

**SUBMISSION  
TO  
BC LEGISLATURE FINANCE COMMITTEE**

**BUILDING TRADES PERSPECTIVES AND PROPOSALS  
ON BUDGET CUTS AT THE ITA**

**SUBMITTED SEPTEMBER 23, 2010 TO THE  
BUDGET CONSULTATIONS - BC LEGISLATURE FINANCE COMMITTEE**

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## Budget Consultations – BC Legislature Finance Committee

The BC and Yukon Territory Building and Construction Trades is the central labour organization for craft unions in the BC construction industry. Collectively, craft unions represent over 40,000 highly skilled workers in the BC construction industry.

We appreciate the opportunity to address the Finance Committee and offer the following submission in respect to pre-budget consultations.

### **Budget cuts at the Industry Training Authority (ITA)**

Construction unions have a long history of involvement in apprenticeship training in our industry. The unique nature of our work, short term sub-contracted projects awarded to bidders in a highly competitive market, requires highly trained workers able to move seamlessly from one construction site to the next.

National standard, 'Red Seal' trades training is the most important component of a healthy construction industry. Business fails without ready access to workers trained to the full scope of their trade. Union employers recognize the value of investing in apprentices.

Currently the average age for trade workers in the construction industry is resting at 40 years old. In some trades the average age is much higher. For instance the average Boilermaker is 48 years old. The average registered Residential Home Builder is 45, the average Truck Driver is 44. Over the next eight years retirements and deaths from the aging workforce will significantly impact the number of workers exiting the labour force. The National Construction Sector Council estimates that of the total workforce of 130,000 some 28,000 will have retired by 2018. Mortality will claim another 3,724. Apprenticeships and new entrants to the industry are increasing, but not fast enough to meet the demand. There will be 24,000 new entrants to the industry by 2018, a shortfall of close to 8,000.<sup>1</sup>

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<sup>1</sup> Construction Looking Forward, An assessment of Construction Labour Markets from 2010 to 2018 for British Columbia, Construction Sector Council, Ottawa, April, 2010, pages 10 - 14

Although the construction industry has been recovering from the recession this year, the demand for workers is nowhere near the boom of 2008. Even though unemployment remains high, our Joint Apprenticeship Boards and Apprenticeship co-coordinators are managing to find job placements for most of their trainees. Unfortunately non-union apprentices have been left to fend for themselves. Currently many are unable to secure the work they require to complete their apprenticeships.

This will change soon. According to the Construction Sector Council, the next construction boom in 2012 will put us right back to the labour crunch we faced in 2007 and 2008.

With this in mind we were perplexed to discover that the Industry Training Authority (ITA) projects a budget cut of over \$10 million by 2012.<sup>2</sup> Federal funding through Labour Market Adjustment transfers will soon be winding down. This cut comes at the worst possible moment. Industry experts are confident that we will be finally coming out of the recession in 2012. Over 80% of trades training takes place when apprentices are employed, not in technical training institutes. The ITA needs to be at full capacity when the jobs return. When apprentices are finally able to get back to work and learning their trade the ITA needs to be adding capacity not cutting back.

As mentioned the timing of this \$10 million cut comes just as the wave of demographic change begins in earnest. The bulk of 'baby boomer' retirements begin in 2012 and will continue through to 2018.

Opening the door to successful completion of 'Red Seal' requirements through multiple assessment pathways (MAP) is an opportunity to harness existing skills within and outside of the industry. Course challenges and issuing credentials to those with experience is justified. Many new Canadians or workers transferring skills into construction from other industries have and will continue to benefit from the assessment and challenge opportunities. Even so, if MAP is implemented in the construction industry, this program should not divert policy makers from supporting domestic full scope trades training. We need to keep perspective. In the rush to boost completion numbers course challenges must

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<sup>2</sup> ITA Annual Service Plan Report 2009/2010, Pg. 23

be seen as one option. The ITA must also be properly financed to support those whose assessments and challenges are determined to be short of the 'Red Seal' standard. The ITA should be helping those workers with counselling and assistance to transition into registered apprenticeships from their assessed level through to completion. It will be a waste of resources if workers are assessed at a level of apprenticeship but given no direction or support to complete.

We urge Finance Committee members to take note of the coming cuts projected at the ITA. When federal LMA funding ends the province must step up to fill the gap and ensure that investments in trades training continue. Assessment tools should be introduced to enhance our ability to meet the challenges of labour supply together with a strong commitment of adequate funding for the traditional apprenticeship training system.