



## **More Good Jobs for Ontarians:**

**Practical recommendations to meet the skills needs of Ontario's employers**

Submission to the

**Ontario Ministry of Training, Colleges and Universities**

by the

**Ontario Skilled Trades Alliance (OSTA)**

January 2019



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### Practical recommendations to meet the skills needs of Ontario's employers

#### *Executive Summary:*

The Ontario Skilled Trades Alliance (OSTA) made recommendations to the Government of Ontario in September 2018 on four issues, as outlined in Appendix "A" to this Submission. The Ford Government has responded positively to each of these issues, and OSTA thanks the Government for its decisive action.

Attention has now turned to the need to reform the current skilled trades regime, to develop a skilled trades "framework" as a successor process after OCOT, and to promote the skilled trades in a rapidly evolving Ontario economy and labour market.

As much of the economic growth and job creation potential in the province lies in industries that employ skilled tradespeople, removing barriers and red tape on these industries is crucial to ensuring businesses can find and hire the skilled trades they need. OSTA believes that there are four key strategic priorities that the government must focus on in order to achieve this strategic vision:

1. **Developing a government-wide and multifaceted Skills Strategy** – Under a senior-level, priority assignment at the Ministry of Training, Colleges and Universities (MTCU), establish a 'Skills Strategy' that aims to produce more qualified workers, more workplace flexibility, and reductions in regulations;
2. **Identifying and properly addressing barriers to entry into the trades** – Ontario must adopt a decentralized and flexible approach to trades governance, featuring less and lighter regulation, to be built on an advisory structure that relies on the advice of those who employ skilled trades and who understand the variable circumstances of Ontario's regions and economic sectors.
3. **Transforming how we view careers in the skilled trades** – Change the traditional public and educational image of careers in the skilled trades utilizing existing infrastructure and organizational supports (i.e. Skills Ontario), in support of making it a career of choice for more of those with potential and motivation; and,
4. **Finding flexible solutions to job creation, and training** – We must make a renewed effort to open the skilled trades to more potential tradespeople, to meet the needs of an evolving, global economy, and with outreach to more people, including those in employment transition. We should examine proven, alternative methods for imparting skills and for verifying competence efficiently (quicker) and at a lower cost to both workers and employers.



## ***Introduction***

Founded in 2011, the Ontario Skilled Trades Alliance (OSTA) is a coalition formed to deliver to government and affiliated parties a consensus opinion of employers on matters relating to the skilled trades, including the Ontario College of Trades (OCOT). The members of OSTA represent nearly 8,000 employers, employing approximately 130,000 tradespeople, in both the unionized and non-unionized sectors of the construction, service, and motive power industries across the province.

This Paper reflects the consensus views of the OSTA Member Organizations participating in the November 2018 consultation:

- RESCON (Residential Construction Council of Ontario)
- Ontario Formwork Association
- Ontario General Contractors Association
- Ontario Hairstylists Association
- Trillium Automobile Dealers Association
- Merit Open-shop Contractors Association of Ontario
- Progressive Contractors Association of Ontario
- Greater Toronto Sewer and Watermain Construction Association
- Ontario Sewer and Watermain Construction Association
- Ontario Concrete and Drain Contractors Association
- Residential Tile Contractors Association
- Ontario Electrical League
- Residential Framing Contractors Association of Metropolitan Toronto and Vicinity, Inc.
- Ontario Home Builders Association

## ***Next Steps – The near future***

The Ford Government has taken important, decisive actions in response to the concerns of OSTA and others. We thank the Government for its responsiveness. If we are going to overcome the barriers facing the skilled trades, the recent measures are only a good beginning. We believe that more good work can be achieved.

### **1. Developing a government-wide and multi-faceted Skills Strategy**

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There is currently discussion about creating a ‘Skills Development Framework’ that would guide skilled trades promotion and governance, in parallel with the wind-down of OCOT. More than a mere “framework”, there is need for a comprehensive “Ontario Skills Strategy” (OSS), which would go beyond a regulatory approach and promote the skilled trades as a career of first choices and a source of talent to support the economy.

