, government must itself then ensure funding decisions and programs are coordinated between ministries and aligned to meeting targets.

Ideally, all trades-related funding – capital, training seats and special program funding - should be housed under one ministry to be allocated to the ITA and administered under one outcome-oriented plan. However, fully achieving this shift could result in unsustainable delays due to restructuring and may also cause some funding to be lost – for example, discretionary funding currently streamed to PSIs from AVED that is difficult to quantify. It is critically important that funding be centralized to the extent practical, and that all agencies are directed to support the same identified strategies and outcomes

identified by the ITA. Therefore, a shared service function should be created within government to ensure consistent and disciplined coordination and reporting on outcomes.

Recommendations

5. Government should confirm that its own decisions will be aligned with these targets in every way, and reinforce that every partner in the system has a role in meeting them. In addition:
 - a. Government should no longer independently direct training funding to PSIs or other organizations but instead empower accountability within the ITA for both decisions and outcomes. This will require transferring existing base and discretionary funding from AVED so overall funding levels are not reduced.
 - b. Capital funding decisions made by AVED related to trades must be directly linked to the same planning process and identified strategies to meet targets.
 - c. An appropriate portion of Labour Market Agreement (LMA) and Labour Market Development Agreement (LMDA) funding should be moved to the ITA, and integrated into its planning process to meet outcome targets.
6. Government should create a cross-ministry shared services mechanism to ensure alignment of funding decisions, including, but not limited to, trades training.

Governance and role of the ITA

The question has been frequently posed as to whether the ITA needs to continue to exist as a Crown agency, or whether its functions should be re-integrated into government. The core functions of the ITA – allocating funding for trades training and setting standards for credentials – are unquestionably an appropriate government responsibility. It is possible that government could effectively manage these functions itself. However, it is not readily apparent that there would be any cost-savings to a government-run model, and there would be much lost if the current “industry-led” system is not maintained and even enhanced. Simply put, government serves multiple objectives and is constantly attempting to balance interests as it governs. Meeting hard targets to align trades labour supply and demand in British Columbia requires a single-minded focus, which can only be achieved if a clear plan is set with targets and followed in a multi-year context.

It is also important that any potentially conflicting responsibilities or direction be resolved by government. Currently, there are several areas of overlap between the ITA and other bodies. While the ITA has authority to set standards for program content, exams and assessment processes, there are overlapping authorities granted to some public post-secondary (PSIs) institutions under their governing legislation. Separately, this jurisdiction also exists under the mandate of the BC Safety Authority and the BC Association for Crane Safety.

Recommendations

7. The ITA should be retained as a Crown agency, with its current role re-confirmed.
8. The Province should take steps to resolve any competing authority of PSIs to set program standards, if necessary introducing legislative change to clarify the roles and responsibilities of the ITA.
9. MOUs should be formalized between the ITA and the BC Safety Authority and the BC Association for Crane Safety regarding cooperation to avoid overlap or conflict in certification responsibilities.

Trades Training Consortium of BC as a Crown agency

The 14 public post-secondary institutions funded by ITA to deliver classroom training are represented by a committee called the Trades Training Consortium of BC (TTBC). In 2011, the TTBC became a Crown corporation due to a one-time funding grant that caused Cabinet, on the advice of the Office of the Controller General, to deem it an entity controlled by government.

TTBC does not receive any ongoing operational funding from the government, and is rather a not-for-profit entity funded primarily by dues paid by each member institution based on the size of each institution's funded training plan. Its inclusion under the Government Reporting Entity (GRE) as a Crown agency diverts its limited resources to meet government reporting requirements and does not serve any clear purpose in relation to the overall system.

Recommendations

10. The Trades Training Consortium of BC should no longer be designated as a Crown Agency.

Enhanced Industry Leadership

A more transparent and meaningful role for industry

To complement a new shift toward a demand-oriented and outcome-based system, government should continue, but enhance, its efforts to operate within an industry-led context. Currently, the system largely connects with industry through six Industry Training Organizations (ITOs) – independent, sector-specific bodies funded by the ITA to undertake prescribed activities such as program standards reviews and collecting industry advice.

Without ITA funding, most ITOs would not exist¹ and these contracted service arrangements have become frustrating over time for both the ITOs, who feel they are micro-managed in a marginalized role, and for the ITA, who must provide an adequate annual budget to support each ITO and therefore fund activities that are not always critical priorities for the system, and are sometimes more expensive than if procured directly by the ITA. ITOs also need to maintain a presence with their industry sectors, and some direct significant funding into re-branding ITA products and services under their own visual identity in order to enhance their visibility. This adds to frustration around perceived duplication and

¹ Other than go2, which delivers other ongoing industry programs and only receives 30% of its annual funding from ITA.

overlap, as well as questionable cost-effectiveness. In general, the concept of ITOs as they currently exist is not supported by other partners in the system.

Recommendations

11. The employer engagement, training plan development, and standards/program development setting functions of ITOs should be brought into the ITA, with industry expertise and the infrastructure of industry subject matter expert committees that ITOs have developed to inform standards development/updates incorporated into the ITA's core functions.

Given the critical role that employers play – and their own fundamental responsibility to plan for future labour needs – industry must become more closely connected to planning and decision making, within a new framework of evidence-based planning.

Recommendations

12. Sector Advisory Councils should be created to increase the direct role of industry in planning and decision making.

Re-constituting the ITA Board

The ITA Board plays an integral role in the outcomes achieved in trades training and apprenticeships in the province.

To complement the re-integration of ITO functions to the ITA, and the creation of Sector Advisory Councils, it is important for the ITA Board to be re-constituted. There is broad agreement that the former “interest based” Industry Training and Apprenticeship Commission (ITAC) Board model led to dysfunctional gridlock and win/loss decisions that did not reflect the outcomes needed by employers. A different approach to Board composition is an important step to ensure industry confidence in the system.

Of all the future enhancements that could be made to improve the system, it is critical that the ITA Board is respected as a driving force behind achieving future outcomes. In a system that is currently very siloed and must find new ways to work together to achieve overall goals, Board candidates should be selected very carefully for their endorsement by others as people who have a track record of thinking and acting beyond single interests and who have demonstrated particular leadership in hiring and training apprentices.

Recommendations:

13. The ITA Board should be re-constituted in the immediate term to reflect the following membership:
 - a. rejuvenation of board members; and
 - b. broad sectoral representation (although not on an “equal” or “interest-based” formula); and
 - c. long-term industry/trades experience, ideally at a senior level; and
 - d. inclusion of individuals with knowledge and experience in labour organizations; and
 - e. recognition by others as having demonstrated personal leadership achievements related to the goals of the system (e.g. innovative accomplishments in recruitment, training and retention of workers; partnerships between employers, trainers, equipment manufacturers or others); and
 - f. strong capability to fulfill Board responsibilities (knowledge and experience in the role and functions of an effective Board); and
 - g. widely recognized by others as a “corporate” player who can bring past experience yet rise above individual interests to focus on overall outcomes.

Participation by organized labour

Under the previous ITAC model, Board composition had equal representation of labour, employers, government and training providers, often leading to gridlock on decision-making. With the change to an industry-led model, labour organizations have been excluded from holding formal representation on the current Board and many ITO Boards.

A clearer, more meaningful and transparent role for industry should also be complemented by greater involvement by organized labour. While the system will only thrive if all partners work together towards common outcomes, each industry partner, including labour unions, brings significant expertise to help define solutions that will make the greatest difference in achieving overall outcomes. Where ideological differences have appeared to get in the way in the past, a new model that focuses on clear, evidence-based targets should allow for rational and inclusive discussion, and guide effective decision-making in the face of differing views.

Recommendations

14. Organized labour should be recognized in the definition of “industry”.

Recognizing variability between sectors and trades

In focusing on evidence-based planning targets, the system must recognize variability between sectors, and between trades. Over the recent past, the system has strained under new “one-size-fits-all” policy directions. These include examples such as modularized training and certification, the elimination of compulsory trades and apprentice ratios, a focus on competency-based assessments, and others. While each of these concepts has merit within the system, they are not right for every trade and circumstance. A shift toward evidence-based planning must include a clear realization that the solutions that will allow the fastest progress towards an alignment of supply and demand require differentiation between sectors and trades. Industry must have a role in advising on the appropriate measures that will best

target each trade, and this advice should be based on an evidence-based analysis geared to meeting demand targets.

Recommendations

15. Sector Advisory Councils should be asked to advise government on the relevance and need for specific policy directions for each sector, with resulting recommendations backed up by clear evidence relating to projected impact on achieving demand/supply alignment targets. These policy issues may include the need for re-introduction of compulsory certification, apprentice quotas/ratios, expanded opportunities for challenging for trades credentials, etc.

A High-Performance Culture for ITA

Accountability for responsiveness to users

The ITA has a pivotal role in responding to an outcome-based system. It has an opportunity – and a responsibility – to become viewed by its partners and users as a high performance organization with strong leadership and inclusive processes and it should have clear plans geared towards meeting these targets. Its internal culture must be driven to implement timely, responsive and predictable actions and deliverables, and reflect an understanding of the vital expertise industry and training partners have to contribute.

Recommendations

16. Working with its partners and users, the ITA should develop a clear and simple Service Charter to guide its operations, standards of service quality and to serve as the basis for annual feedback from users, system partners, and internal employees.

Key performance indicators

Currently, the system has been focused on general objectives, rather than outcome-based measures, and it is debated whether the ITA's current objectives are bringing the system closer to meeting labour market demands.

Once province-wide data has been compiled, the best performance measure to assess the health of the system is the projected alignment of supply and demand – specifically related to the provincial targets and sub-targets described earlier. Indicators, such as the pass/fail rates of apprentices, percentage of Red Seal completions, etc. only become relevant once evidence-based targets by sector/trade, and by source are defined – and how this gap is shifting. The key performance indicators that form the basis of annual performance evaluation should be focused on the quantifiable progress made towards meeting newly defined demand/supply targets.

Recommendations

17. Government's Letter of Expectations to the ITA, and its approval of the ITA Service Plan, should set out outcome-based measures rather than general objectives. Key performance indicators for the ITA should be tightly linked to meeting labour market demand targets, as well as achieving high feedback scores from its users.

Demand-driven funding decisions

As discussed throughout this report, to be successful in meeting British Columbia's looming labour challenges, the system must shift from a supply-driven system to a demand-driven system. In this model, training providers have a critical role as suppliers to industry. Based on this principle, public and private training institutions, union organizations and other training suppliers should compete for training funding based on best solutions to meet demand-based targets.

An enhanced demand-oriented model should also encourage innovation and a sense of common purpose by all partners, particularly training providers. Training organizations, whether PSIs or others, should be enabled to develop and advance their offerings in a transparent annual bid process, to be evaluated on common factors such as suitability to meet specific identified needs, quality, location and cost.

Alternative program elements such as smaller classes (<16 seats), use of mobile training units, online learning, front end loading, more flexible industry training modules, and dual credit programs with the K-12 system can be encouraged if they can demonstrate how they are tailored to be responsive to the needs of specific sectors and trades, and will deliver the outcomes needed to meet targets.

Basing funding decisions on multi-year planning to meet targets will also give foresight into training demands and the priorities of the system, thereby assisting training providers to make more informed investments into programs.

It cannot be stressed strongly enough that a shift toward demand-oriented funding can only be successful in meeting specific outcomes if existing fragmentation in funding decisions between government ministries, including capital funding, is consistently aligned with the same funding choices.

Recommendations

18. Involving Sector Advisory Councils and with input from training providers, the ITA should implement a new evidence-based, multi-year planning process to set priorities and allocate funding in direct alignment with demand/supply targets.
19. Through its annual training investment planning process, the ITA should work towards providing greater multi-year planning certainty for training providers. Involving advice from Sector Advisory Councils, the ITA should eliminate the present system of fiscal year-end holdbacks for courses that are not delivered by public training institutions and instead consider introducing new flexibilities for training providers including variable class sizes.
20. Government should consider the introduction of mechanisms to enable the ITA to undertake multi-year budgeting, with any surplus returned to government periodically on demand.

Increasing Access for Apprentices

The secrets to success: screening, tracking, and personal support

Despite various differences in view on many issues, we heard consistently that the key ingredients to high apprentice completion rates are screening, tracking and personal support. Upfront screening is an obvious way to increase completion rates. It is important for the individual, the trainer, and the funder to all be aware of whether the key requisite knowledge exists for the investment of time and resources to be successful.

While it is an important part of a cost-effective and successful system, it must be recognized that improved screening also has the effect of simply leaving youth and others behind. Fundamentally, the K-12 system must find ways to improve essential skills' outcomes for British Columbians to be effectively positioned for labour market opportunities.

ITA information systems currently do not collect or report on the progress of registrants in an accurate and useful manner. This is largely because interface systems were not originally developed with these functions in mind, and also because in-person supports have been reduced from the earlier system and so little interaction exists on an individual level. It is strongly recommended that improved data collection and accurate tracking become a priority for the ITA.

Under the formal ITAC model, regional apprentice counselors existed to provide advice to employers to facilitate training objectives, inspect workplace training programs to ensure adherence to standards, and provide information, advice, guidance and support to apprentices. Under the Skills and Training Plan, government and the ITA have announced the introduction of 15 new apprentice advisors; five each year over the next couple years. This is a very positive and important step, however the ITA should identify internal cost savings to introduce additional advisors to reach a minimum of 15 within the next year with an appropriate number targeted specifically to support untapped potential in Aboriginal communities.

Recommendation

21. The ITA should identify and apply internal cost savings to more rapidly introduce a larger number of regional advisors to coordinate, track and support apprentices, and liaise with employers and other partners such as training providers and the K-12 system. A minimum target of 15 advisors should be introduced within the next calendar year.
22. The ITA should develop a plan for improved data collection and reporting, focusing on accuracy and the ability to track registrants in the system more effectively. This data should be used to evaluate the effectiveness of programs and be provided annually to government to supplement other data sets to track demand/supply alignment.

Employer responsibility

Measures such as improving the availability of training to align with demand, and targeting strategies by sector to increase participation of under-represented British Columbians in the system, will not be successful unless employers are participating in training their future workforce. Currently there is an undeniable preference to attract skilled workers from other employers instead. Other jurisdictions in Canada have taken a tougher stance on this issue, while British Columbia has made the choice to rely on voluntary industry leadership.

Very simply, employers must take responsibility for their own future. A new discussion must be introduced with the assistance of the broader business community (who is also affected by resulting underperformance in the economy) that underscores this reality and encourages employers to confront their responsibility to work together and with other partners to attract their future workforce, to retain their workers, and to invest in developing their skills.

Small and medium sized businesses have challenges that restrict them from fully participating in apprenticeships, such as the ability to expose the apprentice to the full scope of the trade, or to sustain business during employee absence for 6-10 weeks to attend in-classroom training. This challenge is not unique to British Columbia and many jurisdictions are working to find innovative solutions. Australia, as an example, has established Group Training Organizations that hire apprentices and manage the training and administrative tasks for the duration of their apprenticeship. These organizations place apprentices with participating employers for specified periods of time and can move apprentices around to different work places to ensure they are fully trained. Components of this model have merit and it is recommended this model be studied further as a new function within the ITA.

As part of meeting demand sub-targets set by government, the ITA should also consider either working more closely with, or adopting, a Group Training Organization specifically oriented to meeting sub-targets to bring Aboriginal people into the trades.

Recommendations

23. Consideration should be given to the introduction of a new group training organization within the ITA geared towards SMEs.
24. Similarly, the ITA should consider creating an internal group training organization with a specific focus on achieving targets to increase participation for all sectors from Aboriginal communities.
25. Industry sectors and employer associations should be encouraged to work together with ITA, PSIs and the K-12 system to improve the culture of trades and bridging into training and employment for youth.

Public sector leadership

As the largest employer in BC, the provincial government has an opportunity to demonstrate leadership and set the example it expects other employers to model. While the provincial government does not directly employ all public servants in BC, it can spearhead collaboration with municipalities, schools, universities, hospitals and Crown agencies.

