



# **ECONOMIC OPPORTUNITIES FOR YOUNG APPRENTICES**

## **Report of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities**

**Ed Komarnicki  
Chair**

**MAY 2013**

**41st PARLIAMENT, FIRST SESSION**

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# **THE STANDING COMMITTEE ON HUMAN RESOURCES, SKILLS AND SOCIAL DEVELOPMENT AND THE STATUS OF PERSONS WITH DISABILITIES**

has the honour to present its

## **TENTH REPORT**

Pursuant to its mandate under Standing Order 108(2), the Committee has studied economic opportunities for young apprentices and has agreed to report the following:





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# HOW DO WE ENCOURAGE APPRENTICESHIP PROGRAMS IN CANADA?

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## INTRODUCTION

On 27 September 2012, the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (the Committee) agreed to undertake a study of economic opportunities for young apprentices.

The Canadian Apprenticeship Forum defines apprenticeship programs as follows:

Apprenticeship is a workplace-based training program that teaches people the skills they need in the trades to achieve competencies and perform tasks to the industry standard. The training combines alternating periods of on-the-job (80 to 85%) and technical training (15 to 20%). Technical training can occur at a college, a union training centre, a private trainer or online. Once the apprentice has completed the required hours and/or modules for the trade, the apprentice can write the exam for the Certificate of Qualification for the province/territory. There are many benefits to this form of training including earn while you learn, certification, good pay and exciting career opportunities.

Apprenticeship is regulated by the provinces and territories, creating 13 unique systems geared to the labour market needs and conditions in each region of Canada.<sup>1</sup>

The Committee therefore held nine meetings on the subject between October 2012 and February 2013. The Committee welcomed representatives of Human Resources and Skills Development Canada (HRSDC), provincial governments, one foreign government (Germany), business groups, sector councils, unions, organizations interested in apprenticeship programs, skilled trade associations, educational institutions, and one student association, as well as university researchers and persons who are currently registered in or have completed an apprenticeship program.

The Committee wishes to thank all those who participated in this study as witnesses or who submitted briefs on the subject. The Committee hopes that the recommendations it proposes will prompt all Canadians to become interested in apprenticeship programs, while helping employers to develop their enterprises to their fullest potential by making more use of apprentices.

This report is divided into three sections, and a conclusion. Section one describes the reasons for encouraging apprenticeship programs, the characteristics of apprentices and the federal government programs that can provide assistance to apprentices, including grants and tax credits; section two discusses the various means proposed by witnesses for attracting more young people to apprenticeship programs; section three describes the proposals for ensuring that more apprentices complete their programs; and the conclusion summarizes the report's principal recommendations.

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1 Canadian Apprenticeship Forum, [Apprenticeship in Canada](#).

## 1. BACKGROUND

### 1.1 Why must we encourage apprenticeship programs?

Several witnesses explained to the Committee that labour shortages exist in Canada in the skilled trades.<sup>2</sup> In the next decade, some sectors that use a larger number of tradespersons are expected to have higher employment growth than the projected Canadian average of 1.1% per year; these include mining (2.9%), oil and gas extraction (2.2%) and construction (1.4%).<sup>3</sup> Similarly, employment growth should be stronger in some regions of the country. In 2014, for example, projected job growth is stronger in Alberta (2.0%), Saskatchewan (1.7%) and Newfoundland and Labrador (1.5%), but lower in Nova Scotia, New Brunswick and Quebec (1.0% in all three of these provinces).<sup>4</sup>

[T]he Canadian economy is increasingly marked by growing skills shortages notably in highly skilled and in-demand occupations, among which the skilled trades figure strongly.<sup>5</sup>

Jean-François LaRue  
HRSDC

Our most recent labour market information study has concluded that our electricity sector will have to recruit almost 45,000 new workers, which is about half of the current workforce, by 2016. That's just over three years from now. We do not want to contemplate the impact of not having enough qualified staff to manage this essential industry. It's a destiny issue for us. The trades play a critical role in the makeup of the electricity workforce. Combined with engineering staff, these two groups represent almost half of the workforce.<sup>6</sup>

Norm Fraser  
Hydro Ottawa

Apprenticeship programs constitute one of the best means of gaining access to skilled trades. By alternating between classroom training and on-the-job training, students can immediately put into practice the concepts they have learned, acquire practical experience and determine more quickly whether a trade is right for them. Without these programs, some of these young people would simply quit school without having very many skills that could be used on the job market.

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2 For more details on anticipated labour shortages and means of preventing them in certain occupations, see: House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities [HUMA], [Labour and Skills Shortages in Canada: Addressing Current and Future Challenges](#), Ninth Report, 1st Session, 41st Parliament, December 2012.

3 Human Resources and Skills Development Canada [HRSDC], [Canadian Occupational Projection System \(COPS\), Industrial Outlook – 2011–2020](#).

4 RBC Economics, [Provincial Outlook](#), December 2012, p.12.

5 HUMA, *Evidence*, Meeting 49, 1st Session, 41st Parliament, 16 October 2012, 0850.

6 HUMA, *Evidence*, Meeting 58, 1st Session, 41st Parliament, 27 November 2012, 0900.

We do a great job at graduating people from college and university. We generate a lot of highly qualified people, but a credential is one thing and having skills to apply is different, so we really need to move towards fostering highly qualified skilled people to put the theory and the skill to use, to make things better.<sup>7</sup>

Ken Doyle  
Polytechnics Canada

Employers who hire apprentices also benefit, because apprentices often stay on with the business that trained them. They have already been recruited, and they are used to the work methods and technology employed by the company.

We've found there is a business case for apprenticeship training. Across 21 trades and across the country we've done studies that have shown that for every dollar an employer invests in apprenticeship, the return is an average of \$1.47. Not all employers know that.<sup>8</sup>

Sarah Watts-Rynard  
Canadian Apprenticeship Forum

## **1.2 How many apprentices are trained, at what age and in what fields?**

All of the tables and charts discussed in this section are contained in Appendix A. Table 1 shows the number of people registered in apprenticeship programs in 2010, by trade group (some trades have been grouped for statistical purposes) and gender.<sup>9</sup> A total of 430,452 people were registered in apprenticeship programs. The most popular trade groups were electricians, carpenters and automotive service. Only 13.4% of apprentices were women; however, this proportion was higher for early childhood educators (92.7%) and hairstylists and estheticians (89.5%) trade groups. According to one witness, however, this situation is improving:

There are currently 58,000 women registered as apprentices, and that's actually up from 17,000 in 2000. Basically, 13.4% of apprentices are women. It was only 4.3% in 1991 and 8.8% in 2000, so we are making progress in the number of women.<sup>10</sup>

Andrew Sharpe  
Centre for the Study of Living Standards

A representative of HRSDC told the Committee that the average age of entry into apprenticeship is about 25 years old.<sup>11</sup> Figure 1 shows the detailed age distribution of apprenticeship program registrations in 2010. Even though the average age is 25, this figure shows that the most frequent registration ages are 18, 19 and 20. However, about one third of apprentices start their programs at 30 or more years of age; some of these

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7 HUMA, *Evidence*, Meeting 61, 1st Session, 41st Parliament, 6 December 2012, 1045.

8 HUMA, *Evidence*, Meeting 57, 1st Session, 41st Parliament, 22 November 2012, 0940.

9 These 2010 data, published on June 26, 2012, were the most recent available at the time this report was written.

10 HUMA, *Evidence*, Meeting 60, 1st Session, 41st Parliament, 4 December 2012, 0845.

11 HUMA, *Evidence*, Meeting 49, 1st Session, 41st Parliament, 16 October 2012, 0855.

people may be trades workers who never participated in a formal apprenticeship program and who decided to do so later in order to receive certification.

Table 2 shows the distribution of training completed, by age group and gender. Since a program can last from two to five years (or even longer on a part-time basis), the age at which programs are completed is fairly high: of the 36,000 apprentices who completed their training in 2010, 44.2% were 30 or more years of age. Women seemed more likely than men to complete training before the age of 25 (39.2% of women vs. 23.1% of men) or after the age of 40 (19.3% of women vs. 16.3% of men). A greater proportion of men therefore completed their training between 25 and 39 years of age (60.7% of men vs. 41.6% of women).

Table 3 lists the number of certificates granted from 2006 to 2010 by means of two possible methods: a formal apprenticeship program, or a certification test given to qualified workers who have acquired a certain amount of experience in a trade without participating in an apprenticeship program. The number of certificates granted to graduates of formal apprenticeship programs increased by 74% during this four-year period, while the number of certificates granted to qualified workers who successfully passed a certification examination declined by 13% during the same period.

Apart from women, who accounted for only 13.4% of apprentices in 2010 (but approximately 50% of the total population), other groups are under-represented in apprenticeship programs. Of overall Canadian population members between 15 and 54 years of age, 9.2% have a disability or an activity limitation<sup>12</sup> and 21.1% are landed immigrants.<sup>13</sup> Nevertheless, among registered apprentices, only 3% were persons with disabilities and 7% were born outside of Canada.<sup>14</sup>

### **1.3 How does Canada compare with other countries in terms of the number of apprentices trained?**

Table 4 shows the number of apprentices per 1,000 employees, the proportion of apprentices who are women and the proportion of apprentices less than 25 years of age in selected countries. With a rate of 30 apprentices per 1,000 employees, Canada leads some countries, notably the United States (14), in the number of apprentices trained, but lags behind others such as Switzerland (44), Australia (40) and Germany (39). In Canada, the proportion of women apprentices is lower and apprentices tend to be older than in other countries.

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12 Statistics Canada, [Participation and Activity Limitation Survey 2006: Analytical Report](#), Statistics Canada Catalogue no. 89-628-XIE — No. 002, p. 9.