Within government, an OSS needs to be broad in scope, reflecting the many factors (and ministries / agencies) that might play a part in reforming the skills training and certification process and advancing



the skills-development agenda. We need to take a “joined up”, all-of-government approach, as was done for energy conservation, anti-poverty, and the current government’s expenditure control program. This ensures that the various affected ministries will work together to address the multi-faceted challenges we face.

In order to properly achieve this, we need a specific Ontario Government “champion” to lead on strategy development and, more importantly, in its implementation; preferably a senior-level, priority assignment at the Ministry of Training, Colleges and Universities (MTCU), supported by the Premier’s Office and Cabinet Office. We must make advancing the skilled trades agenda the primary responsibility of someone who is passionate about the issue, who has the authority to press for results, and who is held accountable for those results, both personally and across government. Government can judge whether that is best done through a Minister’s mandate letter, the performance objectives of public sector executives, a designated senior official, or some other mechanism, or a combination these measures. But without such focus and profile, the skills agenda within the Ontario government will continue to languish amongst a welter of other tasks and issues-of-the-day, as it has over the past decade.

The OSS needs real institutional weight within government propelling the “skills priorities”. We need to set clear and achievable objectives for producing enough skilled tradespeople to meet our needs, in the near-term and long-term. To protect the taxpayer’s \$1 billion annual investment, we also need to evaluate critically the methods that we are using (and funding) to achieve those results. In OSTA’s view, it is not a matter of spending more taxpayers’ money, but rather getting best value for the money the taxpayer already spends. The same principle applies to the costs levied on workers and employers to support the training regime in their respective fields.

## **2. Identifying and properly addressing barriers to entry into the trades**

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The Government has made some very important initial steps to remove some of the long-standing barriers that were in place, which were limiting what work certain trades could do in their respective workplaces and limiting the number of new workers that employers were able to hire into the trades. The announced plan to abolish the Ontario College of Trades, move to a 1:1 apprenticeship ratio, and place a moratorium over trade classification reviews are all important steps in the right direction and demonstrate that the government is serious about getting more Ontarians into the skilled trades job market.

OSTA wants to continue working with the Government on these issues, in particular on addressing needed areas of reform on apprenticeships and training.

### ***A. Meeting the needs of an evolving business environment***

In developing the OSS, the MTCU must build it “from the ground up”. It must be informed by input from individual sectors and sub-sectors. In building the OSS, and in future policy and legislation in this



field, MTCU should avoid the impulse to impose standards and practices on all sectors, either for reasons of symmetry or to address unique issues that arise in a particular workplace, sector, or sub-sector. Likewise, efforts to define and regulate sectors will produce rigid conditions that make collaboration and creative solutions more difficult. In fact, a more informal approach will avoid the cross-sector and jurisdictional issues that beset the College of Trades' efforts.

We must not repeat the mistakes of the past. "Red flags" are everywhere - they need to be recognized in order to craft an OSS that is reasonable and achievable. Employers or their representatives, such as OSTA, must be actively consulted so that specific recommendations and/or objections can be addressed as the strategy is being drafted. It will always be employers who will decide whether those they hire can do the required work, and more broadly, whether businesses can continue to operate competitively and invest in Ontario; thus, their input is paramount to the long-term success of such a strategy.

The skills challenges are, at root, a matter for the workplace and the evolving Ontario economy, rather than for in-depth bureaucratic involvement and more government regulation. As a result, the solutions to the skills shortage and relieving the economic burden of skills regulation will more likely be found within the marketplace and through less and lighter regulation. By looking to regions and to industry sectors and sub-sectors to manage their own unique local circumstances, innovative and jurisdiction-specific solutions will emerge. These groups can suggest answers to such issues as the scope of work being taken-on, the nature of the training that is required, the number of skilled workers required to support a competitive regional economy, promoting individual skilled trades, and so on.