The public sector should take a leadership role and embark on a specific initiative to analyze workforce planning numbers, with a specific focus on understanding the numbers of apprentices that would be required in order to rejuvenate a retiring workforce and avoid the otherwise inevitable default to “poaching” skilled journey people from other employers, or resorting to foreign workers as a core strategy. A dialogue should be led as part of this exercise around possible innovative work arrangements to provide a suitable scope of experiential work for apprentices. This discussion should include labour unions, recognizing that creativity will be needed to find new solutions within existing budgets.

Government may also contemplate showing further leadership by assessing the opportunity for enhancing bid criteria on public sector procurement projects in relation to apprentice quotas (e.g. making the proposed apprentice quota a meaningful competitive factor in the evaluation of bids).

Recommendations

26. Government should lead an initiative with the broader public sector to analyze future workforce needs in relation to the trades, and to explore the potential for a collaborative plan to increase the number of apprentices employed in the public sector, including possible joint sponsorship and shared work experience opportunities.
27. Government should assess the opportunity to enhance bid criteria on public sector procurement projects in relation to apprentice quotas.

There are views among some employers that government can and should serve as the sole conduit between industry's needs and the labour market. Although government sets the direction and provides funding, government cannot possibly solve all the challenges. There are several examples where great things are happening between passionate and inspired system partners that are directly achieving outcomes. The key to each story is that visionary individuals found ways to connect to each other and develop new solutions. More opportunities to hear about such successes, and make new connections, could result in an exponential increase in such impressive leadership.

Recommendations

28. The Ministry of JTST and the ITA should jointly host an annual Innovation Forum where leaders from training institutions, the K-12 system, First Nations communities, employers and other stakeholders can learn from each other and make new connections to work together.

An Effective Transition

Transition to the proposed new evidence-based, outcome-oriented model will require the support of all system partners. At a time when the province and employers are facing significant existing and upcoming challenges in meeting labour market demand, it is critical that the system does not face unnecessary delays and uncertainty. A time-bound transition plan should be developed that is transparent to all partners, providing early and ongoing structured opportunities for inclusive participation. While it is important that system partners accept the new directions rather than re-opening debate, the system will only be successful if broad representation is involved in determining the best way to achieve implementation.

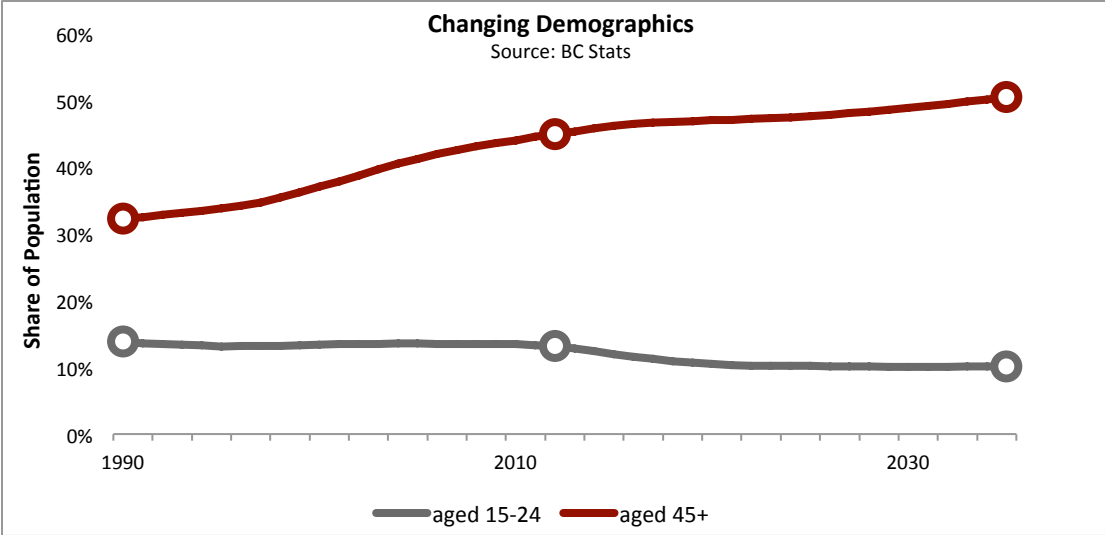
Recommendations

29. A 90-day transition plan should be developed with the participation of an oversight committee of industry representatives to ensure smooth and transparent implementation.

Background

Purpose and Scope of the Review

Over the next 10 years, the province of British Columbia is expected to experience significant economic growth resulting from the emerging liquefied natural gas industry and the growth of other sectors, including mining and forestry. This growth is anticipated to yield thousands of jobs in all regions of the province and across many sectors. At the same time, British Columbia’s aging demographic means that labour market demand is growing as the rate of retirements is exceeding the rate of new entrants.



The government has a core goal of positioning British Columbians to be first in line for these job openings. To successfully deliver on this vision, British Columbia must ensure an optimized training system that capitalizes on the province’s full potential in planning and responding to the labour needs of the province.

The Premier, in her June 2013 Mandate Letter to the Minister of Jobs, Tourism and Skills Training (JTST) directed the Minister to conduct a review of the role and function of the Industry Training Authority (ITA), the Crown agency responsible for oversight of the industry training system for credentialed trades. This review was initiated on September 5, 2013. It examined the current mandate of the ITA, including governance, roles and responsibilities, the outcomes achieved to date, and the relationships and interactions with its key system partners. This report shares observations and provides recommendations to the Minister that will lead to improved outcomes of the industry training system.

To inform the recommendations, a review of documents, reports, agreements, legislation and debates, group and individual consultations with system partners and key stakeholders, and a review of best practices were undertaken. A full list of consultation participants is provided in Appendix A.

Key Government Strategies

The current government introduced the BC Jobs Plan in September 2011, a core government strategy. The Jobs Plan focuses on securing a strong economy and - to achieve that vision - job creation,

strengthened infrastructure and expanded markets were identified as the three pillars. Underlying these efforts is the recognized need for a strengthened skills training system to ensure industry has access to the skills needed to realize economic growth.

The two-year progress report on the BC Jobs Plan highlights the extraordinary growth anticipated over the next 10 years. Significant investments in liquefied natural gas, an increase in trade with Asian markets, commitments to new mines and major mining expansions, growth in forestry exports, expanded and upgraded infrastructure and rising tourism are all evidence of this activity. It is expected the province will see one million job openings between 2010 and 2020, 43% requiring trades or some form of technical training. While government projections indicate that at least 100,000 of these openings will be specifically linked to trades, some industry projections place this number much higher. In meeting this economic potential for the province, a skilled labour supply is a top priority for government.

One year following the release of the Jobs Plan, a Skills and Training Plan was announced. The plan identifies what is required from industry, trainers and government in order to address the rising skills shortage, commits to several actions to improve the training system, and sets out key targets and strategies for action.

In addition to the Skills and Training Plan, other strategies have been introduced by the provincial government to identify and address labour needs. They include:

- BC Natural Gas Workforce Strategy and Action Plan
- Regional Workforce Tables in the Northwest, Northeast and Kootenays to produce Regional Skills Training Plans

The Minister's Mandate Letter underscores the government's objectives, making it clear that the province's industry training system must train the right people for the right jobs, and ensure British Columbians are first in line for the jobs. To achieve a robust training system, the Minister will work collaboratively with the education ministries and union partners to effectively meet the needs of students, employees and industry. In addition to reviewing the role and function of the ITA, the Minister has specifically been instructed to implement the following related tasks:

- work with the Ministries of Advanced Education and Education to develop a seamless 10-year skills training plan for students from high school through entry into the workforce;
- work with industry, training organizations and labour to identify areas of apprenticeship reform to improve results and reduce barriers to apprenticeship participation either on the part of employers or apprentices;
- review sectoral jobs round tables outcomes to ensure that government is meeting the needs of industries as they face the challenges of a growing economy; and
- work with the Ministry of Education to identify best practices and pilot new programs to ensure high school students are able to obtain applied trades skills while in high school.

Industry Training System in British Columbia

Every jurisdiction has a different industry training system but there are many similarities in the process to becoming a certified tradesperson, all stemming from a system developed in the Middle Ages and still recognizable today. Historically, apprentices were indentured to master craftsmen and learned their trades under this guidance, aiming to become journeymen entitled to charge for their work and gain

more experience, and possibly one day to be elected as masters themselves – a system run by guilds to regulate supply and demand and ensure standards of quality of the craft.

Today, to become a certified skilled tradesperson a person must still complete an apprenticeship. In British Columbia, an apprenticeship comprises 15-20% technical training at a designated training institution and 80-85% paid, work-based training. There are generally 4 levels of training in an apprenticeship and typically an apprentice moves through the training levels over a 3-5 year period. Once an apprentice completes training, they are issued a Certificate of Qualification (COQ), which is recognized across British Columbia, or an Interprovincial (IP) Red Seal, which certifies an individual to work across Canada. There are approximately 100 trades recognized in British Columbia, 50 of which are nationally recognized Red Seal trades.

There are various entry points into an apprenticeship program in British Columbia. They include:

- Employer sponsor (which can be an employer or a service provider such as a union joint board, described in more detail later in the report)
- Foundation programs
- High school dual credit programs
- Challenger certification

Employer Sponsor

To begin an apprenticeship, an individual must find an employer who will be the sponsor and train the individual for the work-based portion of the apprenticeship. The employer provides the workplace and the proper equipment for the training in a particular trade and has a certified journeyman that oversees and is responsible for the training. The training can take place across a number of work sites and, if necessary, with various employers. The sponsor is responsible for tracking the hours completed by the apprentice and reports this to the ITA. Each trade has a prescribed number of work-based training hours, as defined by industry, that must be completed.

Throughout the apprenticeship, an individual is released for technical or in-classroom training. To pass and get credit for each level of training the individual must achieve a score of 70%. Once the individual has completed the levels of training and written the certification exam, the sponsor can recommend its apprentice for certification. The ITA reviews the recommendations and issues the trade certificate (also known as a “ticket”).

Foundation Programs

In cases where an individual cannot find an employer sponsor or who may want to learn the basic skills of a particular trade before signing a contract with an employer sponsor, they can enter a Foundation program at a college or training institute. This is also referred to as a pre-apprenticeship program. This 3-10 month program exposes an individual to the trade through technical training and shop work. Foundation training provides Level 1 technical training and equips the individual with the skills necessary to be immediately productive at a workplace. If an individual is hired after their foundation training they are not registered as an apprentice unless an employer agrees to sponsor them.

High School Dual-Credit Programs

In school districts across the province, secondary students are able to participate in dual credit programs that allow students in grades 11 and 12 to gain credits towards their secondary school graduation while also earning credit in a post-secondary trade or apprenticeship. The ITA and the Ministry of Education

have a program called ACE-IT (Accelerated Credit Enrolment in Industry Training) that provides funds to school districts for students to obtain a first level of technical training in a particular trade. The technical training is offered at a college or training institute or with the school district. Another program is the SSA (Secondary School Apprenticeship) program, a work-based training program where students concurrently work and attend high school. Successful completion of the program earns the student credits towards high school graduation and credit for apprenticeship training.

Challenger Certification

Individuals who come from other jurisdictions, or even those currently in British Columbia, who have years of experience in a trade but do not have their certification, may choose to write a challenger certification exam to prove their skills and experience. To be eligible to write a certification or challenge exam there are criteria that must be met, such as the number of working hours completed in the trade and an employer that will attest to the individual's hours and skills. If the individual is eligible to challenge the exam, he or she must achieve 70% on the exam to get their ticket, and some trades may also require an additional practical exam. An individual may also challenge certain levels of technical training rather than just the overall ticket or certification.

History of British Columbia's Industry Training System

Originally, the industry training system was positioned inside government as the Provincial Apprenticeship Branch (PAB) with various ministries taking on the responsibility of the Apprenticeship Act.

In 1997, the *Industry Training and Apprenticeship Commission Act* was passed and brought into force under the joint direction of the Ministry of Labour and the Ministry of Education, Skills and Training. ITAC was a partnership between business, labour, education/training and government with equal representation on a 25-member Board. It was responsible for designating trades and occupations, establishing and granting credentials, developing training programs, establishing advisory committees, establishing by-laws and making other decisions consistent with achieving the vision.

ITAC employed a "high-touch" system with 16 offices around the province and approximately 40 counselors who personally interacted with and supported apprentices through the system. It also had over 60 Trade Advisory Committees comprising 600 members representative of business, labour, education and government.

In 2002, after a Core Review, government announced the disbandment of ITAC. Regional offices were gradually shut down and the development of a new model was undertaken. In 2004, the provincial government introduced new legislation that replaced the Industry Trades and Apprenticeship Commission (ITAC) with the ITA. Responding to criticism that the system was slow to make progress with out-of-date program standards, had an unwieldy structure and was often in decision gridlock, government intended this shift to create a streamlined, industry-led system that more directly met the needs of employers.

Current Role of the ITA and its System Partners

The ITA leads and coordinates the province's industry training system. Its mandate is to manage, improve and expand the industry training system to ensure the province has the skills to meet labour market needs. As part of that mandate, it will collaborate with industry to set program standards to

ensure training standards are aligned with industry needs; assess skills and issue credentials; promote the industry training and apprenticeship system; and fund training programs.

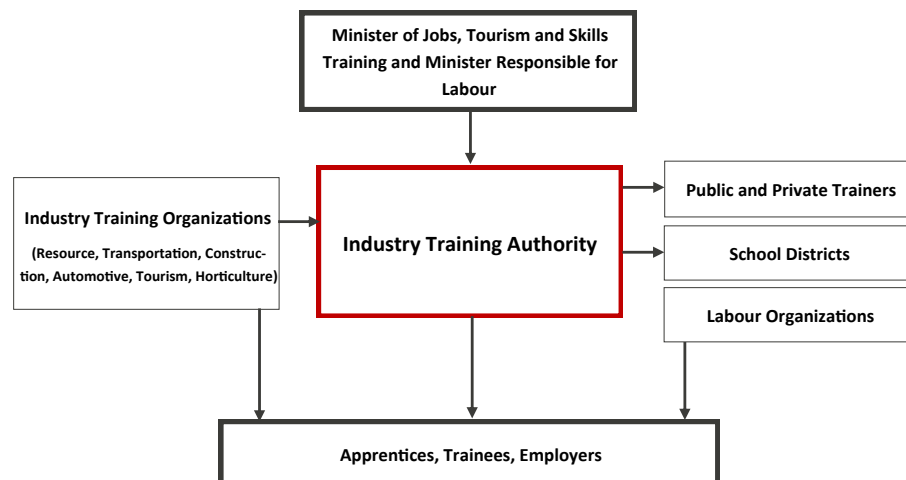
The ITA is a Crown agency of the provincial government and is accountable to the Minister of Jobs, Tourism and Skills Training (JTST). The ITA is governed by the *Industry Training Authority Act*. Every year the Minister of JTST, as a representative of the Government of British Columbia, issues a Government Letter of Expectations (GLE) to the Chair of the ITA confirming the mandate of the ITA and providing additional priorities and key performance expectations for the upcoming year.