13 Statistics Canada, Labour Force Survey, 2012, Cansim Table 282-0104.

14 HRSDC, [“National Apprenticeship Survey, 2007, Profile of Participants”](#), p. 8.

## 1.4 What are the economic benefits of going through an apprenticeship program?

The economic benefits of completing an apprenticeship program obviously cannot be explored fully in this report. However, a few statistics can provide a meaningful thumbnail sketch. Table 5 shows the level of employment and the median and average hourly wages of certain selected occupations.<sup>15</sup> The “construction trades” category includes plumbers and carpenters, for example, while the “other trades occupations” category includes electricians and mechanics. It should be noted that some apprenticeship programs lead to trades that are not in these two categories; butchers, hairstylists and early childhood educators, for example, are not included in these occupational categories.

People in the trades have higher hourly wages than Canadian workers as a whole. As a point of comparison, the hourly wages of tradespersons are far greater than the hourly wages earned by retail staff. Conversely, hourly wages in the trades are lower than in other occupational groups generally requiring a university education, such as management or teachers and professors. In the “other trades occupations” category, the average hourly wage was \$25.12, which translates into annual earnings of about \$52,250 based on a 40-hour work week. It should be noted, however, that some trades can have higher wages than others. Annual earnings can increase rapidly in trades and regions where there are labour shortages and where overtime is more frequent. In Alberta, the average hourly wage in the construction trades is \$28.21 — about \$58,675 annually.

A study published by Statistics Canada found that apprentices who had completed their training and obtained certification earned wages 25% higher than those who had discontinued their apprenticeship programs, factoring in other demographic characteristics, the labour market or the employer.<sup>16</sup> This can stem from the fact that a person with an apprenticeship certificate, having recognized qualifications, is more likely to change jobs in order to earn higher wages. It is also possible that individuals who complete their apprenticeship programs have capabilities superior to those of individuals who discontinue their programs, and that these superior capabilities would be reflected in higher wages.

Table 6 shows that the unemployment rate among people with post-secondary diplomas (including trade apprenticeship certificates) is below the national average. The average level of schooling is higher among immigrants than among people born in Canada. Unemployment is lower among immigrants with post-secondary diplomas than it is among immigrants with university degrees, which is not the case among people born in Canada.

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15 The median hourly wage is the wage level at which 50% of employees have a lower wage and 50% have a higher wage. The average hourly wage is the sum of all employee wages divided by the number of employees. In this instance, the average is higher than the median for all groups because wages cannot be lower than the minimum wage (approx. \$10 per hour), while a few employees with very high salaries can raise the average more than the median.

16 Christine Laporte and Richard E. Mueller, [\*Certification, Completion, and the Wages of Canadian Registered Apprentices\*](#), Analytical Studies Branch Research Paper Series, Research Paper No. 345, Statistics Canada, Ottawa, October 2012.

## 1.5 What are the main federal government programs to aid apprentices?

The federal government can provide assistance under the new Sectoral Initiatives Program, through tax measures, and through its participation in the Canadian Council of Directors of Apprenticeship (CCDA), which is responsible for the Interprovincial Standards Red Seal Program. The Red Seal Program has been in existence since 1959. It was born out of the collaborative efforts of the federal, provincial and territorial governments. Two HRSDC representatives sit on the CCDA, and each province and territory has a Director of Apprenticeship appointed to the Council. Apprentices who pass the provincial or territorial examination for their trade become certified journeypersons in that trade. Journeypersons can then obtain the Red Seal on their certificates if they pass the interprovincial Red Seal examination. The Red Seal allows journeypersons to work anywhere in Canada without having their qualifications called into question by a province or territory. The federal government spends about \$8 million annually on the Red Seal Program.<sup>17</sup>

The Apprenticeship Job Creation Tax Credit is a non-refundable tax credit equal to 10% of the eligible salaries and wages payable to apprentices. The maximum credit an employer can claim is \$2,000 per year for each eligible apprentice.<sup>18</sup> Tradespersons can claim a tax deduction of up to \$500 for tools they purchased during the year.<sup>19</sup> In addition, there exists a deduction for tools for an eligible apprentice mechanic. This deduction is arrived at through a relatively complex calculation; of course, it cannot be more than the claimant's net income or the total cost of the eligible tools that were purchased.<sup>20</sup>

The Apprenticeship Incentive Grant provides up to \$2,000 in financial assistance for apprenticeship training in a designated Red Seal trade. This taxable grant is designed to reward advancement in the first two years of an apprenticeship program in one of the designated Red Seal trades. In addition, the government provides a taxable Apprenticeship Completion Grant of \$2,000 to those registered apprentices who successfully complete their apprenticeship program and obtain provincial/territorial journeyperson certification in one of the designated Red Seal trades. The 2013–2014 projected expenditures for these two grants total \$114.6 million.<sup>21</sup>

As a general rule, apprentices do not have access to student loans because the amount of time spent in class is approximately 8 weeks, and a minimum of 12 consecutive weeks is required to be eligible to apply for these loans.<sup>22</sup> Pre-apprenticeship programs provide an opportunity for young people to gain exposure to

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17 Canada Employment Insurance Commission, [Employment Insurance 2011 Monitoring and Assessment Report](#), p. 93.

18 Canada Revenue Agency, [Apprenticeship Job Creation Tax Credit](#).

19 Canada Revenue Agency, [Deduction for Tools \(Tradespersons\)](#).

20 Canada Revenue Agency, [Deduction for Tools for an Eligible Apprentice Mechanic](#).

21 Treasury Board of Canada Secretariat, [Reports on Plans and Priorities, 2012–2013, Human Resources and Skills Development Canada – Supplementary Tables, Apprenticeship Grants](#).

22 CanLearn, [Loans, Grants and Scholarships](#).



several skilled trades. These programs often last a full year and can therefore meet student loan eligibility requirements.

Unlike most other full-time students, apprentices can receive employment insurance (EI) benefits during periods of classroom training in educational institutions. Since periods of in-class training and on-the-job training may alternate several times during the course of an apprenticeship program, apprentices are required to serve only one two-week waiting period per apprenticeship, when they first return to the classroom, before they start receiving EI benefits. In 2010–2011, \$172 million in EI benefits were paid to apprentices.<sup>23</sup>

The federal government can also help young people to make informed decisions on their own future. The Youth Employment Strategy comprises several components for young people who are going through particularly difficult periods; it opens doors for them in order that they might acquire knowledge, develop skills and gain the work experience they need to make a smooth transition into the job market. The Government of Canada currently spends more than \$330 million annually on measures to achieve this objective.<sup>24</sup>

I want to add that under the youth employment strategy, for example, we have the skills link program. While we do not support apprenticeship training from beginning to end, the program supports youth who may have difficulty finding an employer to finish their apprenticeship. Through the program, we provide a wage subsidy to a potential employer to help the youth finish an apprenticeship and get the credential.<sup>25</sup>

Monika Bertrand  
HRSDC

## 2. HOW CAN WE ATTRACT MORE APPRENTICES?

### 2.1 Challenges and solutions brought up by witnesses

Witnesses told Committee members that it was important to attract young people to apprenticeship programs. Witnesses referred to several obstacles limiting registration in apprenticeship programs. First, there seems to be a problem of perception surrounding apprenticeship programs. There is a stigma associated with participating in an apprenticeship program leading to a skilled trade. Many parents think that a university education is the only sure path to job security, good wages and a superior quality of life for their children. In actual fact, however, many skilled trades offer good working conditions that are often superior to those enjoyed by university graduates. Moreover, young people themselves are not always well informed of the opportunities offered by these programs.

In an Ipsos Reid study from 2004-05, 69% of parents with children ages 13 to 24 say they would be likely to recommend careers in skilled trades to their children, yet only 28% of

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23 Canada Employment Insurance Commission, [Employment Insurance 2011 Monitoring and Assessment Report](#), p. 146.

24 Finance Canada, [Jobs, Growth and Long-Term Prosperity – Economic Action Plan 2012](#), p. 140.

25 HUMA, *Evidence*, Meeting 49, 1st Session, 41st Parliament, 16 October 2012, 0915.

youth say their parents have encouraged them to pursue this option. Obviously, there is some disconnect there either in the questions or in how that information from parents is being communicated to youth.

Also from that study, only 14% of youth indicated that their guidance counsellors had recommended this career option. Again, if we are trying to make sure that young people are aware of all the options and we believe that if they start at an earlier age they may be more likely to pursue the career and complete the career, then we should be trying to make sure that information is provided through the school system.<sup>26</sup>

Shaun Thorson  
Skills Canada

Moreover, jobs in skilled trades are often thought to be economically unstable and cyclical or even dangerous.

Several surveys have revealed that youth mistakenly view the skilled trades as dangerous low-paying jobs with little potential for advancement.<sup>27</sup>

Jean-François LaRue  
HRSDC

As mentioned in the previous section of this report, Germany has proportionately more apprentices than does Canada. Representatives of that country appeared as witnesses during one of the Committee's meetings. One witness told the Committee that in Germany there is a certain amount of prestige associated with the decision to become an apprentice, and that even if German youth decide to pursue a university education, many will first undergo an apprenticeship program.

Maybe I can add that it is no longer the case that if you do not have a school-leaving exam that you will have to become an apprentice. The system is so well recognized now and so valued that even people who have the highest school leaving exam choose this vocational training to learn a trade, because it opens up a whole array of paths until the so-called master certificate. They can make just about as much money as somebody who went to university.<sup>28</sup>

Hannes Barske  
International Bureau of the German Federal Ministry of Education and Research

In Canada, according to one survey, the influence exerted by people already working in a particular trade is the leading factor influencing an apprentice's choice of that trade (i.e., in about 50% of cases).<sup>29</sup> Several groups are less represented in apprenticeship programs, such as women, persons with disabilities and immigrants; consequently, there are fewer role models for success in the skilled trades in their

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26 HUMA, *Evidence*, Meeting 57, 1st Session, 41st Parliament, 22 November 2012, 0910.

27 HUMA, *Evidence*, Meeting 49, 1st Session, 41st Parliament, 16 October 2012, 0855.

28 HUMA, *Evidence*, Meeting 64, 1st Session, 41st Parliament, 5 February 2013, 1135.

29 Statistics Canada, [National Apprenticeship Survey, Canada Overview Report 2007](#), Statistics Canada Catalogue No. 81-598-X No. 001, p. 44.

immediate surroundings who could serve to attract them to this type of career. These trades may seem inaccessible to them. In the case of immigrants, moreover, parents may have a stronger influence and may consider university to be the only path to social and economic success.