*B. Decentralize to ensure local needs are being met*

We need to decentralize the governance of skilled trades, by industry sector and by region. Ideally, governance should focus on the needs of industries and workers: recruitment, training (both initial and continuing), and retention. The practical experience of OSTA members is that government should avoid the "one size fits all" solution. While seductive, calls for a single portal or a single registration system are not the solution to the complex and multi-variant challenges we face. For example, there is no support in the employer community for a "one stop shop" for workers, administered by Colleges Ontario or a similar organization. Employers and taxpayers should avoid the lure of the large-scale, multi-party computer system, where the record of Canadian governments has been punctuated with expensive, failed efforts. OSTA favors a flexible, decentralized and sector-responsive "no wrong door" approach, with the "end-users" (workers and employers) as the gatekeepers.

In some of the compulsory trades, existing practices have evolved well to establish training requirements and the skilled labour needs of employers. In these trades, the focus will need to be on generating more opportunities and increasing flexibility, in order to meet labour market demands. In other sectors, however, there is need to take a more segmented approach, such as recognizing the



broad sub-categories within the construction sector (e.g., ICI, residential, heavy civil engineering, nuclear, etc.), in order to adapt training regimes to the on-the-site job requirements for skilled trades.

The same lesson applies to Ontario's regions. The capacity for training, the work content, and the volume of work argue for different approaches to issues such as scope of trades. The labour market in the GTA is not the same as that in Southwestern Ontario or in remote, Northern or Indigenous communities. Bruce County's Nuclear Innovation Institute (NII) is an example of employer-led creativity to meet regional and sectoral needs. Government's natural inclination to standardize and to regulate needs to be restrained, in order to allow creative local solutions to emerge.

### C. Sector-based advisory committees

The focus of government should be on ensuring that the various training models produce results: for workers, for businesses, and for taxpayers. The focus should not be on the contentious process of dividing Ontario's economy into industry sectors and sub-sectors, each with its own regulatory regime and governance. The focus should rather be on identifying and working with industry sectors and sub-sectors, which can advise government on the best approaches to take with the often-unique circumstances of individual sectors. Existing legislation, such as the *Ontario Labour Relations Act* (i.e. section 126), provides adequate guidance in developing definitions for sectors, such as the construction sector.

With this important distinction in mind, government should encourage the establishment of sector-based Advisory Committees, with appropriate representation, to address issues with trades practices when they emerge, and to counsel on ways to promote the trades in their sector, sub-sector or geographic region. Advisory Committees could be established both for those sectors with regulated compulsory trades and for others, such as manufacturing, service trades, motive power, and the various sub-sectors of construction (ICI, residential, heavy civil engineering, nuclear, etc.). These advisory committees would allow the government to better understand how the trades operate in each sector. They could also be used to build consensus, as they would allow organizations, employers, unions, and employees that interact with one another on a day-to-day basis to influence decisions affecting their sectors and workplaces.

## **3. Transforming how we view careers in the skilled trades**

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For too long in Ontario, the skilled trades have had an "image" problem in the educational system and society. From traditional career counseling to apprenticeship restrictions, young people, transitioning workers, and newcomers to the country have often been effectively been steered away from the trades as a career choice. In the past, some sought the security of steady, long-term employment in manufacturing, while others looked to "white collar" occupations. But Ontario's economy is restructuring and with it, the labour market to support it. If Ontario's economy is to prosper and if Ontarians are going to continue to enjoy a middle-class lifestyle, the image of skilled trades as a career must change. Due to the inability to access training opportunities, or being trained in a manner



that failed to meet the current workplace demands, many prospective tradespeople have found themselves in subsistence employment or facing regular rounds of unemployment.

The government must act quickly to help address both the growing employment disparity and skills gap in the province. A number of crucial elements are necessary to succeed in this approach both in the short-term and long-term:

- A. Utilize existing organizational infrastructure (i.e. Skills Ontario) to promote the long-term stability and viability of careers in the skilled trades to young people. Networks exist with significant reach into Ontario's school system that can be employed to promote the government's messaging on careers in the skilled trade careers. The more that students understand about these career opportunities (requirements, pre-requisites, pay-scale, regional labour market information, etc.) from a young age, the more likely we are to see a shift in attitudes towards these careers.
- B. Address the current gaps in the public education system around skills training. For years, basic trades training in the school system was abandoned, in favour of streaming students into higher education. This needs to change. The Ministry of Education needs to support making careers in the skilled trades a career of choice for more of those with potential and motivation, rather than simply as a 'career of last resort'. We need to see the trades profiled in elementary and secondary school, exposing the trades favourably to students, through age-appropriate hands-on learning and through informed career guidance counseling to teens. Exposing motivated students to careers in the trades and providing appropriate employment information will help to exploit the opportunities that are available and make them a more viable option for more young people.
- C. Require community colleges and Apprenticeship Trades Development Agencies (TDAs) to demonstrate their capacity to produce a sufficient number of job-ready graduates who have benefitted from on-the-job apprenticeships, internships, and co-op employment. The measure and audit of their performance should emphasize the views of those recruiting for skilled workers (i.e. employers). The objective of this approach will be to lend a much greater degree of credibility to these training and certificate programs to those interested in pursuing them.
- D. Advertising careers in the skilled trades to transitioning workers and to newcomers to the country in search of work can help to resolve some of the existing problems with subsistence employment or those facing regular rounds of unemployment. Working with local trades employers to understanding their immediate needs, as well as their future needs, will help to identify what skills training will be required. The process must be viewed as 'evergreen,' as it will evolve year-by-year, but we should not be in a situation where motivated people are without work, while skilled trades employers cannot find qualified people to fill job openings.



#### 4. Finding flexible solutions to training, apprenticeship, and job creation

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##### A. *Evolving the training and apprenticeship model*

Modern apprenticeships evolved out of the European ‘guild’ labour model, which was developed for a previous era and under very different economic circumstances. The model has been sheltered and maintained with very little advancement for decades, despite a rapidly changing economy. Modern trades are much more complex, use a variety of technical and ‘soft’ skills, and require progressive levels of competence and capability than were necessary decades ago. Trades are also particularly vulnerable to the onward march of technological innovation and machine learning (AI), so instruction must now be more dynamic and regularly upgraded. The method of teaching the trades needs to borrow from best business practices, using techniques such as LEAN engineering and Six Sigma process review. The scope of trades will also continue to widen, as economic and technological convergence and innovation introduce new processes, techniques, materials, systems – and risks.

Brittle, rules-based approaches do not evolve quickly enough to meet the changing needs of the contemporary economy. **We are not going to close the skilled trades gap by using the methods and attitudes that allowed it to emerge.** There needs to be a variety of routes into the trades. There also needs to be an ability to move more quickly to full trade certification, using modern, stackable, modular and on-line training, which allows greater flexibility for both workers and business operators.

In this environment, the solution to the lack of skilled workers may be to move away from hours-based, classroom education and protracted, traditional apprenticeships, to practical, on-site guidance to apprentices and other workers moving into the ranks of skilled workers. In fact, training efforts should go beyond simply apprenticeship models to recognize that many trades do not use that model to recruit and train their skilled workers.

Efforts need to be made to open skilled trades opportunities to young people without high school graduation, workers in transition or unemployed, those in remote locations and Indigenous communities, immigrants and children of immigrants, and in many sectors, to women. Tailoring the training to the trainee, this effort may be enhanced by designing more informal, on-site and on-line training regimes, with less emphasis on academic credentials, classroom learning, and time served in apprenticeship.

It is also likely that a skills-focused, proof-of-competence model of training could accelerate the process for learning and mastering a trade. Long qualification periods result in losing many potentially competent workers due to economic hardship, under-employment, and under-utilization of talent and skill. One way to accelerate the process for some candidates is through demonstrations of competence, evaluated by competent tradespeople. For those who are looking to the trades because they do not perform well in academic settings, tying the evaluation to the workplace environment may overcome a common impediment to learning a trade.





Finally, **qualifying for a trade is not the end of the line, it is the beginning.** In the 21<sup>st</sup> century, skills are not “set in aspic”, as many skills are transferrable. Qualified tradespeople need to refresh their skills and learn new skills, as the workplace and technology evolve. As discussions evolve, those responsible for Ontario’s skills training regimes should learn from employers how best to realize a commitment by all trades to continuing education and further skills development. These discussions should include, in some cases, ways to increase proficiency in allied skills, particularly to better serve smaller, regional and seasonal labour markets and closely integrated workplaces.