Accountabilities set by government in the ITA's GLE include:

- Develop training that is relevant and responsive to industry, community and labour needs
- Expand access to training in all regions of the province for groups that are traditionally underrepresented or face barriers to participation
- Attract young people into the trades, promote the benefits of trades as a career and assist in transition from school to work
- Demonstrate the link between effective skills training and improved productivity and global competitiveness
- Create efficient, effective and flexible training delivery and certification processes
- Ensure labour mobility under trade agreements to ensure recognition of worker skills developed elsewhere

As illustrated in the figure below there are various partners in the industry system, all connected to the ITA as the driver of the trades training system. The key system partners, each discussed in more detail below, include:

- Government
- Industry Training Organizations
- Public and private training providers
- Labour organizations
- Other partners and stakeholders – employers, sector associations, First Nation organizations, and the general public



Government

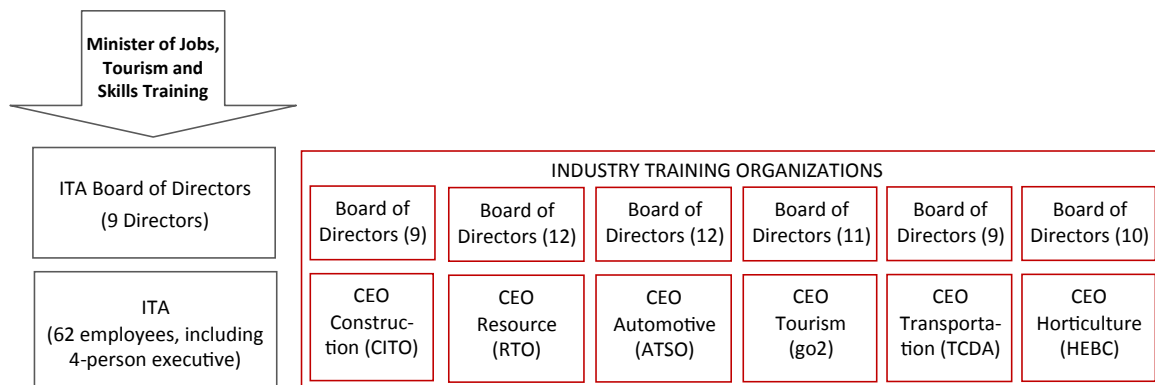
As mentioned above, JTST provides oversight of the system, however, other ministries are also involved in aspects of the training system. As described in more detail in the funding section below, the Ministry of Advanced Education provides capital funding directly to the training institutions and additional direct funding on request for trades-related programming – all outside of ITA’s annual funding. The Ministry of Education collaborates with the ITA on the dual credit programs offered with the school districts. The Ministry of Social Development and Social Innovation provides financial supports to EI-eligible apprentices. The Ministry of Finance authorizes the tax credits/incentives for both employers and apprentices. And finally, given the application of skilled trades across all sectors and industries, a number of ministries including Transportation and Infrastructure, Natural Gas Development, Energy and Mines, Forests, Lands and Natural Resource Operations all have an interest in a strengthened training system.

Industry Training Organizations

Between 2005 and 2007, the ITA introduced Industry Training Organizations (ITOs), currently representing six industry sectors:

1. Automotive
2. Construction
3. Horticulture
4. Resource
5. Tourism
6. Transportation

The ITOs are independent (non-controlled), not-for-profit societies each with their own Board of Directors and staff. Board composition is determined by industry. They are accountable to the ITA and are funded by the ITA through an annual Enterprise Partnership Agreement. Funding to the ITOs totals approximately \$5M annually, not including funding from industry contributions, Western Economic Diversification or one-time funding allocations for special projects. go2, the Industry Training Organization for the tourism sector, is somewhat unique in its funding profile. While it also operates under an ITA Enterprise Partnership Agreement it does not exist solely in relation to functions of the ITA but rather collects revenues through other program sources such as the “Serving it Right” program and is therefore independently sustainable.



The core focus of the ITOs is to consult with industry to understand the training needs for their sector. Based on the information gathered from industry, the ITOs propose modifications to program standards and, where necessary, recommend new sector programs to the ITA. Other roles funded by the ITA include engaging employers to participate in apprenticeship training, promoting the trades among youth, and providing some supports for apprentices and employers.

Public and Private Training Providers

The technical (classroom) training portion of the apprenticeship comprises 15-20% of the total training and is offered through 14 public post-secondary institutions and 24 private training institutions. The public post-secondary institutions deliver 90% of the technical apprenticeship training in the province and are represented by the Trades Training Consortium of BC.

The public and private training institutions are funded by the ITA to deliver both foundation and apprenticeship programs, totaling approximately \$75M in 2012/13. Public training institutions (PSIs), through Letters of Agreement with the ITA, are funded up-front based on projected intake, with a minimum threshold of 16 students per class. Each PSI has utilization targets that must be met, on average around 85%. If there is insufficient intake for a specific class, PSIs return 70% of the funds to ITA for that class at the end of the fiscal year, withholding 30% to cover administrative costs. The PSIs also have program advisory committees that network with over 2,000 employers throughout the province. These committees provide the training institutions with labour market demand insights that inform the planning for training seats and advise on program design recommended by industry.

Private training institutions, through Service Contracts, are funded notionally on intake but only receive funds for actual filled seats. With this funding model, private training institutions do not have the benefit of holding 30% of funds to cover administrative costs as do public institutions.

As previously described, there are also options for students in high school to participate in dual-credit apprenticeship programs. These K-12 apprenticeship programs are available in 52 of the 60 school districts in the province.

Labour Organizations

Trades unions in the province have a long history of both providing training and facilitating employment for British Columbians. They have a successful track record in attracting apprentices and training them to completion. Their success is largely premised on their ability to recruit and screen for strong candidates, provide ongoing support and mentorship to apprentices through counselors, and to indenture apprentices, allowing them to move apprentices around to different worksites thereby exposing them to the whole trade.

These services are enabled through collective bargaining agreements where contributions from employee wages go towards joint board union-sponsored apprenticeship programs. For example, the BC Building Trades spends over \$13M on trades training and training facilities (through contributions from collective agreements) and has over 5,000 registered apprentices with a purported 85-90% completion rate for its apprentices.

Some trades unions have their own training facility and others contract with an established training institution such as BCIT. Additionally, some trades unions offer their training programs to both union and non-union members. For example, the Electrical Joint Training Committee offers training to unionized members only and is designated by ITA for Level 1 training but do not offer Levels 2-4 because they have purchased classes from BCIT up to 2015. This partnership works well as BCIT is able to secure funding from ITA because the seats are guaranteed through the union. Alternatively, the International

Union of Operating Engineers is funded by the ITA and is a designated training provider that takes in both union and non-union apprentices.

Other Partners and Stakeholders

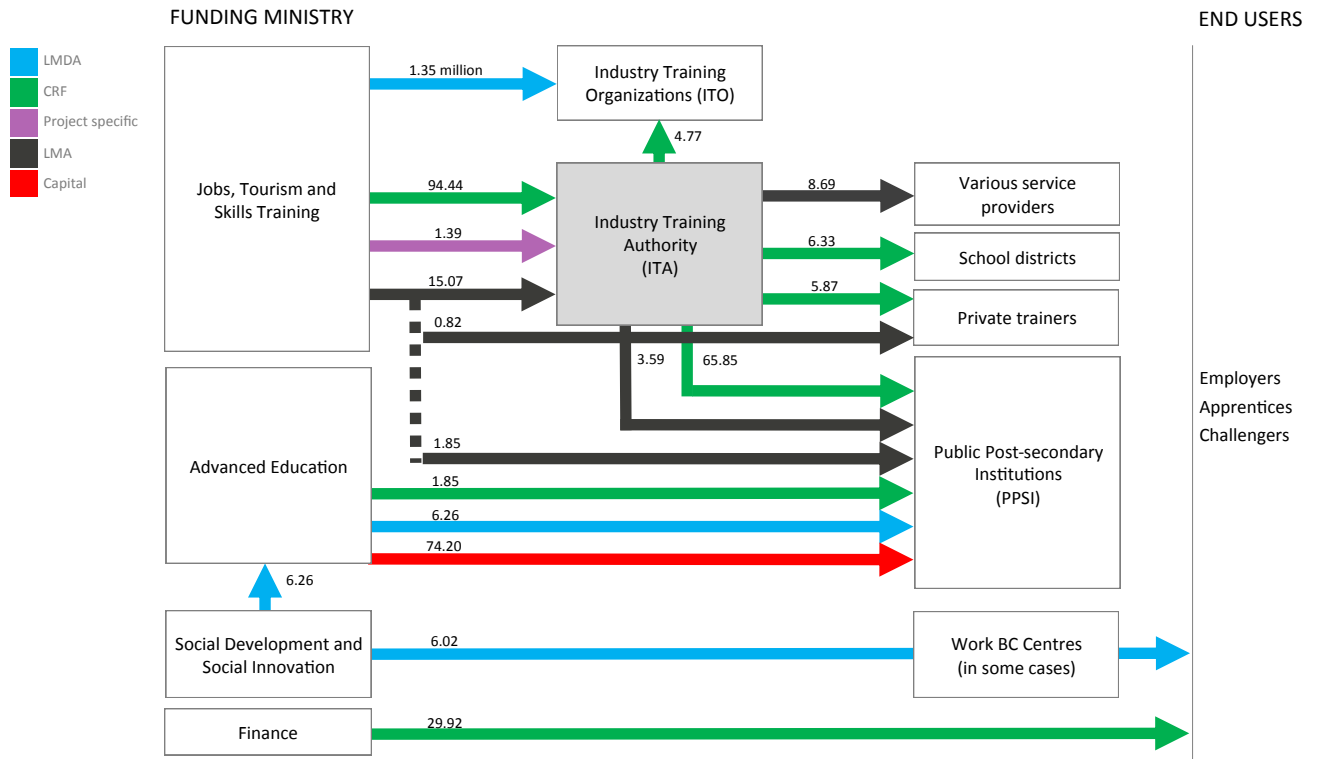
Beyond those that have a mandated responsibility to the industry training system, there are other partners or stakeholders with an important role in the system. Employers play an integral role to training delivery and certification due to the work-based training component of the apprenticeship system. Without an employer sponsor, an individual cannot become an apprentice. Employers are responsible for providing an adequate and safe training environment for apprentices and once the training duration is completed, recommend an individual for certification.

Like the union joint boards described above, there are other organizations and service providers that also play an important role in the trades training system. The BC Aboriginal Mine Training Association (BCAMTA), for example, attracts aboriginal individuals that have some trades skills and provides mentoring and customizable training services to equip each individual with the necessary skills or certification to be employable in the mining industry.

Lastly, the apprentices or trainees themselves are the labour supply that will meet the labour demand. Youth, First Nations, women and immigrants in particular are identified by the ITA as an underrepresented demographic in the trades system. Promoting the trades is a responsibility of all the partners in the system as a means to draw more British Columbians into the training system to meet the needs of the labour market.

Funding for the Industry Training System

BC trades training system—flow of provincially-administered funding (\$M) in 2012/2013



Funding for trades training flows from several provincial ministries: the Ministry of Jobs, Tourism and Skills Training, the Ministry of Advanced Education (AVED) and the Ministry of Social Development and Social Innovation (MSDSI). Total provincially administered funds for trades training in 2012/2013 was \$230.5M. The source of funds breaks down as follows based on the 2012/13 fiscal year:

- Consolidated Revenue Fund: Total of \$126.2M from the provincial government’s budget. The funds are committed to AVED for foundation seats, Finance for BC Training Tax Credits, and ITA’s core grant, which funds public and private trainers, school districts and the ITOs.
 - The funding for apprenticeship programs breaks down as \$46.4M to technical training (Levels 1-4/5) and \$21.1M to foundation seats.
- Labour Market Development Agreement (LMDA): Total of \$13.63M from the agreement with the federal government to deliver skills and employment programs for unemployed Canadians. The majority of funds are administered by the Ministry of Social Development and Social Innovation (MSDSI), with roughly half contributed as financial supports for apprentices while attending classroom training with the other half transferred to AVED to be allocated to PSIs for one-time trades training initiatives (separate from ITA-directed funding). A small portion of the LMDA was used by JTST to contract workforce planning from Industry Training Organizations (including, but not limited to, the trades) and training material development activities.

- Labour Market Agreement: Total of \$15.07M from the agreement with the federal government. \$12.4M of the total funds committed by JTST to the ITA for labour supply initiatives and to purchase foundation seats for eligible participants. The remaining \$2.67M used to support trades training available through other LMA programs delivered by public and private institutions.
- Capital Funding: Total of \$74.2M from AVED to PSIs for one-time allocations for trades facilities and equipment (as part of the Province’s Skills & Training Plan).
- Project-specific funds: Total of \$1.39M from JTST to the ITA for foreign qualifications recognition (competency-based assessments) and youth initiatives.

The provincial government has a training tax credit for both apprentices and employers. Apprentices can claim up to \$3,750 per year depending on the level of training and whether it is Red Seal or Non-Red Seal programs. Employers who employ apprentices enrolled in apprenticeship programs administered through the ITA are eligible for a tax credit between 15-20% of eligible salary and wages up to \$4,000, depending on the level of training and whether it is Red Seal or Non-Red Seal programs. Additionally, there are “enhanced” tax credits available to employers that train individuals enrolled in trades programs who are aboriginal or persons with disabilities. In 2012/13, close to \$30M was administered for tax credit claims.

It is important to note that, in addition to regular planned funding for trades training, there are other sources of government funding directed to achieve broad training outcomes. Examples include a one-time funding allocation to the Resource Training Organization to develop training programs for the shipbuilding industry and funding for BC Hydro to address workforce needs for the Site C project. As described previously, there are also training funds created through wage contributions from employees, which are common among union organizations.

Planning to Meet Demand for Skilled Workers

The federal and provincial governments across Canada have made skills training and development a priority based on the view that population trends point to a labour shortage amid a growing economy and aging demographic. There are voices that would argue to the contrary; that if a labour shortage exists there would be visible increases in wage rates, low unemployment rates and high job vacancy rates. Depending on the region or occupation, it is possible to draw that conclusion, with labour demand evident in the west while the east is facing excess supply in certain occupations. However, in British Columbia the reality of a looming shortage is a clear message heard from all sectors.

British Columbia has prepared a Trades Occupation Outlook for 2010-2020, based on results from the British Columbia Labour Market Outlook (2010-2020) and the Labour Market Scenario Model. The results were released in November 2011 and point to 1-1.5% increases in overall occupation demand and trades’ specific occupation demand.

Individual sectors have also prepared sector-specific labour supply forecasts. Reports include:

- Construction Looking Forward: 2013-2021
- British Columbia Hiring Requirements and Available Talent Forecasts (Mining Industry Human Resources Council)
- BC Tourism Labour Market Strategy, 2012-2016
- Renewing Canada’s Greenest Workforce: A Labour Market Intelligence Report, Forest Products Sector Council

Labour market reports for each sector consider replacement demand (retirement, death) and economic demand (increased economic activity). The labour market report for BC Tourism, for example, projects 44,220 new job openings due to expansion and 57,210 due to replacement by 2020; a total of 101,430 total new job openings.

The construction industry cites an expected labour force increase of 22,500 due to expansion demand and 32,000 due to replacement by 2021. This increased workforce demand (54,500) is offset by 24,000 first-time new entrants (local residents, 30 years old and younger), leaving a supply gap of 30,500 workers.

According to the ITA’s Performance Measurement Report, the ITA has recorded 35,564 active apprenticeships in the system as of September 30, 2013 and, at the end of the 2012/2013 fiscal year², 8,042 Certificates of Qualification were issued.

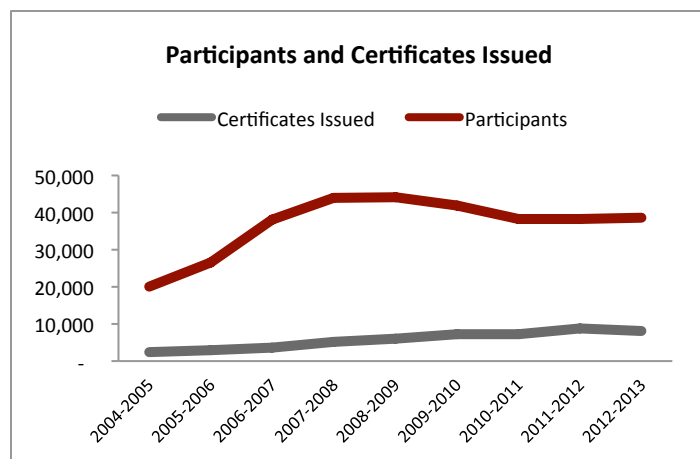
Annual funding decisions for training seats are currently made by the ITA through a process that starts with analyzing available labour market demand projection data for trades occupations, and asking post-secondary training institutions for their anticipated student demand. A second input is developed by looking at completion rates of each level of apprenticeship training for the past year. This information is assessed against labour market demand analysis provided by JTST and independent contracted analysis of other available data sources. This process results in a funding plan for the upcoming year to contract training seats. Where funding choices require specific industry input, an ITO may also be consulted for their opinion.