In the countries they are from, their traditions place a lot of value in long-term studies, considered the only model for social success. But any opportunity for a young person to move towards a short training program is seen by the parents, who often dictate what their children will do, as going against their values. This often disorients young immigrants when there is an apprenticeship opportunity.<sup>30</sup>

Lambert Opula  
Comité d'adaptation de la main-d'œuvre pour les personnes immigrantes

Witnesses suggested several solutions. First of all, there seems to be a vital need for an awareness campaign to change the perception that young people, parents and even guidance counsellors have of apprenticeship programs. This campaign should convey more narrowly targeted information on the potential economic benefits of apprenticeships and on the alternation between classroom training and on-the-job training with employers. It should also focus in particular on those groups that are under-represented in apprenticeship programs, namely women, persons with disabilities, and immigrants.

[I]t is imperative that an aggressive skilled trades awareness campaign be developed that focuses on changing the attitudes and myths about a career in the trades and promotion of the skilled trades as a first-choice career. The audience must include the K-12 system as a whole, but also associations, professional training institutes, and the public at large.<sup>31</sup>

Dan Mills  
Department of Post-Secondary Education, Training and Labour  
Government of New Brunswick

### **Recommendation 1**

**The Committee recommends that the federal government undertake an awareness campaign to underscore the benefits of apprenticeship programs and of careers in the skilled trades, in terms of employment, wages and working conditions. This campaign should be directed toward young people and their parents. It should also pay particular attention to groups that are under-represented in the skilled trades, such as women, immigrants and persons with disabilities.**

### **Recommendation 2**

**The Committee recommends that the federal government undertake an awareness and information campaign directed at high school guidance**

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30 HUMA, *Evidence*, Meeting 65, 1st Session, 41st Parliament, 7 February 2013, 1105.

31 HUMA, *Evidence*, Meeting 63, 1st Session, 41st Parliament, 31 January 2013, 1105.

**counsellors, to ensure they have all the necessary information on projected shortages and conditions of employment in the skilled trades for which qualification is obtained through an apprenticeship program.**

Some witnesses told the Committee that young people are not used to handling tools either at school or at home, and as a result are less attracted to the skilled trades. The Committee learned that pre-apprenticeship programs constitute an interesting way of familiarizing youth with a wide range of skilled trades and of preparing them to subsequently enter a more specialized apprenticeship program. Such pre-apprenticeship programs also help students who enter an apprenticeship program to find an employer, since they already have a year of experience in the study of several skilled trades. Many students are not aware of these programs or of the fact that students enrolled in these programs are eligible for federal student loans and grants.

We must ensure registrants in pre-trades programs are aware they can apply for Canada study grants and loans. For the most part, these programs are post-secondary level and, having a duration of one academic year, they meet the CSLP [Canada Student Loans Program] eligibility requirements.<sup>32</sup>

Anna Toneguzzo  
Association of Canadian Community Colleges

### **Recommendation 3**

**The Committee recommends that the federal government place more emphasis on the availability of pre-apprenticeship programs on its various education and job market information websites (e.g., *CanLearn* and *Working in Canada*), and further clarify the fact that students in these programs are eligible for student loans and grants.**

### **2.2 Best practices**

Young dropouts constitute a segment of the population whose potential is insufficiently realized. Committee members were impressed by the excellent results the Hammer Heads program in the Toronto area has achieved with these young people. The program is run by a trade union: the Central Ontario Building Trades. Initially, it received provincial government funding, but its operations are now funded entirely by the union. Employers in the construction sector are very happy to be able to offer apprenticeship positions to program graduates. In other words, a kind of partnership has been established.

The program consists of a boot camp for skilled trades that runs for 12 to 14 weeks and specifically targets dropouts, giving them an intensive overview of various skilled trades. A large proportion of these participants subsequently become apprentices, and the program provides follow-up to ensure that they persevere.

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32 HUMA, *Evidence*, Meeting 61, 1st Session, 41st Parliament, 6 December 2012, 1015.

In a short time, we've had 107 participants and 98 graduates. The thing we're most impressed with and most proud of is that after completing our program, five of our youth decided to return to post-secondary education. These are some of the youth from some challenging areas who dropped out of school, and once they got focus and direction, we engaged them to go back to school. From our 98 graduates, we started 91 apprenticeships. That's 91 youths whose lives we've changed.<sup>33</sup>

James St. John  
Central Ontario Building Trades, Hammer Heads Program

The federal government recently announced grants to Pathways to Education Canada to extend the program, which was created in Toronto by a non-profit organization, to communities across Canada. It targets young people who are having difficulties in school, and tries to help them complete secondary school and embark on post-secondary education. The government could thus find a way to help expand the Hammer Heads program to other communities.

#### **Recommendation 4**

**The Committee recommends that the federal government consider the possibility of investigating the most efficient way of developing a Canada-wide skills and employment-based training program similar to Hammer Heads, that links youth to apprenticeship career opportunities.**

Another way of putting young people in touch with various tools and enticing them to enter apprenticeship programs is to hold competitions like those organized by Skills Canada. Every year, some 150,000 young people take part in these school-based competitions. The Skills Canada National Competition brings together over 550 young people from all regions of Canada to compete in over 40 trade and technology areas. Every two years, the winners come together at the WorldSkills Competition. The next edition will be held in July 2013 in Germany.<sup>34</sup>

At the national level, we have between 10,000 and 15,000 visitors at the competition each year. That is extremely important because the competitions are not only there to develop interest for those youth who are participating, but also for those visiting schools that attend. We have developed what we call the Try-A-Trade and technology activities, which give visiting students an opportunity to try an occupation at a very base level.<sup>35</sup>

Shaun Thorson  
Skills Canada

Other organizations put young people in touch with skilled occupations through visits to manufacturing facilities.

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33 HUMA, *Evidence*, Meeting 65, 1st Session, 41st Parliament, 7 February 2013, 1215.

34 Skills Canada, [Worldskills](#).

35 HUMA, *Evidence*, Meeting 57, 1st session, 41st Parliament, 22 November 2012, 0905.

Currently, CME [Canadian Manufacturers and Exporters] runs programs in both Quebec and Manitoba with this as an objective. The programs are designed to link high school students with local manufacturers to show students the types of jobs that are available in modern advanced manufacturing. Students spend up to a week during the school year with local industry, and industry provides guidance and mentorship as to the appropriate apprenticeship or technical training required from students to obtain the jobs available.<sup>36</sup>

Mathew Wilson  
Canadian Manufacturers and Exporters

## **Recommendation 5**

**The Committee recommends that the federal government continue to provide support for organizations that promote skilled trades to young people, and run international trade and technology competitions. These organizations could increase promotional activities in high schools, and further publicize international competitions of this kind.**

Members of the Canadian Forces often acquire technical knowledge that could be useful should they decide to return to civilian life, but the transition is not always an easy one. The Helmets to Hardhats Program helps veterans find a job or enter an apprenticeship program in the construction field. Veterans Affairs Canada provided \$150,000 to the program to launch its website. The program is run by a board of directors whose members are drawn from all levels of government (federal, provincial and territorial), the private sector, trade unions and other organizations. The program is a fine example of partnership.

We have a very simple system that provides a website where veterans who are interested in being part of this program register along with companies, contractors, and unions that subscribe to the notions of this program. In that way, we now have a matchmaking opportunity. That said, given the transition challenges that military people face, we provide counselling to those individuals to help them with that difficult transition. We have some challenges in the program, one of which is just getting visibility... We deal with every person case by case, because when you're dealing with mental illness or physical disability, you have to understand the context of their circumstances and the few limitations they may have to make sure there's a good fit.<sup>37</sup>

Gregory Matte  
Helmets to Hardhats Program

## **Recommendation 6**

**The Committee recommends that the federal government, through Veterans Affairs or National Defence, inform personnel leaving the Canadian Forces of the opportunities that exist in the Helmets to Hardhats Program.**

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36 HUMA, *Evidence*, Meeting 64, 1st Session, 41st Parliament, 5 February 2013, 1205.

37 HUMA, *Evidence*, Meeting 66, 1st Session, 41st Parliament, 12 February 2013, 1125.

As noted, some groups — women, immigrants, persons with disabilities, and sometimes Aboriginal peoples<sup>38</sup> — are under-represented in apprenticeship programs. In addition to awareness campaigns targeting such groups, witnesses highlighted best practices for making apprenticeship programs attractive to those concerned.

In our industry, we find that women are extremely under-represented. They average about 25% of our workforce, but only about 5% of those are in trades occupations.... A couple of the things we've done through the Power Workers' Union, which I also represent, along with Electricity Human Resources Canada, is our TradeUp program. We actually enter schools and talk to students, specifically young women, about entering the trades. We have found that the most successful way of doing this is by getting women already in the trades to talk to these young women and to recruit them.<sup>39</sup>

John Ives  
Electricity Human Resources Canada

We particularly wanted to make sure we were on the radar of our aboriginal community. We felt that we had an under-representation of aboriginals in our apprenticeship program and in our line trade and we went about correcting that. We employ a sourcing consultant who's strictly focused on that group. We've targeted the youth in our aboriginal communities, and we're very pleased with the success that we've had in terms of increasing the representation of aboriginals in that area.<sup>40</sup>

Jim Diotte  
SaskPower

### 3. GETTING MORE APPRENTICES TO COMPLETE THEIR PROGRAM

According to an HRSDC representative, almost 50% of apprentices do not complete their apprenticeship program.<sup>41</sup> This section of the report looks at possible explanations for this, and some of the solutions suggested.

#### 3.1 Challenges and solutions brought up by witnesses

Some groups that are under-represented among apprentices may have difficulty finding apprentice positions within a local enterprise, or lack role models around them who work in a skilled trade and are in a position to help.

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38 Although, according to data from the National Apprenticeship Survey, Aboriginal peoples represented approximately the same proportion among apprentices and the general population (around 4%), it is possible that they are under-represented in some programs or regions.