*B. Clarifying and establishing new pathways into the job market*

As the training and apprenticeship models evolve, and the needs of employers change, we need to clarify and broaden how individuals seeking careers in the trades can find work. Recent industry-based skills-training initiatives have started to explore new and innovative approaches to finding employment in the skilled trades. The Humber College / RESCON / ORCCA Skilled Trades Program in the residential construction sector and the industry-supported Support Ontario Youth charity appear to have demonstrated how to overcome the barriers facing those seeking employment in the trades. In some cases, employers and trainees can work together to make use of the Ontario Government’s Career Ready Fund. Another exciting recent development is the Nuclear Innovation Institute (NII), established jointly by Bruce Power and the County of Bruce, to provide a regional platform for research and training efforts to support the multi-billion-dollar refurbishment of nuclear reactors and the many suppliers in the supply chain that provide services to this project.

Recent, successful, industry-based experiences contrast markedly with the unsatisfactory output and poor success record of too many Apprenticeship Training Delivery Agents (TDAs). In the view of OSTA, Ontario’s problem is not one of resources. In fact, over a billion taxpayer dollars are spent each year on Ontario’s TDAs in their various formats. **Despite that huge investment, in many sectors we still have both a skills shortage and graduates unsuited for real-life workplaces.** With that in mind, we need to see more evidence of accessibility and transparency in the operations and reported results of TDAs.

***Conclusion***

Representing a wide cross-section of those who employ the skilled trades in their businesses and on their job sites, OSTA believes that its practical recommendations on the Ontario Skills Strategy and related issues could quickly change that picture. We recommend that the informed views and recommendations reflected in this Paper be given careful consideration by the Ontario Government.



## Appendix "A" Backgrounder to Skilled Trades Reforms

### Background

Skills Canada, a non-profit organization dedicated to promoting careers in technology and skilled trades, estimates that 40% of all jobs created in Canada over the next decade will be in the skilled trades. In construction, 8,000 new workers are needed every year to replace retiring tradespeople. Despite this demand, the skills gap continues to grow in Ontario because we are saddled with:

- a) a poor governance model that restricts access to careers in the skilled trades; and,
- b) an archaic training and apprenticeship system.

The Conference Board of Canada, in its review of the Ontario apprenticeship system, estimated that the current system design is costing the province \$24.3 billion in lost GDP and \$3.7 billion in lost taxation revenue.

As it looks to protect good jobs and assist those in transition to new opportunities for employment, the Ford government can fix this broken system and encourage success in the skilled trades.

In 2017, OSTA commissioned a review of the issues relating to trades regulation, including the role of the Ontario College of Trades (OCOT), regulating "scopes of practice", and voluntary and compulsory trades certification. OSTA urged the previous government to focus on the needs of the economy, employers and those aspiring to become skilled workers. OSTA argued that the current system was out-of-balance and more importantly, was not producing the results Ontario needed in a competitive global economy.

OSTA's 2017 report noted that training institutions (both community colleges and others) had proved to be unable to provide either the numbers or the level of contemporary skills required to meet the needs of Ontario's workplaces in a variety of sectors. OSTA pointed out that the apprenticeship system was not yielding the opportunity to enter the trades for a whole generation of Ontarians, both young people and those seeking re-training in a changing economy. Finally, OSTA said that the cost of administering and complying with the existing regulatory regime was a "jobs and economy killer". It was making Ontario an uncompetitive jurisdiction and costing workers too much in fees, lost wages and delayed entry into their chosen field.

### OSTA's September 2018 Submission to the Ford Government

Seeking a response to long-term structural problems with attracting workers, and training, placing, and employing skilled tradespeople, OSTA made a submission to the newly elected Ford Government in September 2018, urging an approach that emphasized Ontario being "open for business" and "working for the people", in this case Ontario's current and prospective skilled workers and those who employ them.