JTST has recently taken a very important step forward by developing a plan for workforce needs for the north. The ministry also established regional workforce tables comprising leaders from industry, labour, employers, training providers, First Nations and others to identify economic development opportunities and labour market needs and recommend ways to ensure local training programs are aligned with economic demand.

Current Supply/Demand Outcomes

Since the establishment of the ITA in 2004, there have been improved outcomes and system improvements over the previous ITAC model. An achievement recognized across the system is the improved and up-to-date standards for the trades.

Statistically, the number of Red Seal certificates and Certificate of Qualifications issued has steadily improved over the last 8 years, tripling the number of certificates issued³ from 2005 to 8,750 by the end of fiscal 2011/12. Total participants⁴ in the system have doubled since 2005 with



² Fiscal year is April 1 to March 31.

³ Certificates issued include apprenticeship completions and individuals who have successfully challenged the examination based on existing skills. Data provided by Labour Market Programs unit, Ministry of Jobs, Tourism and Skills Training.

⁴ Total participants include apprentice, foundation and youth program participants, except for 2004/05 and 2005/06 that do not include foundation participants. Data provided by Labour Market Programs unit, Ministry of Jobs, Tourism and Skills Training.

the number rising to 38,222 by the end of fiscal 2011/12.

As part of its mandate, the ITA will expand access to training for groups that are traditionally underrepresented, such as youth and Aboriginal people. The ITA has made considerable progress to improve the participation of these groups through its targeted initiatives. To illustrate the progress:

- Participation in ITA's youth programs has increased from 861 participants in March 2004 to 3,339 participants in February 2012
- Aboriginal participation in apprenticeship technical training has doubled since 2006/07, from 609 to 1,245 registrants
- 10% of all registered apprentices are women, up from 8% in 2009

To build on this success, the ITA has launched several strategies, including the "Kindergarten to Red-Seal" Youth strategy that will introduce students to a trades career as early as grade 4, expand access to the dual credit programs offered with the school districts, and introduce awards recognition for students and educators.

To improve access for Aboriginal people, the ITA provides funding from the Canada-BC Labour Market Agreement to sponsor entry-level trades orientation programs. The ITA also funds select service providers for entry-level training projects that will support access to the trades for Aboriginal people. In 2012-2013, there were nine projects in British Columbia that were sponsored by ITA Labour Market Agreement funds.

An initiative targeted for women is the Women in Trades Training Initiative (WITT) that supports women who want a career in trades. The ITA works with various service providers to deliver introductory trade programs that give women exposure to trades, and access to foundation programs and technical training. Program supports include funding for tuition or books, access to career counseling and subsidies for travel and childcare.

Expected Outcomes

The provincial government's Skills and Training Plan introduced a number of commitments to improve system outcomes. These include:

- Introduce 15 regionally-dispersed coaches and improve on-line resources
- Pilot approaches to improve timelines and outcomes (e.g. front-end-loaded training, competency-based skills assessment) and flexible training delivery
- Partnerships with industry to meet equipment and facility needs for technical training
- Student financial assistance for targeted trades programs
- Elevate the profile of trades
- Increase participation in the dual credit programs for apprenticeship programs

Since the Skills and Training Plan was introduced in September 2012, implementation of many of the commitments is well underway. For example, a \$3M trades campaign funded by the Province included trades promotion activities for K-12 students, parents and teachers and employer engagement events. The ITA has also announced its new Youth Mentorship program as part of the renewed Youth strategy that will pair youth interested in a trades' career with a journeyman, employer or experienced apprentice to learn more about trades.

Key Observations

Government leadership has introduced the right foundation, and has continued to build new strategies with consistent directions

Government has kept a consistent focus on its Jobs Plan, and has established priorities and accountabilities across the system to continue this work. The Premier has issued a Mandate Letter to the Minister of Jobs, Tourism and Skills Training that requires the development of a 10-year skills plan for youth, which is exactly what is needed to take on the challenge of ensuring British Columbians are “first in line” for these opportunities. The Minister has already directed the development of evidence-based planning for the opportunities projected in the province’s north, and has created regional workforce tables to advise on needs in other parts of the province. Labour market analysis has been an important function in the ministry and will continue to play a critical role going forward. Overall, there is broad support for the continuation of government’s shift towards an industry-led system.

Continued improvements could help ensure British Columbians are first in line for opportunities

The system is highly siloed

When introduced in 2005, Industry Training Organizations (ITOs) expected that their role would continue to expand over time, and they would become fully responsible for funding allocation plans, quality of training reviews and communications. However, their role has been limited to a number of functions. Without funding from the ITA, most ITOs would not exist (other than go2 who only receives 30% of its funding from the ITA) and these contracted service arrangements have become frustrating over time for both the ITOs, who feel they are micro-managed in a marginalized role, and for the ITA, who must provide adequate funding for the ITOs to continue to exist and are therefore funding activities that are not always critical priorities for the system, and may be more costly due to an extra layer of overhead and administration that may not be required if delivered directly by the ITA. ITOs also need to maintain a presence with their industry sectors, and some direct significant funding into re-branding ITA products and services under their own visual identity in order to enhance their visibility. This adds to frustration around perceived duplication and overlap, as well as questionable cost-effectiveness.

At the same time, PSIs feel that the ITA has an inherent conflict of interest as the manager of both program standards and funding decisions. In essence, because the ITA must allocate funding within its available budget and is striving to meet other demands to continually evolve programming (e.g. reducing the number of days that apprentices are away from the work site), the ITA may insist that training programs be designed to fit a smaller number of classroom days. PSIs would prefer funding decisions to be removed from the ITA’s role, so that these interests are split and the PSIs are able to participate in program design separate from considerations around cost.

The system is designed around objectives, not measurable targets

The accountabilities set by government in the ITA’s 2013/14 GLE are high-level objectives rather than measurable outcomes and can therefore be used to justify a range of programs and priorities rather than targeting the most effective measures to align projected supply and demand. Subjective continuous improvement may be achieved as a result, but not specific outcomes.

There is no province-wide planning under the current system to ensure training programs are aligned with workforce needs. Funding decisions are fragmented between ministries, resulting in random outcomes. Annual funding decisions for training seats that are currently made by the ITA and government ministries are more responsive to the supply-side interests of PSIs than to the evidence-based demand-side needs of the economy.

There are also currently no overarching targets for the overall outcomes of the system, leading to one-off decisions and misalignment of funds. Without clear coordination between ministries and system partners driving towards the same strategies to meet specific and measurable outcomes, the system will fall back into silos and will not achieve optimized performance.

Stakeholders are straining against one-size-fits-all solutions and perceived ideological differences

There are significant differences in the points of view between sectors – and system partners (e.g. organized labour, trainers) regarding many different strategies for building and maintaining an optimized trades training system. Conflict between these views has escalated to the point where there are immediate reactions to discussion of programming priorities in the belief that a new agenda may be contemplated. Over recent years, many new directions have been introduced such as de-regulation of trades, elimination of apprentice ratios, and modular training and certification that have caused strain because they were not fully inclusive during development, were seen to benefit single interests, and they impacted the whole system. Because different concepts benefit different interests these approaches have become associated with ideological positioning and the system is somewhat resistant to discussion.

Stronger participation by employers is needed

Currently there is an undeniable preference by employers to attract trained workers from other employers instead of participating in the training of apprentices. In some cases, employers and employer associations view the promotion of trades as a career option, and the training of the future workforce, as government's responsibility rather than their own. Other jurisdictions in Canada have taken a tougher stance on this issue, while British Columbia has made the choice to rely on voluntary industry leadership. A strong economy with alignment of workforce demand and supply requires employers to recognize and act on their own responsibility to invest in their current and future workforce needs.

The ITA requires stronger leadership and more focus

ITA Governance and Performance

Despite all the frustration with the system as described above, there is little debate that the role of the ITA is relevant and that the ITA should continue to exist. It is regarded, however, as unfocused, bureaucratic and slow to set priorities, make decisions and implement change, often revising decisions once made. It is viewed as lacking in direct industry expertise and unable to capture and report data accurately regarding its registrants. The ITA Board was often cited as relying on lengthy studies, lacking in decisiveness, focused on operational matters such as pilot projects, and not representative of industry interests. An overall feeling exists that the ITA is reactive in its decision making rather than planning ahead to address training issues.

To some extent, these comments appear to revolve around certain explanatory factors. First, knowledgeable and decisive leadership may have been lacking at the senior executive level, with a change now underway. Second, as discussed above, the system is currently highly siloed, resulting in critical perspectives between and amongst multiple partners. Third, within the current planning and funding process for the training system, and with multiple ministries involved in funding allocations, the ITA is often forced to implement disjointed directions or be reactive. A stronger focus on meeting outcomes is needed within a system that works with its partners to address training needs and is nimble enough to capitalize on opportunities as they arise.

There is also broad sentiment that ITA has grown from its original planned size of 10-11 staff to a much larger organization. This understanding was established in the 2003-04 ITA Annual Report which stated, “the ITA will have 10 employees, when full staffing levels are reached.” Today, the ITA has 62 employees, including a 4-person executive. With overall annual funding and revenues of \$110M, the ITA’s direct staffing costs are approximately \$5.3M, or 4.8% of the ITA’s overall budget. The ITA’s original projected size was linked to the original notion that the ITOs would ultimately carry most of the functions of the organization. This has not transpired, as discussed elsewhere in this report, and issues of duplication and cost-efficiency have arisen as a result.

Recalibrating for High Performance

A Seamless, Outcome-Oriented System

Clarifying roles and working together

There are many partners in the system, including ITOs, public and private training providers, the K-12 system, labour organizations, employers, employer associations and others. There are also multiple government agencies and programs involved, largely led by the ministries of Jobs, Tourism and Skills Training (JTST), Advanced Education (AVED) and Education (EDUC). While the ITA's role of allocating funding for trades training, reviewing and setting program standards and issuing credentials is still relevant, it does not operate within a seamless system with all partners and decision makers working towards the same identified priorities, strategies and targets.

There are significant differences in the points of view between sectors – and system partners – on many issues. Certain partners, particularly organized labour, feel marginalized. Others, particularly employers and employers' associations, do not feel heard within the system. Over the recent past, several new directions have been introduced such as de-regulation of trades, elimination of apprentice ratios, and modular training and certification that have caused strain because they were not fully inclusive during development, were seen to benefit single interests, and they impacted the whole system. Conflict between views as to the “right” policies, programs and funding priorities has led to deep silos in the system, with each partner focusing on their own interests. Because different concepts benefit different interests, these approaches have become associated with ideological positioning and the system is somewhat resistant to open discussion.

A shift towards multi-year planning based on common evidence, clear demand-related targets and consistent accountabilities is a key step that would enable the system to work together more closely and achieve the best possible outcomes. A system that today operates under strong and clearly stated objectives should become one that focuses every effort on alignment with agreed targeted strategies to meet specific and measurable outcomes.

To work together more effectively, it is also important to make the roles of each partner in the system more clear.

Government's core role should be to:

- collect and analyze data related to labour market demand/supply, and identify targets for alignment for each trade
- set key public interest objectives that must be met as part of the alignment of demand/supply (e.g. capturing unmet potential for British Columbians to fill job openings)
- set accountability measures for its internal programs and external delivery agents (ITA)
- report publicly on outcomes

The ITA's role should be to:

- work with its partners and stakeholders to determine the strategies and actions that will best meet the targets set by government

- listen to, reflect on, and report transparently on an ongoing basis to its partners and users regarding advice and proposals for strategies and action that merit consideration
- produce a multi-year plan that is available to industry and training providers, and is reviewed and evaluated annually for effectiveness against outcomes
- align its funding allocations against these strategies and actions (including negotiating its own performance contracts with training providers and be held accountable for these decisions rather than being directed on funding decisions by government)
- offer a transparent bid system to training providers to deliver programs
- gear its internal staff resources and workplans toward the cost-effective and timely implementation of all programs
- report transparently on the measurable outcomes of its efforts, including the outcome of formal feedback from its partners and users

The role of training providers should be to:

- work together to find collaborative programs and other offerings that are cost-effective for the system
- propose individual training solutions to the ITA that best meet the targets identified by evidence based planning
- contribute expertise to program standards reviews and other initiatives

The role of employers and industry should be to:

- undertake workforce planning on an individual and sectoral scale to understand current and future needs
- invest in the training of individuals to meet future workforce needs
- provide safe, quality work experiences for apprentices and workers and to implement other measures to optimize retention
- work together to actively promote opportunities in their trades and recruit new entrants

Introducing common objectives with measurable outcomes

Currently, there are no overarching targets for the overall outcomes of the system, leading to one-off decisions and misalignment of funds. Without clear coordination between ministries and system partners driving towards the same outcomes, the system will fall back into silos and will not achieve optimized performance.

It is recommended that government's core role of providing strategic direction and accountability oversight be enhanced with the addition of a specific responsibility to deliver an annual plan with the best available data forecasting labour market demand by sector and geographic region. In this role, government would take the responsibility of collecting and analyzing province-wide supply and demand data by sector and region based on fixed factors such as demographics and variable factors such as economic growth. JTST's current labour market analysis will require enhancement to create predictable province-wide planning to set targets. To ensure industry supports the data outcomes, newly created Sector Advisory Councils should have an advance opportunity to contribute and /or endorse the data

sources selected and any planning assumptions, as well as the identification of priority trades for specific attention.

It is important to recognize that planning will not be perfect in its first years. Data collection and availability will be improved over time after the first plan is produced and is re-evaluated in future years. Even more importantly, while factors such as the aging demographic will not change, assumptions regarding the economy most definitely will, and the planning process should remain nimble rather than over-complicated by efforts to be comprehensive.

In addition to setting overall demand targets to align supply and demand, it is also government's responsibility to make public policy choices that should govern a Crown agency's decision making process. In the case of meeting labour market demand, the Province has clearly stated that British Columbians should be positioned to be first in line for new positions. This means that the ITA's accountabilities must be guided by sub-targets related to meeting untapped potential amongst British Columbians.

For example, to address the unmet potential in Aboriginal communities and youth in the K-12 system, the system must take a quantified approach to achieving success. It is important that these should not be "stretch targets" that are too difficult to achieve and are therefore excused if they remain unmet in the immediate future. Instead, hard targets should be set that are reasonably achievable if the right investments are made. Numerous programs and initiatives exist to reach this potential, however our assessment is that a voluntary focus on simply "doing better" is largely resulting in tokenism by industry and system partners. Introducing hard targets that must be met will enable programs with demonstrable track records of meeting measurable outcomes to take up the challenge to produce the results needed.

Sub-targets should then include assumptions regarding the ability to increase participation by: other unemployed or underemployed British Columbians; other Canadians; and then temporary foreign skilled workers. There is much debate about whether the recruitment drives for foreign workers is an appropriate approach to fill the gap. A cursory look at the demand projections for British Columbia's workforce leads to a reasonable assumption that foreign workers will be needed. The objective of the system should be to know the number that this remaining deficit represents, and to be disciplined about following a plan that meets the targets set in the other categories at the same time. Ideally, a plan should also assess the type of foreign worker that will provide the best advantage to British Columbians – whether focusing on lower skilled foreign workers to keep higher skilled opportunities for British Columbians, or recruiting higher skilled foreign workers to assist with mentorship of new apprentices in the system. These strategies will most likely vary by sector and/or by trade, as discussed further below.

The resulting demand targets, broken down by sector and for key trades, should form the key performance indicators for both the ITA and all related decision makers within government, as discussed below. Some consideration should be given to introducing these targets by regulation.