39 HUMA, *Evidence*, Meeting 58, 1st Session, 41st Parliament, 27 November 2012, 0900.

40 HUMA, *Evidence*, Meeting 64, 1st Session, 41st Parliament, 5 February 2013, 1210.

41 HUMA, *Evidence*, Meeting 49, 1st Session, 41st Parliament, 16 October 2012, 0855. A completion rate of 8.4% was also reported by another witness, but this is obtained by using the number of apprentices who graduated in 2010 – 36,009 – by the number of registered apprentices in 2010 – 430,452. One has to consider that it can take five years to finish a program, and that the number of apprentices has increased in recent years.

The 2007 National Apprenticeship Survey divided those who began an apprenticeship program between 2002 and 2004 into three groups: completers, continuers and discontinuers.<sup>42</sup>

There were more women in the “completer” category than in the other categories. Persons with disabilities were more numerous among “continuers.” Those born in Canada and Aboriginal persons were slightly more numerous among the “discontinuers” than in the other categories.<sup>43</sup>

We did a separate control, in a fairly basic way, in our analysis among Canadian-born first nations men and women... For first nations men, we're finding a 13% to 16% lower probability of completing an apprenticeship, after we control for family background and parental education. For women, we're not seeing that.<sup>44</sup>

Christopher Worswick  
Carleton University

Some witnesses mentioned the need to consult Aboriginal communities on how best to adapt apprenticeship programs to Aboriginal culture.

In the case of aboriginal people, colleges provide very inclusive services, for example services for elders and places to meet. Apprentices who go to college are welcomed. Some colleges and institutes now have mobile trades training trailers. These big trucks go to aboriginal communities, where people can take trades training on site. Aboriginal communities told colleges that it was very important for them to receive training in their community, so that their young people didn't always have to travel.<sup>45</sup>

Anna Toneguzzo  
Association of Canadian Community Colleges

For apprenticeship programs, the average age at registration is 25. This figure was mentioned by numerous witnesses. Raising awareness of specialized trades among high school students was fully discussed in the first section. Starting apprenticeship programs at an earlier age also improves the success rate, up to a point.

Over half of apprentices begin before the age of 25, but several are older when they begin. And so the average is 25, but the majority of them begin at a younger age. The younger they are, the more likely they are to complete the apprenticeship program.

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- 42 The 2007 survey is the most recent; the data were published in 2008. Another survey could be undertaken in the years ahead.
- 43 Statistics Canada, [National Apprenticeship Survey, Canada Overview Report 2007](#), Catalogue No. 81-598-X No. 001, p. 32.
- 44 HUMA, *Evidence*, Meeting 60, 1st Session, 41st Parliament, 4 December 2012, 0910.
- 45 HUMA, *Evidence*, Meeting 61, 1st Session, 41st Parliament, 6 December 2012, 1020.



And so we would like to see them start at a younger age, but not too young. Indeed, the number of years of schooling they have before they begin their program is important.<sup>46</sup>

Benoit Dostie  
HEC Montréal

The lack of basic knowledge was referred to by a number of witnesses as an explanation for low completion rates, whether those concerned were from under-represented groups or not.

However, the biggest complaint from most employers about new apprentices is in their lack of basic skills, which goes back to my earlier point. Those students with a high degree of proficiency in math, physics, and language simply go to university, while those with lower proficiency in these essential skills are streamed to the trades.

The trouble is that most trades require a high aptitude in math and language. Without that, young apprentices often struggle with in-classroom portions of their training, which is part of the reason that so few apprentices actually complete their training.<sup>47</sup>

Romeo Bellai  
Canadian Construction Association

One reason many apprentices don't graduate is that they can't meet the formal requirements. The national apprenticeship survey that was run a few years ago found that many apprentices actually don't have high school. It's extremely hard, often, to pass those tests if you don't have the basic skills from high school.<sup>48</sup>

Andrew Sharpe  
Centre for the Study of Living Standards

While education is mainly a provincial responsibility, the federal government is involved indirectly in the area of basic skills, for example through financial support to non-profit organizations like Pathways to Education Canada, which helps young people experiencing educational difficulties. Planned spending totals \$6 million annually in 2012–2013 and 2013–2014. The HRSDC's Adult Learning, Literacy and Essential Skills Program assists adult literacy organizations across Canada. Annual spending on this program totals \$21.5 million.<sup>49</sup>

## **Recommendation 7**

**The Committee recommends that the federal government study the possibility of increasing its funding for Pathways to Education Canada and Human Resources and Skills Development Canada's Adult Learning, Literacy and Essential Skills Program in order to assist**

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46 HUMA, *Evidence*, Meeting 60, 1st Session, 41st Parliament, 4 December 2012, 0940.

47 HUMA, *Evidence*, Meeting 58, 1st Session, 41st Parliament, 27 November 2012, 0955.

48 HUMA, *Evidence*, Meeting 60, 1st Session, 41st Parliament, 4 December 2012, 0850.

49 Treasury Board of Canada Secretariat, Reports on Plans and Priorities 2012-2013, Human Resources and Skills Development Canada — Supplementary Tables, "[Details of Transfer Payment Programs \(TPP\)](#)".

**young people and adults lacking basic skills so that they will be more likely to complete an apprenticeship program, taking into account that Canada is in a period of fiscal restraint.**

Among those failing to complete an apprenticeship program, the two obstacles most often mentioned are lack of work, and delays in funding.<sup>50</sup> The two reasons most often given for leaving a program are insufficient work or lack of income during training, or receiving a better job offer. Favourable economic conditions can generate strong demand for tradespeople. In some trades, certification is not required, which leads some people to leave the program before completion.

...mandatory certification is associated with about a 10% higher completion rate than in trades without mandatory certification. This is probably not surprising. If you need to complete the program to work in a trade, the incentive to complete the program is obviously much greater, and we would expect to see apprentices complete more often.<sup>51</sup>

Patrick Coe  
Carleton University

Some witnesses mentioned that employers do not offer enough positions for apprentices and lack awareness of the advantages of hiring an apprentice. The positions offered do not always match apprentices' needs, in that they do not provide a complete overview of the work performed by those in the trade. Lastly, the journeypersons who supervise apprentices may sometimes lack the time or motivation to provide training. The number of journeypersons required per apprentice may discourage some employers from hiring apprentices. All these factors can lead some apprentices to drop out of their program.

When it comes to completion rates, there are a few important things to understand. Completers are most likely to have worked for only one employer and to have had a journeyperson continuously present during their training. This reflects an employer commitment that must be fostered, encouraged, and rewarded. There is a requirement for ongoing outreach to share the business case for apprenticeship training, and CAF research has established that business case.<sup>52</sup>

Sarah Watts-Rynard  
Canadian Apprenticeship Forum

Again, the primary challenge is that students are completing these pre-apprenticeship programs and are not able to secure an apprenticeship because of the employer's aversion to the investment, due to whatever economic burden of the training is perceived

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50 Statistics Canada, [National Apprenticeship Survey, Canada Overview Report 2007](#), Catalogue No. 81-598-X No. 001, p. 47 and 50.

51 HUMA, *Evidence*, Meeting 60, 1st Session, 41st Parliament, 4 December 2012, 0855.

52 HUMA, *Evidence*, Meeting 57, 1st Session, 41st Parliament, 22 November 2012, 0850.

by the employer. The employer has a tradition of hiring its skilled workers off the street, particularly large employers, and that tradition has to change.<sup>53</sup>

Henry Reiser  
Council of Deans of Trades and Apprenticeship Canada

Most of our industry is small businesses. Their reality is that they don't have an HR department and they don't think about shortages until they need to hire somebody. A big challenge is that they still look at hiring an apprentice as a cost rather than look at the investment in building their labour supply. They're more apt to pay a guy down the street a little bit more to come to work for them rather than hire the apprentice.<sup>54</sup>

Jennifer Steeves  
Canadian Automotive Repair and Service Council

In order to assist small businesses, one witness suggested setting up a pool of apprentices who could be shared among small employers lacking sufficient work for one full-time apprentice.

There could be shared training pools. Small employers could contribute to training pools that could be supported by federal or provincial dollars.<sup>55</sup>

Kelly Lendsay  
Aboriginal Human Resource Council

### **Recommendation 8**

**The Committee recommends that the federal government initiate an employer awareness campaign to demonstrate the financial advantages of hiring apprentices, and familiarize them with the tax credits or grants available from the federal government, such as the Canada Job Grant proposed in Canada's Economic Action Plan 2013.**

### **Recommendation 9**

**The Committee recommends that the federal government investigate the most effective means of helping small businesses collaborate together to share the services of an apprentice, in order to increase the number of apprentice positions available.**

One witness felt it was important for the federal government to serve as a model in generating positions for apprentices by ensuring that its infrastructure contracts require employers to hire apprentices.

We want to see the government tie infrastructure dollars to apprenticeship opportunities for the youth of our communities. In doing that, there is no cost to the government whatsoever. The cost is really zero to the employers, who are going to need workers

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53 HUMA, *Evidence*, Meeting 61, 1st Session, 41st Parliament, 6 December 2012, 1045.

54 HUMA, *Evidence*, Meeting 58, 1st Session, 41st Parliament, 27 November 2012, 0925.

55 HUMA, *Evidence*, Meeting 58, 1st Session, 41st Parliament, 27 November 2012, 0925.

to build the renovations or the new buildings that you're constructing through infrastructure dollars.<sup>56</sup>

James St. John  
Hammer Heads Program

### **Recommendation 10**

**The Committee recommends that the federal government act as a model employer through measures such as those proposed in Canada's Economic Action Plan 2013 with respect to the hiring of apprentices, and incorporate a specific policy on hiring apprentices through its procurement process (e.g., infrastructure contracts). For example, it could require that companies receiving infrastructure contracts take on a minimum number of apprentices, based on the contract's value.**

Numerous witnesses stated that delays in receiving EI could be a reason why participants fail to complete apprenticeship programs. Many apprentices are in fact older and have important financial obligations.