OSTA made four principal recommendations in its September 2018 Submission. The Ford Government has now responded to the recommendations of OSTA and others concerned about Ontario's need for skilled workers to support its economic prosperity and the need to reduce the regulatory burden and cost to workers and businesses.

The Government had specific responses to each of OSTA's four individual recommendations, as follows:

**1. Halt any new trade certifications and remove the trade certification process from OCOT**

*In September 2018, OSTA argued that moving more trades into the "compulsory" category would further reduce the number of skilled tradespeople available to Ontario employers, and restrict the work that can be performed.*

By moving to abolish the OCOT, freezing the creation of additional trades for compulsory and voluntary certifications, and recently eliminating 24 trades from the roster of compulsory and voluntary trades, the Government has responded to OSTA's first recommendation. We look forward to an equally collaborative discussion about ways in which any successor regulatory regime or non-regulatory process might be put in place. It is OSTA's view that the goal should be making Ontario a jurisdiction where well-qualified skilled workers are readily available to employers and where "restraint of trade" practices have been reduced. OSTA believes that the best way to ensure the right business environment for individual labour-market sectors and for the various regions of Ontario is through a diverse and industry-focused regime for managing training and general scope-of-work issues. OSTA has some specific proposals, which we outline in more detail below.

**2. Lower apprenticeship ratios and remove the ratio setting process from the OCOT**

*Noting that Ontario's skilled trade ratios were amongst the highest in the world, OSTA urged the government to lower the apprenticeship ratios. This measure would enable more young and transitioning workers to become skilled tradespeople, while at the same time, employers would finally be able to find more of the skilled trades that they need. OSTA also asked the government to remove OCOT from its role in restricting / rationing the entry of apprentices into skilled trades.*

With its announced plan to abolish the Ontario College of Trades, and in moving to a 1:1 apprenticeship ratio, the Government has also responded to OSTA's second recommendation. OSTA wants to work with the Government on apprenticeship and training reforms, and in the event that the Government plans to move beyond this single-ratio policy.

**3. Remove all enforcement responsibilities from the OCOT**

*OSTA urged the government to abandon the practice of having a separate governmental entity, such as OCOT, enforce trades certification and scope-of-practice rules on jobsites. OSTA noted that Ministry of Labour inspectors did this job adequately in the past and are already on job sites for*



*safety-regulation enforcement and other reasons. Returning this task to Ministry of Labour inspectors was seen as both more efficient for government and less disruptive to work on jobsites.*

With its announced plan to abolish OCOT, the Government has responded to OSTA's third recommendation. OSTA hopes that the responsibility for enforcement will be returned to the Ministry of Labour, to be carried-out by its existing inspectors, who are routinely on job sites, and who are familiar with the subject matter. In repatriating this responsibility to the Labour Ministry, it should be emphasized that there is no need to widen the regulatory compliance, by going beyond checking certificates of qualification (COQs) and apprenticeship ratios.

#### **4. Reform the Skills Training and Apprenticeship System**

*In its fourth recommendation, OSTA argued for a fundamental reform to the skills training and apprenticeship system in Ontario. It should begin with a realistic appraisal of the value of the role that OCOT has played. OSTA identified duplication of effort and a lack of focus on closing the skills gap for employers and prospective skilled workers. OSTA urged the Government of Ontario to learn from other jurisdictions with a better record of meeting the skills needs of business and serving the interests of workers, beginning with broadly promoting the value, dignity and importance of work in the skilled trades in a modern, evolving economy.*

With respect to OSTA's fourth recommendation, the Ontario Government has indicated that it will move ahead with an effort to streamline the skills training and apprenticeship regime for Ontario. OSTA hopes that the guiding principles will be to produce an environment where skilled trades in various sectors of the economy and various regions of the province can be managed within their own labour market.

The guiding principles for these reforms should include simplifying and streamlining access to skilled trades. This is especially important for those in transition from manufacturing employment and young people, as well as Indigenous workers, immigrants and children of immigrants, and to promote gender balance and diversity. The guiding principles should also include reducing trade certification costs borne by skilled workers, apprentices and other trainees, and business operators.