Through the planning process, it is also recommended government assess whether the right proportion of available funding is directed to trades training versus other academic programming. Currently there is a wide funding gap between academic and trades programs. It is unclear whether the industry training system, as it currently operates, is underfunded however an analysis of relative demand could guide government funding decisions.

Recommendations

1. Government should introduce annual and multi-year planning to define province-wide sectoral and regional labour market demand targets for sectors and high priority trades that fall under ITA oversight. Planning should clearly identify fixed factors such as demographics, and variable factors, such as economic assumptions. Through this planning, government should set galvanizing targets for the overall outcomes of the system. Industry should be involved in contributing to and/or endorsing the planning process in advance, including data sources and assumptions (see Recommendation 12 regarding Sector Advisory Councils).
2. Clear sectoral sub-targets should be set by government to address the potential to increase participation from aboriginal communities, and from the K-12 system. Annual evaluation of overall system outcomes should pay close attention to whether these sub-targets are being met.
3. The remaining projected trades-related supply/demand deficit should be analyzed to determine a minimum necessary target to be filled by temporary or permanent foreign skilled workers by sector.
4. As a separate initiative, the planning process should also be used to assess whether the right proportion of available funding is directed to trades training versus other academic programming, based on projections of relative labour market demand and costs of programming.

Coordinating priorities and decisions within government

With the entire system driving to common outcomes based on targets set by government, government must itself then ensure funding decisions and programs are coordinated between ministries and aligned to meeting targets. For example, at the same time the ITA is providing funding to training institutions to deliver trades programs, last fiscal year AVED provided \$74.2M to public post-secondary institutions to fund facilities and equipment purchases for trades programs, as well as providing \$8.11M for foundation programs and trades initiatives directly to PSIs. In addition, MSDSI administers \$6.02M of LMDA funding in relation to trades programs. It is recommended that capital and operating funding decisions made by ministries in relation to trades programming be directly linked to the same ITA planning process and strategic priorities selected to meet targets.

There are also occasions where one-time funding is made available for specific initiatives, for example in 2013, the provincial government provided \$340,000 directly to the Resource Training Organization (Resource ITO) to implement the strategies and specifications identified in the BC Natural Gas Workforce Strategy and Action Plan. As part of the BC Hydro Site C project, the Minister of Energy and Mines funded close to \$200,000 to support new school district career counselor positions to encourage students towards a trades' career and to assist with connecting skilled workers to jobs in the northeast.

Ideally, all trades-related funding – capital, training seats and special program funding - should be housed under one ministry to be allocated to the ITA and administered under one outcome-oriented plan. However, the efforts that would be required to make this shift could require more than one budget cycle to achieve, and it may be impractical to attempt to move every aspect of trades-related funding from ministries without unintended consequences to the system. As an example, a portion of funding currently streamed to PSIs from AVED is discretionary and difficult to define an annual contribution. However, it is critically important that funding be centralized to the extent practical, and that all agencies are directed to support the same identified strategies and outcomes as the ITA. Therefore, a shared service function should be created within government to ensure disciplined coordination and reporting on overall outcomes.

Recommendations

5. Government should confirm that its own decisions will be aligned with these targets in every way, and reinforce that every partner in the system has a role in meeting them. In addition:
 - a. Government should no longer independently direct foundation or other training funding to PSIs or other organizations but instead empower accountability within the ITA for both decisions and outcomes. This will require transferring existing base and discretionary funding from AVED so overall funding levels are not reduced.
 - b. Capital funding decisions made by AVED related to trades must be directly linked to the same planning process and identified strategies to meet targets.
 - c. An appropriate portion of LMA and LMDA funding should be moved to the ITA, and integrated into its planning process to meet outcome targets.
6. Government should create a cross-ministry shared services mechanism to ensure alignment of funding decisions, including, but not limited to, trades training.

Governance and role of the ITA

The question has been frequently posed as to whether the ITA needs to continue to exist as a Crown agency, or whether its functions should be re-integrated into government. Typically, Crown agencies exist for two complementary reasons: first, the mandate relates to a “public good”, an asset, service or function that benefits all citizens and could not effectively meet that objective through the private marketplace alone (in other words, strategic direction and performance accountability should be fundamentally linked to government); and second, enabling operational administration to be undertaken outside of government is expected to result in improved outcomes – for example, through the involvement of an external Board of Directors, partnership in delivery with other entities, and/or nimble decision making to capitalize on relevant opportunities as they arise.

The core functions of the ITA – allocating funding for trades training and setting standards for credentials – are unquestionably an appropriate government responsibility. It is possible that government could effectively manage these functions itself. However, it is not readily apparent that there would be any cost-savings to a government-run model, and there would be much lost if the current “industry-led” system is not maintained and even enhanced. Simply put, government serves multiple objectives and is constantly attempting to balance interests as it governs. Meeting hard targets to align trades labour supply and demand in British Columbia requires a single-minded focus, which can only be achieved if a clear plan is set with targets and followed in a multi-year context.

Fundamentally, government sets the strategic direction of a Crown agency – e.g. what it is to achieve - and the Crown agency determines how the outcomes can best be achieved, and is held accountable for delivering. For this relationship to work effectively, it is important for government to establish clear and measurable outcomes for the ITA, including any public policy choices that it mandates to be incorporated as part of its decision making, and then allow all operational decisions to be made by the ITA, including funding decisions (see Recommendation 5a).

It is also important that any potentially conflicting responsibilities or direction be resolved by government. Currently, there are several areas of overlap between the ITA and other bodies. While the ITA has authority to set standards for program content, exams and assessment processes, there are overlapping authorities granted to some PSIs under their governing legislation. Separately, this

jurisdiction also exists under the mandate of the BC Safety Authority and the BC Association for Crane Safety.

There is no apparent justification for the province's universities to have this authority and, indeed, potential problems may be created if an ITA-funded training provider is able to compete with the ITA in setting program standards. With the BC Safety Authority and BC Association for Crane Safety, however, the overlap in jurisdiction is a little more complicated. In the past, these organizations have worked together with the ITA to enable it to lead necessary revisions to program standards and credentialing in regard to trades that may have key safety considerations. In some cases the organizations discussed such matters and came to agreement, whether due to budget limitations or other priorities, that certification changes would be best led by another agency to meet regulatory requirements.

This approach appears to be sensible, as long as it is guided by a clear protocol that would sustain a reasonable process and outcome where differences of opinion may exist. The existence of multiple credentialing authorities should not be able to be used as a "back door" for other partners in the system to pursue special interests.

Recommendations

7. The ITA should be retained as a Crown agency, with its current role re-confirmed.
8. The Province should take steps to resolve any competing authority of PSIs to set program standards, if necessary introducing legislative change to clarify the roles and responsibilities of the ITA.
9. MOUs should be formalized between the ITA and the BC Safety Authority and the BC Association for Crane Safety regarding cooperation to avoid overlap or conflict in certification responsibilities.

Trades Training Consortium of BC as a Crown agency

The 14 public post-secondary institutions funded by the ITA to deliver classroom training are represented by a committee called the Trades Training Consortium of BC (TTBC). In 2011, the TTBC became a Crown corporation due to a one-time funding grant that caused Cabinet, on the advice of the Office of the Controller General, to deem it an entity controlled by government.

TTBC does not receive any ongoing operational funding from the government, and is rather a not-for-profit entity funded by dues paid by each member institution based on the size of each institution's funded training plan. Its inclusion under the Government Reporting Entity as a Crown agency diverts its limited resources to meet government reporting requirements and does not serve any clear purpose in relation to the overall system.

Recommendations

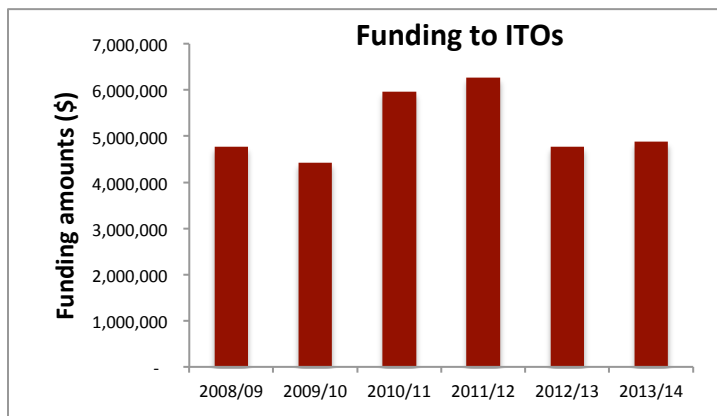
10. The Trades Training Consortium of BC should no longer be designated as a Crown Agency.

Enhanced Industry Leadership

A more transparent and meaningful role for industry

To complement a new shift toward an evidence-based and outcome-based system, government should continue, but enhance, its efforts to operate within an industry-led context. Currently, the system largely connects with industry through ITOs – independent, sector-specific bodies funded by the ITA to undertake prescribed activities such as program standards reviews and collecting industry advice.

When introduced in 2005, ITOs expected that their role would continue to expand over time, and they would become fully responsible for funding allocation plans, quality of training reviews and communications. However, their role has been limited to recommending program standards reviews, communicating with potential apprentices in their sector, screening and signing-off challenger applications, and engaging their industry sector to develop input to the system. CITO (construction) also provides direct counseling to assist apprentices who have failed certain levels of exams, and RTO (resource) is uniquely engaged in developing training strategies to help transition trades people to shipbuilding occupations. go2 is the most different from the others, in that it only receives 30% of its funding from ITA; it was a pre-existing industry body when the ITOs were established and it continues to deliver other tourism industry programs.



Core funding for the ITOs comes directly from the ITA with funding amounts fluctuating over the years. In 2011/12 funding allocations totaled \$6.2M, reduced to \$4.7M in 2012/13. The common functions funded by the ITA are prescribed in detail in annual “Enterprise Partnership Agreements”. The difference in funding in recent years is largely due to the newly negotiated fee-for-service agreements with the ITOs as a way for the ITA to better align ITO deliverables with its strategic plan. Funding for “Industry Engagement: Non-standards Work” in the 2012/13 ITA Service Plan was reduced by approximately \$1.2M, and for many ITOs this funding has been core to operations.

Without ITA funding, most ITOs would not exist⁵ and these contracted service arrangements have become frustrating over time for both the ITOs, who feel they are micro-managed in a marginalized role, and for the ITA, who must provide an adequate annual budget for each ITO to continue to exist and therefore funds activities that are not always critical priorities for the system, and are sometimes more expensive than if procured directly by the ITA. ITOs also need to maintain a presence with their industry

⁵ Other than go2, which delivers other industry programs and only receives 30% of its funding from ITA.

sectors, and some direct significant funding into re-branding ITA products and services under their own visual identity in order to enhance their visibility. This adds to frustration around perceived duplication and overlap, as well as questionable cost-effectiveness. Taken together, the governance of the trades training system includes ITA's Board of Directors, 6 independent ITO Boards of Directors, Chairs and CEO's totaling 72 Directors. As noted by one interviewee, "there is a very big system between an employer and its apprentice".

Although quarterly meetings are held between the ITO Board Chairs and the Chair of ITA, the relationship is not strong overall, with the ITOs feeling that their role is being progressively reduced, and the ITA feeling that its relationship with industry would be stronger if it had a direct connection rather than working through the ITOs. In general, the concept of ITOs as they currently exist is not supported by other partners in the system.

It is recommended that the core functions of the ITOs – employer engagement, training plan validation and standards setting – be brought into the ITA. Importantly, the expertise within the ITOs should also be brought into the ITA to manage these functions. This can be in the form of account managers dedicated to each sector, responsible for outreach to industry and working internally to develop solutions. Account managers would become the main point of contact for industry and ensure coordination between departments. The new functions inside ITA must recognize the unique variations between sectors, and keep each sector individually represented within the ITA rather than merging sectors together around line functions such as program standards review, etc. and therefore losing the important differentiation between sectors and trades that must be understood and reflected in order to successfully meet targets.

Recommendations

11. The employer engagement, training plan development, and standards setting functions of ITOs should be brought into the ITA, with industry expertise and the infrastructure of industry subject matter expert committees that ITOs have developed to inform standards development/updates incorporated into the ITA's core functions.

Given the critical role that employers play – and their own fundamental responsibility to plan for future labour needs – industry must become more closely connected to planning and decision making, within a new framework of evidence-based planning. It is recommended that Sector Advisory Councils be created to increase the direct role of industry in planning and decision making. Councils should strive for representation by employers rather than employer associations or consultants, and should include organized labour. All members should be selected on the basis of, and be guided by, visionary leadership for the sector as a whole rather than specific interests.

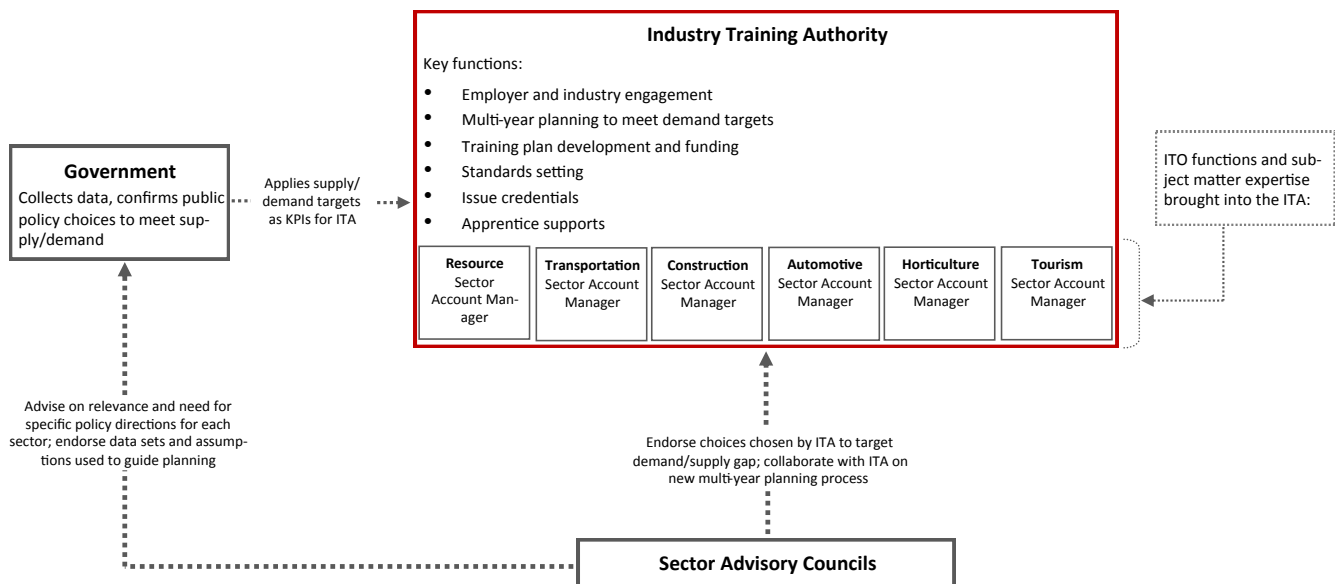
Sector Advisory Councils may be called upon to provide advice on many issues, but, through a designated annual meeting, should have a predictable role in the review of data sets and assumptions used to guide provincial-level planning, and in the choices made on specific priorities proposed by the ITA to target the demand/supply gap prior to final annual budget decisions being made.

Decisions should continue to rest with the Province and the ITA Board respectively in each case, however the advice and opinions of the Councils must be transparently presented to decision makers as part of the process, with reporting back on the outcomes of decisions.

Recommendations

12. Sector Advisory Councils should be created to increase the direct role of industry in planning and decision making.

The diagram below shows the organization of and relationships between government, ITA and industry (through the Sector Advisory Councils).



Re-constituting the ITA Board

The ITA Board plays an integral role in the outcomes achieved in trades training and apprenticeships in the province. The Board supervises the management of the ITA, determines the organization’s strategic direction, approves the annual business plan of the ITA, sets key priorities and approves major budget decisions, and reviews annual performance outcomes. It is also a key influencer of industry and post-secondary priorities and initiatives, given their reliance on the ITA’s functions and funding.