Now while they are eligible for employment insurance, the time gap between applying for and receiving EI payments is sometimes too long and the apprentices cannot survive financially while awaiting EI payments. The performance score card for service Canada reports that 83.9% of those who file for EI are either paid the benefit or a non-payment notification is issued within 28 days. For apprentices who attend a five to eight week period of technical training, 28 days can be a significant delay. Those who receive a non-payment notification may have to wait an additional time period. Then there are those who do not receive their EI within this 28-day period.<sup>57</sup>

Jeff Ritter  
Saskatchewan Apprenticeship and Trade Certification Commission

Apprentices attend a number of sessions of classroom instruction. When they start the first session, they are subject to a two-week waiting period, like all other EI claimants. This obviates the need for the EI program to pay for periods of unemployment lasting only two weeks. For subsequent classroom sessions, apprentices are no longer subject to the waiting period. On the other hand, the employer must submit the record of employment promptly to Service Canada so that benefits can begin. According to one witness:

One of the things that EI or Service Canada has done well is to allow us to apply up to two weeks ahead of schedule, before we actually start our classroom training. We get a letter in the mail that gives us a reference code that allows us to complete our online application for employment insurance. Our claims still do not get processed until a record of employment is handed in, of course, but at least there's a bit of a head start on our claim. As soon as they receive a record of employment, we should start receiving benefits.... In my case, we didn't receive our reference code ahead of time. We received

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56 HUMA, *Evidence*, Meeting 65, 1st Session, 41st Parliament, 7 February 2013, 1210.

57 HUMA, *Evidence*, Meeting 63, 1st Session, 41st Parliament, 31 January 2013, 1110.

it on day one of our classroom training. That was late. We were told that was a Service Canada issue and not an Algonquin College issue because those reference numbers get sent out with our schedules.<sup>58</sup>

Steven Church  
Student Automotive Service Technician, Algonquin College

Some witnesses spoke about eliminating the EI waiting period, while others referred to pre-authorization of claims, once the first one has been submitted and approved. Benefits could also be restarted from the first week of the return to class, based on the amount of the last benefit paid during the previous classroom session, subject to eventual adjustment.

...apprentices, like any other unemployed worker, had a two-week waiting period before EI benefits commenced, so instead of receiving eight weeks of EI wage replacement benefits, they now receive only six weeks. I want to urge you to take a look at this issue again.<sup>59</sup>

John Grimshaw  
Construction Council of Ontario

In regard to EI, pre-approve them. Make sure they get the money when they're there. Prior testimony indicates that the number one complaint is not getting EI money.<sup>60</sup>

Robert Blakely  
Building and Construction Trades Department, AFL-CIO

In Germany, the financial situation is different for apprentices: they earn money right from the start. They are paid like regular workers, although at a lower rate. Young apprentices in Germany generally start their apprenticeship at age 16 or 17; they are still living at home, so a modest wage is sufficient in most cases.<sup>61</sup>

Grants to apprentices also prompted some discussion. Whereas some felt they were not needed, others believed they should be increased, or made non-taxable, or that the way in which they are scheduled (at the end of each of the first two modules, then at the very end of the program) could be reviewed.

In 2009, HRSDC commissioned a formative evaluation of the apprenticeship incentive grant. Two thousand apprentices who had applied for the AIG [Apprenticeship Incentive Grant] were asked how the grant had affected their decision to persist with their apprenticeship. To quote the report: "Almost all applicants" — 98% — "indicated that they would have continued with their apprenticeship if they had not received the grant.

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58 HUMA, *Evidence*, Meeting 66, 1st Session, 41st Parliament, 12 February 2013, 1245.

59 HUMA, *Evidence*, Meeting 65, 1st Session, 41st Parliament, 7 February 2013, 1205.

60 HUMA, *Evidence*, Meeting 61, 1st Session, 41st Parliament, 6 December 2012, 0910.

61 HUMA, *Evidence*, Meeting 64, 1st Session, 41st Parliament, 5 February 2013, 1140.

Similarly, [88.9%] of applicants who did not receive the grant still continued with their apprenticeship training.”<sup>62</sup>

John Meredith  
University of British Columbia

If we want more young people to participate in apprenticeship programs through the apprenticeship incentive grant and the apprenticeship completion grant, we believe financial incentive measures are important. In particular, these grants should be made non-taxable...<sup>63</sup>

Claude Bégin  
Confédération des syndicats nationaux

## Recommendation 11

**The Committee recommends that the federal government assess grants to apprentices, and in particular: whether they are successful in encouraging more candidates to undertake and complete apprenticeship programs; whether they should be increased; whether they should be paid out differently as the program proceeds; and whether they should be made non-taxable.**

Witnesses also discussed the tax credit for employers, equivalent to 10% of an apprentice’s salary to a maximum of \$2,000 annually. Some witnesses talked about increasing it, and others about replacing it with a grant to the employer upon completion of training.

What employers tell us is that although there is a tax credit... it’s not as easy.... The larger employers will take advantage of that tax credit. They have an accountant, HR staff, a payroll division to look after that sort of thing, but a smaller employer may not be as likely to fill out the form. As well, it’s a credit, not a grant, so there may be challenges around that. One idea to encourage employers to complete apprentices[hips] may be to provide some sort of grant directly to employers who are helping to complete apprentices[hips].<sup>64</sup>

Dan Mills  
Canadian Council of Directors of Apprenticeship

## Recommendation 12

**The Committee recommends that the federal government regularly review the tax credit for employers who hire apprentices to determine: its success in meeting its objectives; whether the maximum amount remains adequate; and what other methods could be explored, such as**

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62 HUMA, *Evidence*, Meeting 60, 1st Session, 41st Parliament, 4 December 2012, 0950.

63 HUMA, *Evidence*, Meeting 61, 1st Session, 41st Parliament, 6 December 2012, 0850.

64 HUMA, *Evidence*, Meeting 57, 1st session, 41st Parliament, 22 November 2012, 0930.

**providing a grant to employers when apprentices complete their apprenticeship program.**

A final obstacle is the problem of interprovincial mobility in the context of training programs. For example, a student who moves to another province during a program may have difficulty securing recognition of training taken earlier.

Federally, however, labour mobility refers right now to the recognition of qualifications, and apprentices lack credentials. The portability of their hours and their technical training levels is important if we want to keep them engaged and move them toward certification.<sup>65</sup>

Sarah Watts-Rynard  
Canadian Apprenticeship Forum

**Recommendation 13**

**The Committee recommends that the federal government, through the Canadian Council of Directors of Apprenticeship or by any other means, arrange for apprenticeship programs to be more readily recognized from province to province, in cases where a portion of the training was taken in another province.**

**3.2 Best practices**

Again, the Hammer Heads program impressed Committee members with its success in helping young people complete pre-apprenticeship programs and persevere in apprenticeship programs. The key is continuous monitoring at the beginning of the apprenticeship program, in order to ensure that the young people acquire sound work habits.

...to start an apprenticeship is great, but we want to ensure they're finishing their apprenticeship, so in our program we track the youth for their first year with us. We take them to work the first day to introduce them to the employers; then we monitor them at the end of each of the first four weeks, and then monthly after that for the first year, thereby ensuring they are being properly integrated into the system.<sup>66</sup>

James St.John  
Hammer Heads Program

The Committee also heard about best practices in private enterprises that favour the creation of positions for apprentices.

For example, one of our members, Syncrude, requires its contractors' workforces to be comprised of 25% to 30% apprentices, with equal distribution between first and final year of apprenticeship. All ACTIMS owners, that is, Syncrude, Suncor, and Shell, follow this practice. With firms of that size, the contract requirement can have a profound effect on

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65 HUMA, *Evidence*, Meeting 57, 1st session, 41st Parliament, 22 November 2012, 0850.

66 HUMA, *Evidence*, Meeting 65, 1st Session, 41st Parliament, 7 February 2013, 1215.

the number of apprentices. It offers a model for other companies to adopt to stimulate skilled trades apprentices.<sup>67</sup>

Sarah Anson-Cartwright  
Canadian Chamber of Commerce

Another example of a best practice in terms of partnership was mentioned by the HRSDC representative; the program in this case is run by the Institut Gabriel Dumont.

Through the skills and partnership fund, the federal government is investing \$2.4 million in the aboriginal apprenticeship initiative at the Gabriel Dumont Institute in Saskatchewan for training and employment. An additional \$8 million over three years has been contributed by the institute, the provincial government, the Saskatchewan Apprenticeship and Trade Certification Commission, and private sector employers.<sup>68</sup>

Jean-François LaRue  
HRSDC

The Committee also heard that in Germany, there are partnerships between employers, employees and unions.

We have quite a good balance between the employers, employees, and trade unions. These institutions have a dual function. On the one hand they are represented in the companies. The entrepreneurs are organized in their own associations, and the employees and apprentices are part of this. They belong to a trade union, or they can belong to a trade union if they so choose. That's the basic situation in the industry. Apprentices are integrated into the work process. They are, so to speak, normal employees, workers.<sup>69</sup>

Maximilian Metzger  
German Federal Ministry of Education and Research

#### **Recommendation 14**

**The Committee recommends that the federal government explore the possibility of incorporating the Red Seal Program as part of apprenticeship programs and expand the number of trades covered under the Red Seal Program in partnership with provinces, territories and trades, to facilitate inter-provincial mobility.**

#### **CONCLUSION**

There are labour shortages in many sectors and regions, and there will be more in the years ahead. Some skilled trades are already affected by the shortages and are offering very attractive working conditions. In order to aspire to such jobs, young

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67 HUMA, *Evidence*, Meeting 58, 1st Session, 41st Parliament, 27 November 2012, 0950.

68 HUMA, *Evidence*, Meeting 49, 1st Session, 41st Parliament, 16 October 2012, 0900.

69 HUMA, *Evidence*, Meeting 64, 1st Session, 41st Parliament, 5 February 2013, 1130.



people have to take an apprenticeship program, alternating classroom training and on-the-job experience.

Skilled trades are subject to prejudice and stigma: it is believed, wrongly, that they offer poor working conditions and are suitable for people who lack talent. The Committee heard from many witnesses proclaiming the exact opposite.