To complement the re-integration of ITO functions to the ITA, and the creation of Sector Advisory Councils, it is important for the ITA Board to be re-constituted. There is broad agreement that the former “interest based” ITAC Board model led to dysfunctional gridlock and win/loss decisions that did not reflect the outcomes needed by employers. However a different approach to Board composition is felt to be an important step to ensure industry confidence in the system.

Of all the future enhancements that could be made to improve the system, it is critical that the ITA Board is respected as a driving force behind achieving future outcomes. In a system that is currently very siloed and must find new ways to work together to achieve overall goals, Board candidates should be selected very carefully for their endorsement by others as people who have a track record of thinking and acting beyond single interests and have demonstrated leadership in hiring and training apprentices.

In the initial shift to an “industry-led” model, the equal ratio system of representative interests was abandoned and appointments were made to reflect general industry and geographic representativeness. However, a shift away from a structured ratio system naturally leaves partners and observers of the system unsure whether their voices are truly represented. Many feel that amongst the existing ITO Boards, better examples exist of strong industry experience with closer ties to leading employers and an understanding of how a complex system needs to respond to the specific immediate and long-term needs of individual sectors. Similarly, although there has consistently been at least one member of the ITA Board with a labour background for most of its past, most would agree that the experience and views of the labour organizations are not sought out to be included as part of the current ITA Board composition. As well, some board appointees have held positions longer than standard 3-5 years.

Some have commented that post-secondary and government are also notably absent from current Board composition. However, direct representation of private or public training entities on the Board would raise direct conflicts of interest in terms of specific funding decisions. An individual with previous involvement in post-secondary training could be appointed to the Board to draw on this important knowledge of trades and industry, but such an appointment should not be made in order to explicitly represent the interests of the post-secondary sector.

Similarly, it is not recommended for government representation to be included on the Board. Government already provides direction in the form of an annual GLE and does not need to be part of ITA strategic and operational decisions to implement this direction.

However, for a Crown agency to have a successful relationship with government, enabling both to work together effectively to achieve outcomes, it is important for the Board to understand government’s structure and operations, and current priorities. This point is often overlooked by Crown agencies, who are specifically intended to orient themselves to make independent business decisions, but may lack the knowledge to connect these decisions to government’s strategic direction and capitalize on opportunities to work together to solve problems and identify new ideas for mutual benefit. While government expertise should not be a core Board competency, if there is no such experience represented on the Board, the Board Chair should have regular interaction with an expert coach who can intermittently review issues and act as a sounding board to ensure solid coordination. In addition, ministry representatives should make themselves available to attend Board meetings if requested, in order to share information and answer questions.

Recommendations:

13. The ITA Board should be re-constituted in the immediate term to reflect the following membership:
 - a. rejuvenation of board members; and
 - b. broad sectoral representation (although not on an “equal” or “interest-based” formula); and
 - c. long-term industry/trades experience, ideally at a senior level; and
 - d. inclusion of individuals with knowledge and experience in labour organizations; and
 - e. recognition by others as having demonstrated personal leadership achievements related to the goals of the system (e.g. innovative accomplishments in recruitment, training and retention of workers; partnerships between employers, trainers, equipment manufacturers or others); and
 - f. strong capability to fulfill Board responsibilities (knowledge and experience in the role and functions of an effective Board); and
 - g. widely recognized by others as a “corporate” player who can bring past experience yet rise above individual interests to focus on overall outcomes.

Participation by organized labour

As discussed above, under the previous ITAC model, Board composition had equal representation of labour, employers, government and training providers, often leading to gridlock on decision-making. With the change to an industry-led model, labour organizations have been excluded from holding formal representation on the current Board and many ITO Boards. The ITO Boards with union participation (e.g. Transportation and Resource) have had success and demonstrate strong working relationships. The transCDA Board, for example, worked collaboratively with its union Board members to develop an innovative front-end loaded training program for commercial transport vehicle mechanics.

Collaboration between union and non-union organizations in training and employing apprentices also has proven success through union-sponsored apprenticeship programs, called joint boards. Joint boards are non-profit legal entities with the Board comprising both union and non-union representatives. Through a levy on all contracted work, joint boards provide services to support apprentices, such as recruitment, screening, registration, tracking, assignment to technical training and formal sign-off of completion, as well as mentorship and general support. They also have the ability to sponsor apprentices, relieving the administrative pressure from employers. Joint boards and union organizations, on average, have the highest completion rates for apprentices.

A clearer, more meaningful and transparent role for industry should also be complemented by greater involvement by organized labour. While the system will only thrive if all partners work together towards common outcomes, each industry partner, including labour unions, brings significant expertise to help define solutions that will make the greatest difference in achieving overall outcomes. Where ideological differences have appeared to get in the way in the past, a new model that focuses on clear, evidence-based targets should allow for rational and inclusive discussion, and guide efficient decision-making in the face of differing views.

Recommendations

14. Organized labour should be recognized in the definition of “industry”.

Recognizing variability between sectors and trades

In focusing on evidence-based planning targets, the system must recognize variability between sectors, and between trades. Over the recent past, the system has strained under new “one-size-fits-all” policy directions.

There are significant differences in the points of view between sectors – and system partners (e.g. organized labour, trainers) regarding many different strategies for building and maintaining an optimized trades training system. Certain sectors feel that 100% of the focus of the system should be on apprenticeship programs and Red Seal completion, while others feel that foundational programs play a vital role and are an important part of people achieving active employment. Some feel that competency-based assessments are critical to the system and that there should be a greater role and opportunity for challengers. Some feel that alternatives to the classroom such as mobile or online learning can work well as part of training and others feel these initiatives impact quality and safety outcomes.

Conflict between these views has escalated to the point where there are immediate reactions to discussion of programming priorities in the belief that a new agenda may be forced on the system as a whole. Over recent years, many new directions have been introduced such as de-regulation of trades, elimination of apprentice ratios, and modular training and certification that have caused strain because they were not fully inclusive during development, were seen to benefit single interests, and they impacted the whole system. Because different concepts benefit different interests these approaches have become associated with ideological positioning and the system is resistant to discussion.

While each of these concepts has merit within the system, they are not right for every trade and circumstance. A shift toward evidence-based planning must include a clear realization that the solutions that will allow the fastest progress towards an alignment of supply and demand require differentiation between sectors and trades. Industry must have a role in advising on the appropriate measures that will best target each trade, and this advice should be based on an evidence-based analysis driven by meeting demand targets.

Recommendations

15. Sector Advisory Councils should be asked to advise government on the relevance and need for specific policy directions for each sector, with resulting recommendations backed up by clear evidence relating to projected impact on achieving demand/supply alignment targets. These policy issues may include the need for re-introduction of compulsory certification, apprentice quotas/ratios, expanded opportunities for challenging for trades credentials, etc.

A High-Performance Culture for ITA

Accountability for responsiveness to users

The ITA has a pivotal role in supporting a successful outcome-based system. It has an opportunity – and a responsibility – to become viewed by its partners and users as a high performance organization with strong leadership and inclusive processes to develop clear plans geared towards these measurable outcomes. Its internal culture must be driven to implement timely, responsive and predictable actions and deliverables, and to reflect an understanding of the vital expertise industry and training partners have to contribute.

The ITA has not employed comprehensive and transparent feedback systems to understand, listen to, and report back on the experiences of its partners and users. These systems should be immediately implemented to set a new baseline for operational effectiveness and service quality. Annual results should be made available to partners and users, as well as provided to government. Reporting should also include the ITA Board’s view of issues that are identified through these systems, and the actions that are being implemented to achieve change. It is similarly important that a meaningful annual employee engagement feedback survey is implemented, and it is particularly vital that this be in place to assist with managing through change.

Recommendations

16. Working with its partners and users, the ITA should develop a clear and simple Service Charter to guide its operations, standards of service quality and to serve as the basis for annual feedback from users, system partners, and internal employees.

Key performance indicators

Currently, the system has been focused on general objectives rather than outcome-based measures, and it is debated whether the ITA’s current objectives are bringing the system closer to meeting labour market demands. The core measures of the system’s success reported monthly through Performance Measurement Reports and annually include the following:

- Completion rates
- Registered sponsors
- New registrations
- Certificates of Qualification issued
- Satisfaction with ITA credentials

However, most of these should more appropriately be considered “indicators”, not performance targets. As an example, the current 33% (down from 40% in 2010/11) completion rate provoked a sense that the current system is not working. However, this is not the right measure to determine the health of the system, or the province’s ability to align supply and demand. As has been described earlier, there is great variability between the sectors in terms of job opportunities, mobility, and the goals that industry believes are most important for a strong economy.

There are many reasons for low completion rates for apprentices. Most importantly, it should be recognized that there is a lack of comparability between jurisdictions on this measure due to different ways of collecting and reporting data. Secondly, there is a high drop-out rate after the first year of apprenticeship (close to half) as apprentices determine their level of interest and competency to continue. For this reason, jurisdictions such as Alberta do not include first year apprentices in their completion rates. Some apprentices may have life circumstances leading them to make the choice to delay completing the four-year program, while others may have no intention of completing the program.

To underscore the latter point, it is interesting to note that go2 challenged itself to find innovative ways to increase the number of apprentices in the system, working with the ITA within the existing spend. Part of the initiative was to introduce a progressive credential model for some trades such as a Professional Cook, meaning that specific training and certification is available for Professional Cook 1, 2 and 3 (Red Seal), enabling recognition of skills at various levels of the occupation. Successful completion of each level results in a credential. The goal of the initiative was accomplished; increasing the number of credentials issued nearly tenfold, from 116 to 971 credentialed Professional Cooks. However, while this increased the number of credentialed cooks available for job openings and doubled the number of registered apprentices, it did not change the actual proportion of apprentices reaching Red Seal completion, which remained at approximately 25%.

go2 states that this does not represent a failure, but rather a clear and differentiated focus on what this industry sector needs now in order to align supply and demand, and providing recognized credentials for individuals who only wanted to reach a level 1.

While there is clearly room to do better overall in terms of completion rates, it is equally clear that the assumption that 100% completion would be ideal is not a realistic goal, nor aligned with industry's needs in all cases. It is therefore fundamentally inappropriate to consider the 67% not reaching Red Seal completion as an indicator of failure of the system.

The ITAs key performance indicators should be focused on quantifiable progress towards meeting newly defined targets. Once province-wide data has been compiled, the best performance measure to assess the health of the system is the projected alignment of supply and demand – specifically related to the provincial targets and sub-targets described earlier. Indicators, such as the pass/fail rates of students, percentage of Red Seal completions, etc. only become relevant once we know the evidence-based target we are trying to reach by sector/trade, and by source – and how this gap is shifting.

Recommendations

17. Government's Letter of Expectations to the ITA, and its approval of the ITA Service Plan, should set out outcome-based measures rather than general objectives. Key performance indicators for the ITA should be tightly linked to meeting labour market demand targets, as well as achieving high feedback scores from its users.

Demand-driven funding decisions

As discussed throughout this report, to be successful in meeting British Columbia's looming labour challenges, the system must shift from a supply-driven system to a demand-driven system. In this model, training providers have a critical role as suppliers to the system rather than being funded to provide competing offerings to prospective students.

An enhanced demand-oriented model should also encourage innovation and a sense of common purpose by all partners, particularly training providers, by basing funding decisions on clear and consistent targets. Training organizations, whether PSIs or others, can then develop and advance their offerings in a transparent annual bid process, to be evaluated on common factors such as suitability to meet specific identified needs, quality, location and cost. Alternative program elements such as smaller classes (<16 seats), use of mobile training units, online learning, front end loading, more flexible industry training modules, and dual credit programs with the K-12 system can be encouraged if they can demonstrate how they are tailored to be responsive to the needs of specific sectors and trades, and will deliver outcomes consistent with transparent, multi-year targets.

A similar example of this model is the funding provided by AVED to fund foundation programs in order to address waitlists through a request for proposal process, which currently includes consultation with ITA. Approximately \$1.7M annually is used to fund these programs. As a similar example, we heard many times that the Province's focused efforts introduced in 2009 to address its nursing shortage was a positive process. It began with labour market demand analysis, set galvanizing targets, and opened up the opportunity for training institutions to propose solutions for consideration. Addressing the province's trades shortage is essentially the same process, but on a larger scale.

As part of the planning and procurement processes, training providers should be enabled to work within a multi-year planning process to give them foresight into training demands and allow them to make more informed, predictable choices for their training programs. As mentioned earlier in the report, it is very noteworthy that the Electrical Joint Training Committee has been able to determine its training needs for unionized members several years in advance, and has been able to contract these seats through BCIT through to 2015, in turn enabling BCIT to secure funding from the ITA on the basis of guaranteed delivery. This planned system optimizes the use of available funding, enabling the training institution to make any necessary investments to gear its programs to successfully meet the client's needs, and all partners know the target of fully certified electricians that should be produced through the delivery of Level 2-4 programs. In the recommended scenario to be applied across ITA-funded programs, training organizations would bid to provide the training, with the successful organization (or partner organizations) accountable for providing quality outcomes and benefiting from the ability to plan over a multi-year period as relevant.

It cannot be stressed strongly enough that a shift toward demand-oriented funding can only be successful if existing fragmentation in funding decisions between government ministries, including capital funding, is aligned with these funding choices.

Multi-year planning

The absence of multi-year planning, combined with certain administrative procedures, currently results in "lost" funds that would otherwise be available for training seats. For example, each year the ITA holds back a portion of available training funds at the start of each year to provide it with the ability to fund unexpected demand through the year, called the Learner Demand fund. If these funds are not taken up or re-allocated to fund other activities before the fiscal year winds down, they lapse because they cannot be rolled over to the next year. In the last fiscal year, \$1.18M remained unspent in this fund.

Similarly, as discussed earlier in this report, the ITA presently provides PSIs with funding on the basis of anticipated classes, and then requires the PSI to return 70% of these funds at the end of the year if the class did not occur. This results in lost training funding of both the 70%, which cannot be easily reallocated at the end of the year, as well as the 30%, which becomes a general contribution to the PSI's budget. The system must become nimble enough to reallocate unspent funds to target waitlists or

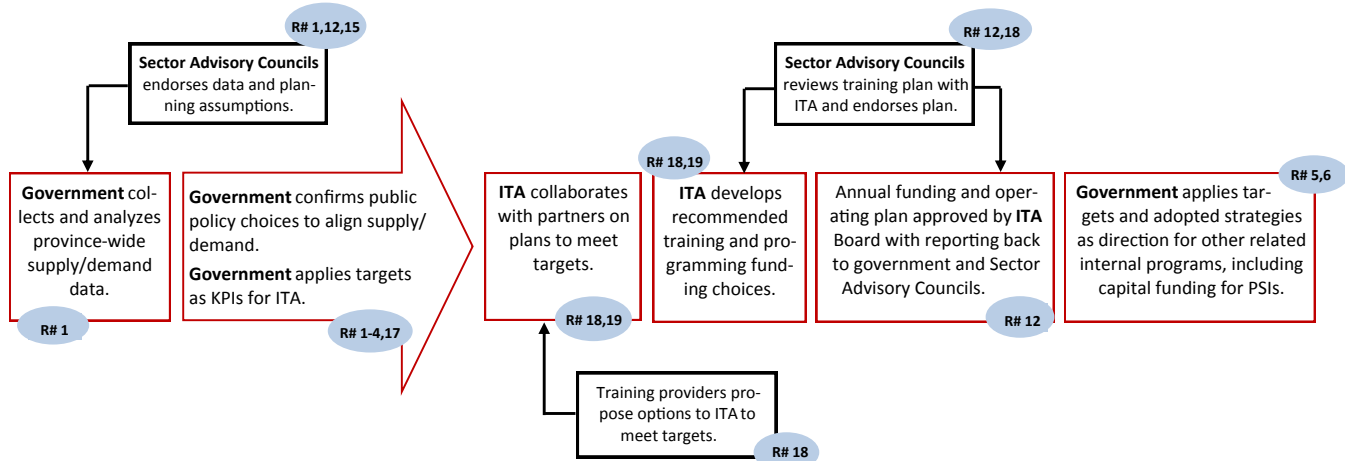
capacity issues in the training institutions, an issue commonly raised by partners in the system, and eliminate arrangements with partners will result in lost funds.

It is recommended that government consider introducing a mechanism to enable the ITA to undertake multi-year budgeting. This would reduce the occurrence of unspent funds at the end of the year that currently lapse and therefore become inaccessible to the training system. In the past fiscal year, unspent funds totalled \$4.7M within the training delivery budget.

Recommendations

18. Involving Sector Advisory Councils and with input from training providers, the ITA should implement a new evidence-based, multi-year planning process to set priorities and allocate funding in direct alignment with demand/supply targets.
19. Through its annual training investment planning process, the ITA should work towards providing greater multi-year planning certainty for training providers. Involving advice from Sector Advisory Councils, the ITA should eliminate the present system of fiscal year-end holdbacks for courses that are not delivered by public training institutions and instead consider introducing new flexibilities for training providers including variable class sizes.
20. Government should consider the introduction of a mechanism to enable the ITA to undertake multi-year budgeting, with any surplus returned to government periodically on demand.

The diagram below shows the basic elements of a new demand-oriented model, and identifies how key recommendations link to the model.

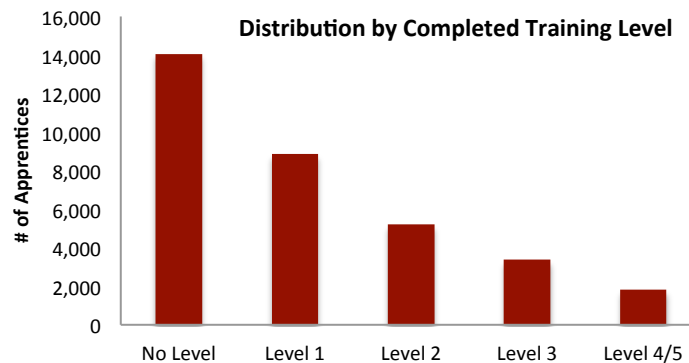


Increasing Access for Apprentices

The secrets to success: screening, tracking, and personal support

Despite various differences in view on many issues, we heard repeatedly that the key ingredients to high apprentice completion rates are screening, tracking and personal support. Upfront screening is an obvious way to increase completion rates. It is important for the individual, the trainer, the employer and the funder to all be aware of whether the key requisite knowledge exists for the investment of time and resources to be successful. While the ITA has an online screening tool and free online learning tools to acquire the skills, it is voluntary for registrants to use and addressing the results is equally voluntary.

The image below shows the distribution of apprentices across the various levels of training. (No level represents individuals in foundation programs and ACE-IT dual credit program).



The continuation rate from pre-apprenticeship (foundation program) to apprenticeship in 2012/13 was 51%. In that same year, \$21M was invested in foundation programs, resulting in over \$10M in lost investment or unknown outcomes. Similarly, continuation rates for high school students in a dual credit program that carry on to a Level 2 technical training was 24%. Increasing the return on investment within the training system would be greatly enhanced if registrants were required to demonstrate readiness prior to enrolment.

While it is an important part of a cost-effective and successful system, it must be recognized that improved screening also has the effect of simply leaving youth and others behind. Fundamentally, the K-12 system must find ways to improve essential skills outcomes to improve success at positioning British Columbians to be first in line in meeting new demand targets.

ITA information systems currently do not collect or report on the progress of registrants in an accurate and useful manner. This is largely because interface systems were not originally developed with these functions in mind, and also because in-person supports have been reduced from the earlier system and so little interaction exists on an individual level. It is strongly recommended that improved data collection and accurate tracking become a priority for the ITA.

Under the former ITAC model, regional apprentice counselors existed to provide advice to employers to facilitate training objectives, inspect workplace training programs to ensure adherence to standards, and provide information, advice, guidance and support to apprentices. In Spring 2013, the ITA undertook extensive consultations with apprentices, parents, employers, labour, ITOs and others to determine what kinds of gaps in support apprentices and employers are currently experiencing, and what steps

could be taken to address them. The outcome of these consultations, included in the Skills and Training Plan, is a commitment to hire 15 apprenticeship advisors. Five advisors will be hired this year and the following ten will be rolled out over the next couple years.

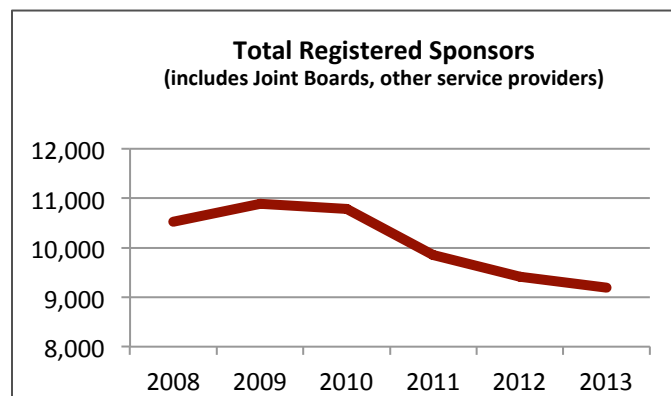
This is the right response but is broadly seen as inadequate in view of the regions, sectors and sheer number of apprentices and employers that need to be supported. As of September 30, 2013, there are 35,564 apprentices registered in the system, resulting in an unmanageable caseload for each advisor. The ITA should identify internal cost savings to introduce additional advisors to reach a minimum of 15 within the next year.

Recommendation

21. The ITA should identify and apply internal cost savings to more rapidly introduce a larger number of regional advisors to coordinate, track and support apprentices, and liaise with employers and other partners such as training providers and the K-12 system. A minimum target of 15 advisors should be introduced within the next calendar year.
22. The ITA should develop a plan for improved data collection and reporting, focusing on accuracy and the ability to track registrants in the system more effectively. This data should be used to evaluate the effectiveness of programs and be provided annually to government to supplement other data sets to track demand/supply alignment.

Employer responsibility

Measures such as improving the availability of training to align with demand and targeting strategies by sector to increase participation of under-represented British Columbians in the system will not be successful unless employers are participating in training their future workforce. The single greatest challenge to increasing apprentice participation is employer sponsorship. Without a sponsor an individual cannot begin their path to apprenticeship.



Although there has been a simultaneous increase in apprentices registered in the system, there has been a gradual decline in registered sponsors since 2009. In the absence of improved data, it is unclear what these trends represent, given that a registered apprentice requires a sponsor. It is possible that some larger companies are taking on more apprentices compared to small and medium sized businesses (SMEs) or perhaps that there are increased registrations in programs that do not require an employer sponsor such as the ladder credential programs (Cooking Level 1). Alternatively, it may involve an

increase in registrants by "sponsoring bodies" like the Electrical Joint Training Board (EJTB) or the Independent Contractors and Businesses Association (ICBA) discussed further below that count as one sponsor but actually place apprentices with hundreds of employers.

However, it appears that there is currently an undeniable preference to attract skilled workers from other employers instead of employers planning and investing in meeting their own needs. Other jurisdictions in Canada have taken a tougher stance on this issue, while British Columbia has made the choice to rely on voluntary industry leadership.

A differentiated approach may be warranted to address large-scale projects that are clearly beyond the existing system's potential such as LNG. Government and industry may wish to develop a clear partnership agreement with specific measures outlined to meet this need together, achieving the best possible outcomes for British Columbians while providing certainty for the sector. Innovative measures will certainly be needed, as LNG employers will not have workplaces available to train apprentices on time for when highly skilled workers will be needed during their construction and operations phases.

This points to a broader theme that must be confronted: the role of employers in meeting their needs for skilled workers. While there are many passionate and engaged employers across British Columbia, and many active employer associations that are working hard on innovative solutions to ensure quality and safety in the trades and to position to meet future labour market demand, there is a lack of clear understanding and acceptance across the system of the employers' role in meeting their own workforce needs.

Very simply, employers must take responsibility for their own future. A new discussion must be introduced with the assistance of the broader business community (who is also affected by resulting underperformance in the economy) that underscores this reality and encourages employers to confront their responsibility to work together and with other partners to attract their future workforce, to retain their workers, and to invest in developing their skills.

There are complementary measures that may assist, but not replace, this responsibility. While tax incentives exist, some employers are not aware of them. Regional advisors/counselors/connectors can assist with this, as well as provide advice on identifying appropriate candidates and assisting with the development of individual training plans that are workable for the employer.

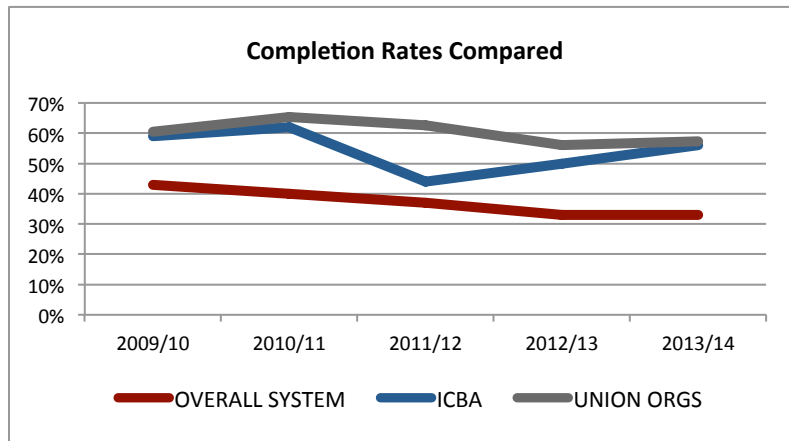
SMEs have particular challenges that restrict them from fully participating in apprenticeships, including:

- the apprentice must leave the workplace for 6-10 weeks per year to attend technical training leaves a company short-handed or causes disruption to workflow
- the financial commitment to sponsor apprentices with varying degrees of productivity in return
- the risk of investing in an apprentice and have them "poached" by another employer once they are certified
- lack of time or resources to train an apprentice

To remedy these challenges, service providers such as joint boards led by labour organizations and the ICBA coordinate apprentices on behalf of the employers. The ICBA serves as the sponsor for its members and takes care of the administration and paperwork that would otherwise be done by the employer. It has a database to track all apprentices in the system and can rotate apprentices among employers throughout their apprenticeship.

The EJTB, as another example, serves as the sponsor to all member apprentices, while the contractors are the employers of record and responsible for paying wages and benefits in accordance with the collective agreement. The services provided by the joint board include recruitment, screening, tracking apprentices through the system, assigning apprentices to technical training seats and requiring them to attend the training. The joint board can rotate apprentices among contractors to ensure they are exposed to the full scope of the trade.

The success of these two programs in terms of moving apprentices through to completion is undeniable when compared to the traditional method used for the overall system, as shown in the image below⁶.



The challenge to increasing employer sponsorship is not unique to British Columbia and many jurisdictions are working to find innovative solutions. Australia, as an example, has established government-funded Group Training Organizations that hire apprentices and manage the training and administrative tasks for the duration of their apprenticeship. These organizations place apprentices with participating employers for specified periods of time and can move apprentices around to different work places to ensure they are fully trained. Components of this model have merit and it is recommended this model be studied further.

As part of meeting demand sub-targets set by government, the ITA should also consider either working more closely with, or adopting, a Group Training Organization specifically oriented to bringing aboriginal people into the trades. Existing organizations focused on serving the Aboriginal population essentially already have the capability to operate as “hiring halls” but are underutilized by industry. The Aboriginal population represents the fastest growing youth population which not only presents a labour supply opportunity but also an opportunity to connect aboriginal people to long-term occupations near or within their communities throughout the province. While there are special challenges associated with successfully reaching these individuals, sufficient organizations exist with impressive track records in this regard that can be transparently assessed to demonstrate their knowledge and expertise. The existence of clear targets within a demand-driven system would enable such organizations to compete for funding to meet those targets.

A more coordinated, outcome-based approach in this area could also benefit proponents of major projects who may enter into bilateral commitments with local First Nations to bridge community members into new employment opportunities, but require skills training to be integrated as part of

⁶ Union organizations are those that hire and manage apprentices on behalf of their union members and are not individual union employers. Union organizations account for approximately 12% of total apprentices. ICBA represents 3% of total apprentices. The timeline represents cohort end dates. Source: ITADirectAccess.

success. Such commitments that provide a part of the puzzle in terms of potential future employer sponsorship will only be capitalized on if integrated supports are part of the picture, including counseling, essential skills upgrading, and training.

Promoting trades as a career

Although progress has been made to promote trades as a career, many feel there is a strong bias amongst administrators, teachers, counselors and parents towards career choices in professional fields such as teaching, medical, law, accounting, etc. Trades are generally viewed as an option for those that are not strong academically rather than promoting the high earning potential and career opportunities available to tradespeople.

The provincial government has led initiatives in the past that promote trades, such as the \$3M trades campaign as part of the Skills and Training Plan to promote the trades among students, parents and teachers. Additionally, AVED and the Trades Training Consortium of BC are funding Skills BC to undertake a speaker series, called “inSpire BC”, in schools highlighting trades opportunities. The ITA has a youth trades program – Youth Exploring Skills to Industry Training (YES 2 IT) – designed to increase awareness of the trades by providing funding for projects that target younger students between grades 6 and 9, as well as parents, educators and communities.

The missing ingredient in promoting the trades as a career is employers. While there are notable exceptions amongst employers and employer associations who are leading innovative approaches to reach high school students in particular, we heard frequently from employers that government is expected to take on this responsibility. Employers must step up and recognize that this is not only their role, but that they are uniquely positioned to create the direct inspiration that is likely to lead an individual to make a choice to pursue a career in the trades. From motivational stories of the benefits trades have to offer, to experiences visiting job sites, to the insider view teenagers can see on reality television shows such as automotive detailing, gold mining and home improvement, it is employers who can open up the world of their trades and draw new entrants to the field.

It is recommended existing programs and campaigns continue in a more coordinated fashion with employers and employer associations being encouraged to work with training providers and the K-12 system to promote the trades.

Recommendations

23. Consideration should be given to the introduction of a new group training organization within the ITA geared towards SMEs.
24. Similarly, the ITA should consider creating an internal group training organization with a specific focus on achieving targets to increase participation for all sectors from Aboriginal communities.
25. Industry sectors and employer associations should be encouraged to work together with ITA, PSIs and the k-12 system to improve the culture of trades and bridging into training and employment for youth.

Public sector leadership

As the largest employer in British Columbia, the provincial government has an opportunity to demonstrate leadership and set the example it expects other employers to model. While the provincial

government does not directly employ all public servants in British Columbia, there are opportunities for it to spearhead collaboration with municipalities, schools, universities, hospitals and Crown agencies.

The public sector has an opportunity to take a leadership role and embark on a specific initiative to analyze workforce planning numbers, with a specific focus on understanding the numbers of apprentices that will be required to rejuvenate a retiring workforce and avoid the otherwise inevitable default to “poaching” skilled journey people from other employers, or resorting to foreign workers as a core strategy. A dialogue should be spearheaded as part of this exercise around innovative work arrangements that could be created to create a suitable scope of experiential work for apprentices. This dialogue should include labour unions, recognizing the creativity that will be required to find new solutions within existing budgets.

Government may also contemplate showing further leadership by assessing the opportunity for enhancing bid criteria on public sector procurement projects in relation to apprentice quotas (e.g. making the proposed apprentice quota a meaningful competitive factor in the evaluation of bids). Many jurisdictions have moved, or are moving, towards required quotas. In Manitoba, in order to bid on publicly tendered capital projects, bidding contractors, mechanical contractors and subcontractors must engage in apprenticeship training by showing that they currently employ apprentices, or have employed an apprentice in the last 12 months. There are no specific policy targets, rather employers are required to be engaged in apprenticeship. The Alberta government is currently considering options to introduce measures on publicly funded projects. In Australia, quotas apply to the building and construction industry and require a minimum of 10% of the hours be worked by apprentices, trainees or indigenous workers.