In order to attract more young people into the trades, the Committee encourages the federal government to change the culture through a broad awareness campaign aimed at young people, guidance counsellors, parents and the general public. The campaign should reach out especially to groups that are under-represented in apprenticeship programs, such as women, immigrants and persons with disabilities. The Committee believes that young people must have more exposure to skilled trades through skills competitions or in other ways.

Completion of apprenticeship programs should be facilitated through quicker delivery of EI benefits when students are in class, or greater awareness among employers of the benefits of hiring apprentices and helping them to complete their program. The federal government should also serve as a model for employers, requiring employers to hire apprentices when it awards infrastructure contracts.

In closing, we leave the last word to a student metalworker from an apprenticeship program:

There's a lot in every trade that everybody needs to do. There are people who need a lot of help math-wise, science-wise, English-wise, or with everything. We learn differently or we excel in different fields, but these stigmas override that. It really does need to be addressed, because it is a wonderful opportunity, a wonderful trade. Everyone I know who's in it isn't regretting that they're in it. They're in it because they love it.<sup>70</sup>

Kayla O'Brien  
Student Sheet Metal Worker, Algonquin College

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70 HUMA, *Evidence*, Meeting 66, 1st Session, 41st Parliament, 12 February 2013, 1230.



## **LIST OF RECOMMENDATIONS**

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### **Recommendation 1**

The Committee recommends that the federal government undertake an awareness campaign to underscore the benefits of apprenticeship programs and of careers in the skilled trades, in terms of employment, wages and working conditions. This campaign should be directed toward young people and their parents. It should also pay particular attention to groups that are under-represented in the skilled trades, such as women, immigrants and persons with disabilities..... 9

### **Recommendation 2**

The Committee recommends that the federal government undertake an awareness and information campaign directed at high school guidance counsellors, to ensure they have all the necessary information on projected shortages and conditions of employment in the skilled trades for which qualification is obtained through an apprenticeship program. .... 9

### **Recommendation 3**

The Committee recommends that the federal government place more emphasis on the availability of pre-apprenticeship programs on its various education and job market information websites (e.g., *CanLearn* and *Working in Canada*), and further clarify the fact that students in these programs are eligible for student loans and grants..... 10

### **Recommendation 4**

The Committee recommends that the federal government consider the possibility of investigating the most efficient way of developing a Canada-wide skills and employment-based training program similar to Hammer Heads, that links youth to apprenticeship career opportunities..... 11

### **Recommendation 5**

The Committee recommends that the federal government continue to provide support for organizations that promote skilled trades to young people, and run international trade and technology competitions. These organizations could increase promotional activities in high schools, and further publicize international competitions of this kind. .... 12

## **Recommendation 6**

**The Committee recommends that the federal government, through Veterans Affairs or National Defence, inform personnel leaving the Canadian Forces of the opportunities that exist in the Helmets to Hardhats Program. .... 12**

## **Recommendation 7**

**The Committee recommends that the federal government study the possibility of increasing its funding for Pathways to Education Canada and Human Resources and Skills Development Canada's Adult Learning, Literacy and Essential Skills Program in order to assist young people and adults lacking basic skills so that they will be more likely to complete an apprenticeship program, taking into account that Canada is in a period of fiscal restraint. .... 15**

## **Recommendation 8**

**The Committee recommends that the federal government initiate an employer awareness campaign to demonstrate the financial advantages of hiring apprentices, and familiarize them with the tax credits or grants available from the federal government, such as the Canada Job Grant proposed in Canada's Economic Action Plan 2013..... 17**

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**The Committee recommends that the federal government act as a model employer through measures such as those proposed in Canada's Economic Action Plan 2013 with respect to the hiring of apprentices, and incorporate a specific policy on hiring apprentices through its procurement process (e.g., infrastructure contracts). For example, it could require that companies receiving infrastructure contracts take on a minimum number of apprentices, based on the contract's value. .... 18**

#### **Recommendation 11**

**The Committee recommends that the federal government assess grants to apprentices, and in particular: whether they are successful in encouraging more candidates to undertake and complete apprenticeship programs; whether they should be increased; whether they should be paid out differently as the program proceeds; and whether they should be made non-taxable..... 20**

#### **Recommendation 12**

**The Committee recommends that the federal government regularly review the tax credit for employers who hire apprentices to determine: its success in meeting its objectives; whether the maximum amount remains adequate; and what other methods could be explored, such as providing a grant to employers when apprentices complete their apprenticeship program. .... 20**

#### **Recommendation 13**

**The Committee recommends that the federal government, through the Canadian Council of Directors of Apprenticeship or by any other means, arrange for apprenticeship programs to be more readily recognized from province to province, in cases where a portion of the training was taken in another province..... 21**

#### **Recommendation 14**

**The Committee recommends that the federal government explore the possibility of incorporating the Red Seal Program as part of apprenticeship programs and expand the number of trades covered under the Red Seal Program in partnership with provinces, territories and trades, to facilitate inter-provincial mobility. .... 22**



## APPENDIX A: STATISTICAL TABLES ON APPRENTICES

**Table 1 – Number of People Registered for Apprenticeship Programs,  
by Trade Group and Sex, Canada, 2010**

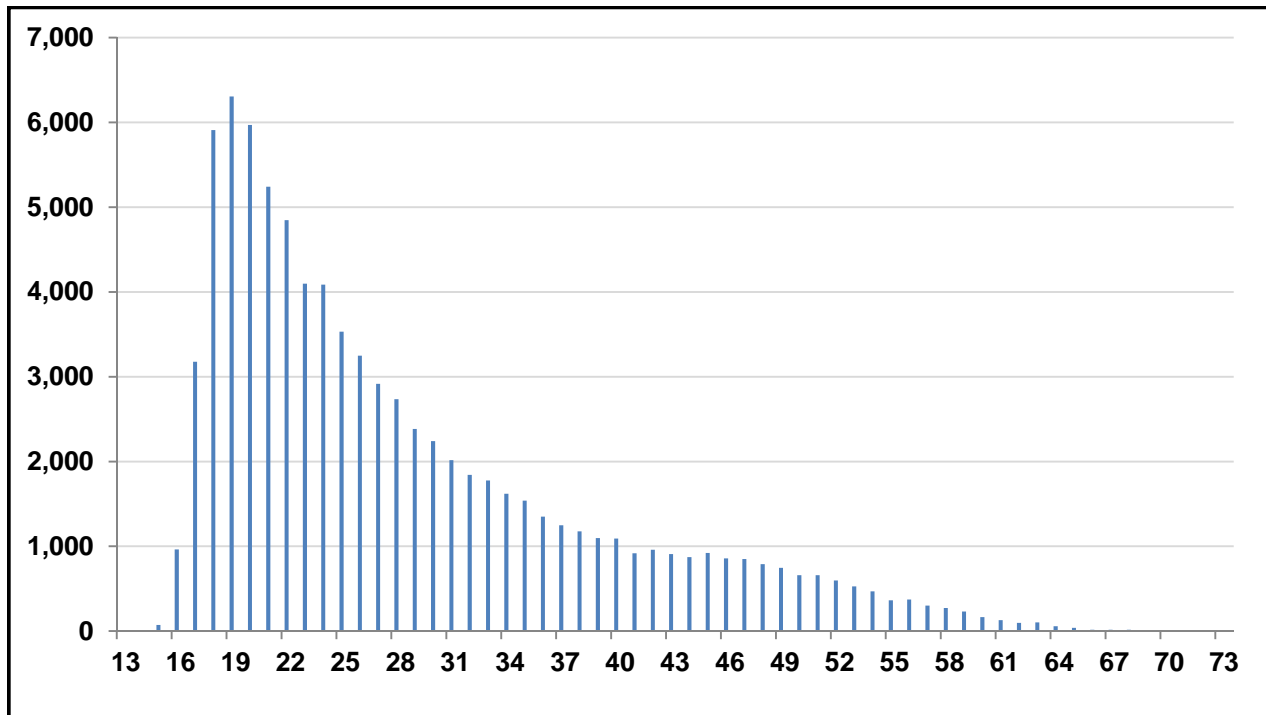
Major Trade Groups	Males	Females	Total
Electricians	64,032	2,088	66,120
Carpenters	50,148	1,371	51,516
Automotive service	43,656	1,770	45,429
Plumbers, pipefitters and steamfitters	43,908	927	44,835
Hairstylists and estheticians	2,151	18,237	20,385
User support technicians	9,822	9,786	19,605
Food service	12,021	6,687	18,708
Interior finishing	16,791	1,536	18,327
Welders	15,732	978	16,707
Exterior finishing	14,013	171	14,184
Heavy duty equipment mechanics	12,240	192	12,429
Millwrights	11,787	249	12,039
Heavy equipment and crane operators	11,598	174	11,769
Machinists	10,335	303	10,638
Sheet metal workers	8,640	192	8,832
Metal workers	8,349	234	8,583
Early childhood educators and assistants	582	7,392	7,974
Refrigeration and air conditioning mechanics	7,623	78	7,698
Electronics and instrumentation	5,514	570	6,087
Oil and gas well drillers and related workers	5,235	6	5,244
Landscape and horticulture technicians and specialists	2,517	681	3,198
Other major trade groups	16,101	4,038	20,142
<b>Total</b>	<b>372,792</b>	<b>57,663</b>	<b>430,452</b>

Note: Total figures may not add up because of rounding to the nearest three (3).

The 2010 data were released on June 26, 2012 and were the most recent when the report was written.

Source: Statistics Canada, Cansim Table 477-0053, Registered Apprenticeship Information System.

**Figure 1 – Detailed Age Distribution of New Registrants in Apprenticeship Programs, 2010**



Note: The data for 2010 were published on June 26, 2012 and were the most recent available at the time the report was written.

Source: Statistics Canada, Registered Apprenticeship Information System 2010, obtained by the authors from Human Resources and Skills Development Canada.

**Table 2 – Distribution of Training Completed in 2010, by Age Group and Sex**

Age Groups	Males	Females	Total
Under 20 years	0.4%	1.8%	0.5%
20 to 24 years	22.7%	37.4%	24.5%
25 to 29 years	31.9%	22.3%	30.7%
30 to 34 years	18.7%	11.6%	17.8%
35 to 39 years	10.1%	7.6%	9.8%
40 to 44 years	6.6%	7.0%	6.6%
45 to 49 years	5.1%	6.5%	5.3%
50 years and over	4.6%	5.7%	4.7%

Note: The 2010 data were released on June 26, 2012 and were the most recent when the report was written.