As well, the federal government’s Economic Action Plan 2013 states that procurement methods will be changing to introduce measures to support the use of apprentices on federal construction and maintenance contracts. This would extend to provincial projects that receive federal funding and include housing. Specific measures have not yet been announced as the government is currently looking at variables such as minimum contract values, contract duration, size of the firm and its ability to hire apprentices, as well as a pooled approach to reduce the reporting burden and its applicability to subcontractors.

Recommendations

26. Government should lead an initiative with the broader public sector to analyze future workforce needs in relation to the trades, and to explore the potential for a collaborative plan to increase the number of apprentices employed in the public sector, including possible joint sponsorship and shared work experience opportunities.
27. Government should assess the opportunity to enhance bid criteria on public sector procurement projects in relation to apprentice quotas.

Partnerships to create opportunities

There are views among some employers that government can and should serve as the conduit between industry’s needs and the labour market. Although government sets the direction and provides funding, government cannot possibly solve all the challenges. There are several examples where great things are happening between passionate and inspired system partners that are directly achieving outcomes. For example, in the Powell River school district, less than 10% of students were continuing on to post-

secondary education until the Superintendent from the school district and Vancouver Island University partnered up to provide trades programs in the high school to expose students to alternative options as a career. To get real hands-on experience, the students worked with the local First Nation, Tla A'min, to build homes on the reserve. Now, 50% of Powell River students graduate with some form of post-secondary credit. All the students that received first year apprenticeship credits had jobs right out of high school.

For the commercial transport vehicle mechanic trade, a front-end loaded training program was piloted stemming from an interest brought forward by industry to introduce alternative training programs. Partnering with Thompson Rivers University, three industry employers and BC Transit, a 61-week front-end loaded training program was offered to 16 apprentices. All apprentices successfully completing the program will receive a job with their sponsor employer.

Many more inspiring examples of partnership and innovation exist across the province. The key to each story is that visionary individuals found ways to connect to each other and develop new solutions. More opportunities to hear about such successes, and make new connections, could result in an exponential increase in such impressive leadership.

Recommendations

28. The Ministry of JTST and the ITA should jointly host an annual Innovation Forum where leaders from training institutions, the K-12 system, First Nations communities, employers and other stakeholders can learn from each other and make new connections to work together.

An Effective Transition

Transition to the proposed new model will require the support of all system partners. At a time when the Province and employers are facing significant existing and upcoming challenges in meeting labour market demand, it is critical that the system not face unnecessary delays and uncertainty. A time-bound transition plan should be developed that is transparent to all partners, providing early and ongoing structured opportunities for inclusive participation. While it is important that system partners accept the new directions rather than re-opening debate, the system will only be successful if broad representation is involved in determining the best way to achieve implementation.

Recommendations

29. A 90-day transition plan should be developed with the participation of an oversight committee of industry representatives to ensure smooth and transparent implementation.

Appendix A: Consultation Participation List

Below is the list of participants in the ITA Review consultation. Close to 200 individuals were interviewed, including individual apprentices not listed below.

ITA

Gary Herman, Interim CEO	Judy Dickson, Employment Connections, Fort St John
Jeff Nugent, Interim COO and CSO	Teresa German, Employment Connections, Fort St John
Sue Thomas, CFO	Rosolynn Kaib, Employment Connections, Fort St John
Allan Bruce, Director	Doug Routley, NDP Opposition Critic, Skills Training
Frank Pasacreta, Chair	Catherine Roome, President, BC Safety Authority
Kurt Krampfl, Director	Shelly Milne, BC Safety Authority
Allan Cullen, Director	Abraham Van Poortvliet, BC Safety Authority
David Fehr, Director	Cheryl Wenezenki-Yolland, Associate Deputy Minister, Crown Agency Resource Office
Thomas Kirk, Director	Maria Pavao, Labour Strategy, Site C, BC Hydro
Patty Sahota, Director	Krista Drost, Human Resources, BC Hydro
Laura Stanton, Director	
Jack Davidson, Director	

GOVERNMENT

Shirley Bond, Minister, JTST
Dave Byng, DM, JTST
Dawn Minty, former ADM, Ministry of Advanced Education
Sandra Carroll, DM, Advanced Education
Bobbi Plecas, ADM, Advanced Education
Shannon Baskerville, Former ADM, JTST
Peter Fassbender, Minister, Education
Rod Allen, Acting DM, Education
Tim Winkelman, Director, Ministry of Education
Scott MacDonald, ADM, JTST
Amrik Virk, Minister, Advanced Education
Sheila Taylor, DM, Housing and Social Development
Tami Currie, Executive Director, Social Development and Social Innovation
Bindi Sawchuk, former Executive Director, Jobs, Tourism and Skills Training

INDUSTRY TRAINING ORGANIZATIONS

Russell Robertson, CEO, TransCDA
Grant Stevens, Chair, TransCDA
Doug MacLaren, CEO, RTO
Dave Coleman, CEO, CITO
Michelle McKinnon, Manager, CITO
Arlene Keis, CEO, go2
Ian Powell, Past Chair, go2
Debbie Yule, Vice President, go2
Kate Dodd, Chair, go2
Anne Kadwell, CEO, HortEducation BC
Glenn Vollhoffer, CEO, ATSO
Rob Lang, Chair, ATSO
Judy Jobse, ATSO
Mark Jiles, Consultant to ATSO

TRAINING INSTITUTIONS

Ralph Nilson, Chair, Trades Training Consortium of BC,
President, Vancouver Island University

Guy Ellis, Chair, BC Association of Trades and Technical
Administrators (BCATTA), Dean, Vancouver Island
University

Chris Goding, President, BCIT

John Bowman, President, North Island College

Laurie Rancourt, President, Northern Lights College

Denise Henning, President, Northwest Community
College

Jim Hamilton, President, Okanagan College

Angus Graeme, President, Selkirk College

Lindsay Langill, Dean, Thompson Rivers University

John English, Dean, University of Fraser Valley

Kathy Kinloch, former President, Vancouver
Community College

Pat Matthieu, Director, BCIT

Jim Soles, Consultant to Trades Training Consortium of
BC

Rene Tremblay, Dean, Trades and Apprenticeship,
Northern Lights College

Brent Deinstadt, VP, Corporate Services, Northern
Lights College

Jim Reed, Secretary, Trades Training Consortium of BC

Brian Badge, Dean, Northwest Community College

Carey Miggins, Program Delivery Manager, Thompson
Rivers University

Frank Rossi, Dean, College of New Caledonia

Harold Richins, Dean, Thompson Rivers University

Henry Reiser, Dean, Kwantlen Polytechnic

Kate Pelletier, Dean, Selkirk College

Pat Matthieu, Dean, BCIT

Patricia Rokosh, Dean, North Island College

Randy Werger, Dean, Okanagan

Rolf Arnold, Dean, University of Fraser Valley

Sandra Bailey, Dean, Vancouver Community College

Steve Perry, Dean, BCIT

Terry Knudson, Dean, BCIT

Trevor Williams, Dean, BCIT

Gord Turner, Dean, BCIT

Olaf Neilsen, Dean, Camosun College

Kathryn Laurin, President, Camosun College

Bryn Kulmatycki, President, College of New
Caledonia

David Walls, President, College of the Rockies

Russell Workun, Dean, College of the Rockies

Alan Davis, President, Kwantlen Polytechnic

Jennifer Bradbury, Pacific Vocational College

Rob Bradbury, President, Pacific Vocational College

Matt Buss, Joint Apprenticeship Refrigeration

Training School

Cindy Grantham, Roofing Contractors of BC

Ivan VanSpronson, Roofing Contractors of BC

Barbara Porth, Roofing Contractors of BC

ASSOCIATIONS, WORKING GROUPS

Manley McLachlan, CEO, BC Construction Association

Jeff Beale, Chair, Northeast Regional Workforce
Table

Philip Hochstein, President, Independent Contractors
and Businesses Associations

Jock Finlayson, EVP, Business Council of BC

Ken Peacock, Chief Economist, Business Council of
BC

George Douglas, Consultant to BC Construction
Association, and former CEO, CITO

Gavin Dirom, Member, Mining HR Task Force;
President, Association of Mineral Exploration of BC

MaryAnne Arcand, Executive Director, Central
Interior Logging Association

Mining:

Zoe Young, Member, Mining HR Task Force; Mining
Association of BC

Dave Bazowski, Chair, Mining HR Task Force

Larry Richardson, Member, Mining HR Task Force;
Director of Christian Labour Association of Canada
Laurie Sterritt, CEO, BC Aboriginal Mining Training
Association

Forestry:

Anne Mauch, Director of Regulatory Issues, Council of
Forest Industries (COFI)
Mark Stock, Vice President, Human Resources, Interfor
Vern Phillips, Manager, Human Resources, Catalyst
Paper
Tony Mogus, General Manager, Dunkley Lumber
Julie Rachynski, Human Resource Leader, Domtar Pulp
and Paper
Greg Wishart, President, IFLRA
Trudy Langform, Sinclair Group
Elaine Jensen, Vice President, Human Resources, West
Fraser

Liquefied Natural Gas:

Steve Swaffield, Acting President, BG Group
Kathleen Williams, Social Performance Coordinator, BG
Group
Geoff Stevens, Chair, Natural Gas Workforce Strategy
Committee

EMPLOYERS*

Dan Mott, President, Mott Electric
Margot Middleton, Owner/Operator, Middleton
Petroleum
Rod Butters, Owner/Chef, RauDZ Regional Table
Heidi Romich, Owner/Chef, Heidaway Restaurant
Jack Kuyer, Owner, Valley Bakery
Peter Gobeck Dueck, Dueck GM
Peter Foreman, Foreman Automotive
Shinobu Verhagen, Salt Spring Island
Steve Walker, Chef, Duncan
Owen Bird, Executive Director, BC Sport Fishing
Association

Don McInnes, Chair and CEO, Ocean Protein Canada

* This list does not represent all employers interviewed as
many employers play a role in ITOs, associations, etc. and
are represented under those categories

LABOUR

Jim Sinclair, President, BC Federation of Labour
Tom Sigurdson, Executive Director, BC Trades
Council
Dean Homewood, Training Society Administrator,
Labourers International Union of North America –
Construction and Specialized Workers Union, Local
1611
Michael Gardiner, Director, BC Federation of Labour
Brynn Bourke, Researcher, BC Building Trades
Cecil Damery, President, Ironworkers Local 97
Derek Dinzey, Trade Improvement Coordinator,
Ironworkers Local 97
Matt Buss, Director of Training, Refrigeration
Workers' Union
Jud Martell, Training Coordinator, Sheet Metal
Workers International Association, Local Union 280
Rob Tuzzi, President, Bricklayers & Allied
Craftworkers Local #2 BC
Terry Thomas, Clayburn Group
Tom O'Donnell, Business Agent, Ironworkers Local
712
Jeff Gorham, Training Coordinator, Operating
Engineers Local 115
Ken Jakobsson, Apprenticeship Coordinator, BC
Insulators
Andy Clevon, Training Director, Electrical Joint
Training Committee, IBEW Local 213
Graham Trafford, General Manager, Mott Electric GP
Adam Van Steinberg, Assistant Business Manager,
IBEW Local 213
Glen Hilton, Business Manager and Financial
Secretary, IBEW 993
Philip Venoit, Business Manager and Financial
Secretary, IBEW Local 230
Joe Barrett, Retired, BC Building Trades Council

Dean Nutter, UFCW
Joanne Quirk, IATSE
Megan Scott, BCGEU
Leonora Stenersen, Unifor
Glen Hansman, First Vice President, BC Teachers'
Federation

Summer Crosson, Director, BC Federation of Labour
Joe Elworthy, Unifor
Cam McRobb, BCGEU
Bill McRobert, UFCW

The ITA Review received 33 written submissions from the following individuals and organizations:

Coalition of BC Business	Art Wildeman, Canadian Independent Automotive Association
Construction Labour Relations Association	Arnold Bercov, Pulp, Paper and Woodworkers of Canada
Go2, Tourism HR Society	Bill Deutch, Instructor, College of New Caledonia
Automotive Training Standards Organization	Carl Burton, Millwright Articulation Chair, College of New Caledonia
transCDA Board	Craig Hull, College of New Caledonia
Trades Training Consortium of BC	Alain Lavoie, Electrical Instructor, College of New Caledonia
BCATTA, Deans of Trades and Technology for BC's Public Post-Secondary	Patricia Covington, Acting Vice President, College of New Caledonia
Asia Pacific Gateway Skills Table	Ray Fischer, Chair, Camosun College
BC Federation of Labour, Apprenticeship & Skills Training Working Group	Neil Coburn, Vice President, Selkirk College
BC Safety Authority	Patrick Lewis, Director, UBC
Marcus Ewert-Johns, Vice President, Canadian Manufacturers and Exporters	John Gordon, Chair, Plumbing and Pipe Trades, Camosun College
Kerry Jothen, CEO, Human Capital Strategies	Russel Workun, College of the Rockies
Alex Reuben, Executive Director, Industrial Marine Training & Applied Research Centre	Alan Cahoe, Retired Instructor, Okanagan College
Welding Articulation Committee	Lindsay Langill, Dean of Trades, Thompson Rivers University
Northern Sub Committee	Brian Lees, Apprentice
Teck Resources	
Peter Foreman, Manager, Foreman Auto Service	
Tom Simpson, Benchmark Automotive Services	

Appendix B: Sources

ITA Performance Measurement Report, September 30, 2013

ITA Annual Service Plan Report, 2012/2013

ITA Government's Letter of Expectations, 2012/13, 2013/14

Industry Training Authority Act

ITADirectAccess

BC Interprovincial Red Seal Exam Results, 2012

Ministry of Advanced Education, Innovation and Technology, 2012/13 Annual Service Plan Report

Ministry of Jobs, Tourism and Skills Training, 2012/13 Annual Service Plan Report

"Aboriginal Participation in Trades and Apprenticeship in B.C., Three-Year Review and Future Direction", Industry Training Authority

"BC Trade Occupations Outlook", BC Stats, November 2011

"British Columbia Labour Market Outlook (2010-2020)", BC Stats

British Columbia Labour Market Scenario Model

BC Jobs Plan

The Skills and Training Plan

Mandate Letter to Minister Shirley Bond

Hansard Estimates Debate 2013/14, Skills Training

"A Major Renovation: Trades Training in BC", Auditor General's Report, 2008

"Labour Demand Outlook to 2020 for BC's Natural Gas Sector", Petroleum Human Resources Council of Canada, February 2013

"Construction Looking Forward: 2013-2021", Construction Sector Council

"Towards 2020 BC Shipbuilding HR Strategy", BC Shipbuilding and Repair Workforce Table, July 2012

"Resource Labour Market Information Report", RTO, 2012

"Jobs In Canada, Where, What and For Whom?" TD Economics. October 22, 2013.

Northeast and Northwest Regional Workforce Tables Skills Plan

"Renewing Canada's Greenest Workforce: A Labour Market Intelligence Report", Forest Products Sector Council, May 2011

"People, Skills and Prosperity: The BC Labour Market in a Post-Recession Context", Business Council of British Columbia

Letter from BC Teachers' Federation to Minister Abbott (former Minister of Education), February 2012

"Doing, Learning, Earning: Enhanced Apprenticeship Key to Solving Canada's Skills Crisis", Canadians for a Modern Industrial Strategy, March 2013

"Culture Shift: Planning the Future of Trades Training and Apprenticeship in British Columbia", BC Construction Association, August 2013

British Columbia Technology Education Association Best Practices Guide

"SkillSource Advanced Entry Trades Training Program for the BC Resource Sector", RTO June 2013

"Training for the Future", BC Building Trades, September 2013