Source: Statistics Canada, Cansim Table 477-0054, Registered Apprenticeship Information System.



**Table 3 – Certificates Granted to Apprentices, By Method, 2006 to 2010**

Method	2006	2007	2008	2009	2010
Apprentice	20,745	24,525	29,091	30,888	36,009
Trade qualifier	18,207	18,345	18,648	17,613	15,855
<b>Total</b>	<b>38,949</b>	<b>42,867</b>	<b>47,739</b>	<b>48,501</b>	<b>51,864</b>

Note: Total figures may not add up because of rounding to the nearest three (3). The 2010 data were released on June 26, 2012 and were the most recent when the report was written.

Source: Statistics Canada, Cansim Table 477-0055, Registered Apprenticeship Information System.

**Table 4 – Number of Apprentices per 1,000 employees, Proportion of women and Proportion of People Below Age 25 Among Apprentices in Selected Countries, 2011 or Most Recent Year for Which Data Are Available**

Country	Number of Apprentices per 1,000 Employees	Proportion of Women (%)	Proportion of Apprentices Below Age 25 (%)
Switzerland	44	42	100
Australia	40	34	54
Germany	39	41	92
<b>Canada</b>	<b>30</b>	<b>15</b>	<b>20</b>
Italy	24	43	60
France	17	31	97
United Kingdom	20	54	60
United States	14	n.d.	5

Source: Table prepared by the authors based on data from: International Labour Organization (ILO), Overview of Apprenticeship Systems and Issues, p. 5.

**Table 5 – Employment and Median Hourly Wages, by Selected Occupational Groups, 2012**

Occupation	Employment (Thousands)	Hourly Wage (\$)	
		Average	Median
Management	1 507.8	37.39	35.04
Teachers and Professors	746.3	33.72	33.65
Retail staff	1 066.1	13.72	11.00
Construction trades	382.1	24.39	24.00
Other trades occupations	944.2	25.12	24.87
<b>Total</b>	<b>17 507.7</b>	<b>23.65</b>	<b>20.40</b>

Source: Statistics Canada, Labour Force Survey, Cansim Tables 282-0010 and 282-0070.

**Table 6 – Distribution of the Labour Force and Unemployment Rate  
by Educational Attainment, by Immigrant Status,  
Population aged 25 to 54, 2012, in Percentage**

Educational Attainment	Distribution		Unemployment Rate	
	Immigrants	Born in Canada	Immigrants	Born in Canada
No diploma	6.9	8.5	10.8	12.2
High school graduate	16.1	18.8	8.2	6.2
Some post-secondary	3.8	5.1	8.1	6.4
Post-secondary diploma	29.3	41.5	7.0	5.0
University degree	43.9	26.1	7.9	3.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>7.9</b>	<b>5.4</b>

Note: A post-secondary diploma includes trade certificates and university diplomas below a bachelor's degree.

Source: Statistics Canada, Labour Force Survey, Cansim Tables 282-0010 and 282-0106.

## APPENDIX B LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
<b>Department of Human Resources and Skills Development</b> Monika Bertrand, Director Youth and Labour Market Programs for Persons with Disabilities Jean-François LaRue, Director General Labour Market Integration, Skills and Employment Branch Micheline Racette, Assistant Director Trades and Apprenticeship Division	2012/10/16	49
<b>Canadian Apprenticeship Forum</b> Sarah Watts-Rynard, Executive Director <b>Government of Alberta</b> Raymond E. Massey, Chair Apprenticeship and Industry Training Board <b>Skills Canada</b> Shaun Thorson, Chief Executive Officer <b>Canadian Council of Directors of Apprenticeship</b> Daniel Mills, Chair	2012/11/22	57
<b>Aboriginal Human Resource Council</b> Kelly Lendsay, President and Chief Executive Officer <b>Canadian Automotive Repair and Service Council</b> Jennifer Steeves, President <b>Canadian Chamber of Commerce</b> Sarah Anson-Cartwright, Director Skills Policy Shabbir Hakim, Executive Director Alberta Council of Turnaround Industry Maintenance Stakeholders and Construction Industry Stakeholders Association of Alberta <b>Canadian Construction Association</b> Romeo Bellai, Member President, Bellai Brothers Construction Bill Ferreira, Director Government Relations and Public Affairs <b>Canadian Electricity Association</b> Jim R. Burpee, President and Chief Executive Officer Ave Lethbridge, Vice-President Organizational Effectiveness and Environment, Health & Safety Division, Toronto Hydro	2012/11/27	58

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Electricity Human Resources Canada</b> Michelle Branigan, Executive Director Norm Fraser, Chair of the Board of Directors Chief Operating Officer, Distribution and Customer Service, Hydro Ottawa John Ives, Member Board of Directors	2012/11/27	58
<b>Atlantic Evaluation and Research Consultants Inc.</b> Robert Crocker, Principal <b>Carleton University</b> Patrick Coe, Associate Professor of Economics Christopher Worswick, Professor Department of Economics <b>Centre for the Study of Living Standards</b> Andrew Sharpe, Executive Director <b>HEC Montréal</b> Benoit Dostie, Associate Professor and Director Institute of applied economics <b>University of British Columbia</b> John Meredith, Adjunct Professor Department of Educational Studies	2012/12/04	60
<b>Association of Canadian Community Colleges</b> Anna Toneguzzo, Manager Government Relations and Policy Research, Public Policy <b>Building and Construction Trades Department, AFL-CIO</b> Robert Blakely, Director Canadian Affairs <b>Canadian Labour Congress</b> John Hugh Edwards, National Representative and Senior Researcher Amy Huziak, National Young Workers Representative <b>Confédération des syndicats nationaux</b> Claude Bégin, Research Advisor Labour Relations Services <b>Council of Deans of Trades and Apprenticeship  Canada</b> Henry Reiser, Director, Yukon and British Columbia Dean, Faculty of Trades and Technology, Kwantlen Polytechnic University	2012/12/06	61

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Mohawk College of Applied Arts and Technology</b> Piero Cherubini, Dean Business, Skilled Trades and Apprenticeship Ali Ghiassi, Vice-President and General Counsel Public Affairs	2012/12/06	61
<b>Polytechnics Canada</b> Ken Doyle, Director Policy Nobina Robinson, Chief Executive Officer		
<b>Government of New Brunswick</b> Daniel Mills, Director Apprenticeship and Occupational Certification Branch, Department of Post-Secondary Education, Training and Labour	2013/01/31	63
<b>Saskatchewan Apprenticeship and Trade Certification Commission</b> Jeff Ritter, Chief Executive Officer		
<b>Canadian Manufacturers and Exporters</b> Mathew Wilson, Vice-President National Policy	2013/02/05	64
<b>German Federal Ministry of Education and Research</b> Maximilian Metzger, Deputy Director-General International Cooperation in Education and Research Christiana Tings, Deputy Head International Cooperation in Education and Training, European Union Programs		
<b>German Institute for Vocational Education and Training</b> Maren Verfürth, Research Associate International Cooperation and Advisory Services		
<b>International Bureau of the German Federal Ministry of Education and Research</b> Hannes Barske, Senior Scientific Officer Project Management Agency, German Aerospace Center		
<b>SaskPower</b> Jim Diotte, Vice-President Human Resources, Safety and Environment		
<b>Central Ontario Building Trades</b> Peter Reed, Business Representative Field Representative, Hammer Heads James St. John, Business Manager Director, Hammer Heads Program	2013/02/07	65

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Comité d'adaptation de la main-d'oeuvre pour personnes immigrantes (CAMO-PI)</b> Lambert Opula, Development Officer	2013/02/07	65
<b>International Brotherhood of Electrical Workers - Construction Council of Ontario</b> John Grimshaw, Executive Secretary Treasurer		
<b>International Brotherhood of Electrical Workers - Local 353</b> Steve Martin, Business Manager		
<b>Algonquin College</b> Steven Church, Student Automotive Service Technician (Apprenticeship) Kent MacDonald, President Kayla O'Brien, Student Sheet Metal Worker (Apprenticeship)	2013/02/12	66
<b>Algonquin College Students' Association</b> David Corson, President		
<b>Helmets to Hardhats</b> Gregory Matte, Executive Director		
<b>La Cité Collégiale</b> Éric Duquette, Student Plumbing		
<b>Skills Canada</b> Nathan Banke, Journeyman Automotive Service Technician Program Shaun Thorson, Chief Executive Officer		

## APPENDIX C LIST OF BRIEFS

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### Organizations and Individuals

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Canadian Apprenticeship Forum

Carleton University

Government of New Brunswick

Government of Ontario

University of Lethbridge





## REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 49, 57, 58, 60, 61, 63, 64, 65, 66, 68, 73, 77 and 79](#)) is tabled.

Respectfully submitted,

Ed Komarnicki

Chair



## **Apprenticeship Problems Sign of Conservatives' Failure to Address Skills Gap NDP Supplementary Report, May 13, 2013**

To ensure renewal in the skilled trades and provide competitive training programs to Canadian workers, New Democratic Party members of the Standing Committee on Human Resources believe that the Committee must reject the ill-conceived measures contained in Budget 2013 and consider the full range of recommendations proposed by witnesses at the hearings. New Democrat members are disappointed that the majority report seeks to promote Budget 2013 measures on which the committee heard no testimony, and that it encourages continued self-promotional advertising over real action to boost training outcomes.

To begin with, the NDP is strongly opposed to the fact that the Government decided to fund its new Canada Job Grant using \$300 million in unilateral cuts in funding transferred to the provinces through the Labour Market Agreements (LMA). The monies set aside for the LMA were limited already and were intended to fund training for the majority of workers who have no access to Employment Insurance. The new cuts will compromise the already precarious access to training that our most vulnerable workers need to participate fully in the workforce.

### **Recommendation:**

**That the government cancel planned cuts of \$300 million in transfers for skills training to the provinces that will negatively impact lower-skilled and vulnerable Canadians, and that the government instead negotiate with the provinces on finding solutions to improve the delivery of training to Canadians.**

New provisions in Budget 2013 will now force young Aboriginals to participate in mandatory training programs before they can qualify for Income Assistance. However, no similar conditions have been imposed on any other community as a pre-requisite for access to social programs. At a time when we see a groundswell of political activism among young Aboriginals under the "Idle No More" movement, the Conservatives have chosen to fall back on old measures that failed during their dealings with the Aboriginal communities in the past. The NDP rejects such paternalistic and unilateral approaches.

### **Recommendation:**

**That the government reverse its paternalistic workfare program aimed at Aboriginal youth living on reserves, and rather that it engage in meaningful consultation with First Nations, Inuit and Metis to improve training programs aimed at increasing the participation and completion rates of Aboriginal Youth in apprenticeships and skilled trades.**

The income assistance provided to apprentices under the Employment Insurance program must also be more effectively aligned to their needs. Waiting times<sup>i</sup> and Employment Insurance claim processing times<sup>ii</sup> create serious obstacles for apprentices during their training and were repeatedly cited as one of the single biggest reasons for low completion rates. They still have to meet their family obligations and cope with financial pressure during their training. According to Anna Toneguzzo of the Association of Canadian Community Colleges, "The Government of Canada must fast-track EI claims for apprentices or introduce a mechanism that would provide bridge funding.." <sup>iii</sup> For Robert Blakely of the Building and Construction Trades Department, AFL-CIO, In regard to EI [claims], pre-approve them. Make sure they get the money when they're there. Prior testimony indicates that the number one complaint is not getting EI money" <sup>iv</sup>

## **Apprenticeship Problems Sign of Conservatives' Failure to Address Skills Gap NDP Supplementary Report, May 13, 2013**

The evidence is clear and yet the majority report fails to address this critical issue: it is imperative that the government reconsider its method of delivering income assistance to Canadians participating in apprenticeship programs to ensure the maximum success rate.

### **Recommendation:**

**That the federal government study the feasibility, cost and benefits of improving the employment insurance program for apprentices by, for example: eliminating the waiting period for apprentices; paying benefits as of the first week that apprentices return to class, based on the amount paid during the previous session, subject to eventual adjustment; and reminding employers who hire apprentices of their administrative obligations, in order to accelerate the processing of employment insurance claims submitted by apprentices; and that the federal government report its findings to the Committee within six months of publication of this report.**

Furthermore, the witnesses heard by the Committee agreed that direct promotion of career opportunities in skilled trades for young people, women, Aboriginals and Canadians living with disabilities is the best tool for apprenticeship program awareness-raising and recruitment.<sup>v</sup> The Committee heard examples of union involvement in school visits to speak directly to the clientele in question and recruit them.<sup>vi</sup> John Grimshaw of the International Brotherhood of Electrical Workers summarized his organization's model for cooperation between the union and employers.<sup>vii</sup>

The government must be a leader and a partner of the provinces and territories to ensure the success of promoting careers in the skilled trades.<sup>viii</sup> Canadians are fed up with partisan advertising promoting the Conservative government's ill-conceived initiatives. We need a greater engagement of role-models in the school communities and among youth, Aboriginal communities, immigrants, people living with disabilities, and women to spark public interest in skilled trade career opportunities and apprenticeship programs.

### **Recommendation:**

**That given the importance of role models to encourage Canadians to undertake apprenticeships, the government work with unions, provincial and territorial governments to increase support for direct outreach to promote apprenticeships and the benefits of careers in the skilled trades for Canadians and especially women, aboriginal communities visible minorities and Canadians living with disabilities.**

New Democrats are disappointed that the majority report fails to accurately represent the important testimony heard by Committee and thus does not address significant challenges to the success of apprenticeship programs in Canada. The Conservative government continues to act on its own priorities rather than consulting impacted Canadians.

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<sup>i</sup> *Evidence*, Meeting 61, 1st Session, 41st Parliament, December 6, 2012, 1015; *Evidence*, Meeting 63, 1st Session, 41st Parliament, January 31 2013, 1100 and 1110.

<sup>ii</sup> *Evidence*, Meeting 65, 1st Session, 41st Parliament, February 7, 2013, 1225; *Evidence*, Meeting 66, 1st Session, 41st Parliament, February 12, 2013, 1220.

<sup>iii</sup> *Evidence*, Meeting 61, 1st Session, 41st Parliament, December 6, 2012, 1015.

## Apprenticeship Problems Sign of Conservatives' Failure to Address Skills Gap NDP Supplementary Report, May 13, 2013

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<sup>iv</sup> Evidence, Meeting 61, 1st Session, 41st Parliament, December 6, 2012, 0910.

<sup>v</sup> Evidence, Meeting 58, 1st Session, 41st Parliament, November 27, 2012, 0900.

<sup>vi</sup> Evidence, Meeting 58, 1st Session, 41st Parliament, November 27, 2012, 0900.

<sup>vii</sup> Evidence, Meeting 65, 1st Session, 41st Parliament, February 7, 2013, 1200.

<sup>viii</sup> Evidence, Meeting 57, 1st Session, 41st Parliament, November 22, 2012, 0845 and 0855.



## **Minority Report, Liberal Party of Canada**

Ensuring Canada has a sufficient supply of highly skilled trades people is paramount to making certain companies remain competitive, our workers' wages continue to increase and our economy prospers. The federal government has an important role to play in achieving these objectives.

We would like to thank all of the witnesses that appeared before the HUMA committee during the course of the *Economic Opportunities for Young Apprentices* study. The Liberal Party supports the intent of the study and many of its recommendations; however, it feels that the final report did not address all of the key concerns or suggestions of the stakeholder groups that appeared before the Committee or submitted briefs for consideration.

The following are some areas that the Liberal Party believes the Report could have been strengthened.

### **Financial Support for Apprentices**

Although the government promotes a number of measures it has introduced to assist apprentices, the apprenticeship program completion rates are alarmingly low. Low completion rates inhibit supply of skilled trades people into the workforce, which in turn hurts the ability of businesses and the economy to grow. There are numerous reasons for low completion rates, but one of the key drivers according to witnesses is an inadequate system of financial support provided to apprentices during their studies.

Apprentices are on average older than other post-secondary students, and in general, have greater financial responsibilities such as a family. A reduction or lengthy interruption in income can force people to either delay the completion of the apprenticeship or drop out altogether because of these added responsibilities.

That being said, apprentices are ineligible for the suite of grants, loans and other direct financial support programs offered to other post-secondary students. Instead, most apprentices utilize the Employment Insurance program during their in-class portions of apprenticeship programs. As Polytechnics Canada pointed out during committee meetings, the level of financial support provided through this system is simply inadequate.

Further, numerous witnesses cited EI processing delays as one potential cause to why people fail to complete their apprenticeship program. One witness who appeared before the Committee spoke directly to the importance of this fact. Mr. Jeff Ritter from the Saskatchewan Apprenticeship and Trade Certification Commission stated, "For apprentices who attend a five to eight week period of technical training, 28 days can be a significant delay."

In addition, apprentices, like other EI claimants, also must wait 2 weeks after their claims are accepted to receive benefits. This means they often are receiving support weeks after they have started classes and have had to pay for things like tuition, books and tools.

The Liberal Party recommends that the federal government study ways to strengthen financial support for apprentices while in study, including making improvements to the Employment Insurance program for apprentices by, for example: eliminating the waiting period for apprentices; ensuring that apprentice claims are processed quickly; paying benefits as of the first week that apprentices return to class, based on the amount paid during the previous session, subject to eventual adjustment; and reminding employers who hire apprentices of their administrative obligations, in order to accelerate the processing of employment insurance claims submitted by apprentices; and that the federal government report its findings to the Committee within six months of publication of this report.

The government's Apprenticeship Grants (i.e. Incentive and Completion), although important in that they help reduce costs, have not been effective at one of their main goals - increase completion rates. According to the government's own evaluation (HRSDC, Evaluation Directorate, *Formative Evaluation of the Apprenticeship Incentive Grant*, Ottawa, 2009) of the Apprenticeship Incentive Grant, almost all apprentices who completed their apprenticeship would have done so without the grants.

The Liberal Party also recommends that the federal government assess grants to apprentices, and in particular: whether they are successful in encouraging more candidates to undertake and complete apprenticeship programs; whether they should be increased; whether they should be paid out differently as the program proceeds; and whether they should be made non-taxable.

## **Labour Market Information**

Although we agree with the Report's recommendations regarding the need for awareness campaigns about Labour Market Information (LMI) in skilled trades, we believe the report does not go far enough to ensure the LMI is *adequate* and *relevant* on career prospects in the trades.

It has been four years since the federal government received the final report, *Working Together to Build a Better Labour Market Information System for Canada* from the advisory panel on Labour Market Information, chaired by Mr. Don Drummond. Yet the government has failed to implement most of the advisory panel's report recommendations.

In some cases, the government has gone in the opposite direction of what the advisory panel recommended. For example, the advisory panel recommended that Statistic Canada improve its ability to collect and disseminate labour market data, and that more funding would be required to pay for these improvements. Budget 2012 saw the



government cut significant funding (\$33.86 million) from Statistics Canada's economic, social, census, and Aboriginal statistics collection programs, which provided vital labour market information.

The Liberal Party believes the HUMA report should have recommended the adoption of all the advisory panel's recommendations concerning labour market information.

### **Addressing Literacy Levels**

The lack of basic literacy and mathematical skills can have a major impact on the ability of individuals to enter an apprenticeship and complete it. According to the Canadian Literacy and Learning Network, workers in mature industries need a minimum of Level 3 literacy skills. Approximately 48 per cent of adults in Canada don't currently have this education level, meaning their ability to utilize new technologies, adapt to new workplace responsibilities and absorb training is constrained.

Funding for Adult Literacy is almost half what it was in 2006-07. The Liberal Party recommends that the government needs to recognize the importance of literacy skills in the workplace and increase funding for programs that invest in improving these skills.

