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Introduction

The Apprenticeship Wage Subsidy program has assisted over 1,800 apprentices to find meaningful work in their pursuit of journeyperson certification. Since 2011, the program has provided subsidies to employers to contribute to the development and training of the province’s skilled workforce.

In 2016, the Department of Advanced Education, Skills and Labour engaged stakeholders in a review of the Apprenticeship Wage Subsidy program to identify areas of success and where the program can be strengthened to improve outcomes. Department officials conducted province-wide consultations with employers and invited apprentices, industry associations, businesses and other interested stakeholders to provide feedback on the program.

With evolving labour market demands and current economic realities, feedback received through the consultation process will be used to ensure the program continues to meet the needs of apprentices, employers and industry while advancing priorities for sustainability and growth in Newfoundland and Labrador. Government is committed to engaging stakeholders to inform policy decisions and is appreciative of all participants who took time to attend consultation sessions or provide their suggestions through written submissions.
Engagement Process

In the fall of 2016, consultation sessions were held from September 12 to October 20 to receive input on the Apprenticeship Wage Subsidy program. For those unable to attend an in-person session, written submissions were encouraged. Over 300 businesses, industry associations and other stakeholders were invited to attend.

Roundtable sessions were held in St. John’s (two sessions), Grand Falls-Windsor, Corner Brook and Happy Valley-Goose Bay. Over 45 participants attended to express their views on what was working well and what changes were needed to further strengthen the program to meet future needs of the province’s labour force.

Feedback was also solicited from over 200 apprentices who had previously participated in the Apprenticeship Wage Subsidy program to gather their input. A list of groups who attended the consultations and/or provided written submissions is contained in Appendix A.

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<th>Date</th>
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<tr>
<td>September 12, 2016</td>
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<td>October 20, 2016</td>
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What We Heard

The consultation process and feedback forms were guided by five key questions. A summary of responses to each question is outlined below. In addition, key points not directly related to the Apprenticeship Wage Subsidy program or consultation questions have also been included in the “Other Things We Heard” section of this document.

1. **Given the changing economy and evolving labour demand, would it make sense to tie approvals for the Apprenticeship Wage Subsidy program more closely to established labour demands? Why or why not?**

The Provincial Government, in partnership with industry and training institutions, plays a critical role in preparing the province’s labour force for current and future economic demand. It is important that apprentices and journeypersons in Newfoundland and Labrador are able to gain the skills and experience required to stay competitive in today’s continually changing global economy. By involving relevant industry stakeholders, government can ensure funding programs and training are reflective of their needs.

When discussing tying the Apprenticeship Wage Subsidy program more closely to established labour demand, participants suggested the following:

- The program should reflect current and anticipated future labour market demands. This requires reliable and consistent labour market information to ensure government does not contribute to the over or under supply of certain skilled trades;
- Consider giving priority to trades that are in greater demand;
- Explore avenues where specialized or niche trades are provided additional support and assistance where it may be more difficult to find qualified employers and journeypersons; and
- The program should continue supporting apprentices during periods of slow growth in order to maintain a skilled labour force to meet future economic demand.
2. The Apprenticeship Wage Subsidy program provides up to $14 per hour paid directly to the employer, based on an individual’s apprenticeship level, to assist them in obtaining skilled trades-related employment. The current subsidy ranges from 90 per cent for a first year apprentice, 80 per cent for second year, and 60 per cent for third and fourth year. Should this formula be adjusted? If so, how?

Newfoundland and Labrador’s apprenticeship program is industry-designed and led. Apprentices gain the majority of their experience and skills on the jobsite under the supervision of a certified journeyperson. Supporting employers is essential to the continued success of Newfoundland and Labrador’s apprenticeship program. Since 2011, over 1,800 apprentices have benefited from the Apprenticeship Wage Subsidy program.

Participants at all sessions identified the following with respect to the subsidy formula:

- Place emphasis on supporting all apprentices from first to fourth year as the current program is concentrated heavily on supporting first and second-year apprentices;
- Explore whether allocating specific amounts of funds for each level of apprenticeship will ensure a more equitable distribution of funds; and
- Consider working with employers and apprentices to identify common barriers for reaching journeyperson designation and determine how the Apprenticeship Wage Subsidy program can be strengthened to address any issues identified.

3. What could be done to better ensure apprentices remain with their employers following completion of their block training?

Newfoundland and Labrador has a highly mobile workforce. Based on demand for labour, apprentices and journeypersons may travel to other provinces or countries for employment opportunities. Local businesses are now competing with other businesses across the country for the same labour pool.

During the consultation process, participants were asked what could be done to ensure apprentices remain with their employers following the completion of block training. The following key points were identified:

- Continue to focus on initiatives that support the retention of apprentices in Newfoundland and Labrador. These may include adding incentives for retaining apprentices through the third and fourth year of training, providing a database of available apprentices, creating employer awareness of available supports; and
• Participants also noted that while retention of apprentices by companies is desirable, some may need to switch employers after block training to acquire the necessary skills and experiences required to fulfill all of the technical requirements for each apprenticeship level.

4. Since the Apprenticeship Wage Subsidy program was first introduced in 2011, it has generally been well received by employers and apprentices. What could be done today to improve the program?

Businesses are required to quickly adapt and respond to changing economic circumstances. This may include adjusting their staffing levels to meet labour market demand and ensuring appropriate skills are available by hiring and training apprentices.

Participants noted the following measures may strengthen the Apprenticeship Wage Subsidy program:

• Strengthen communications to employers and apprentices on eligibility requirements and available funding;
• Consider introducing an evaluation component to the program which would allow both apprentices and employers to evaluate their experiences; and
• Enhance flexibility of the approval process by exploring ways to provide pre-approval or post-approval for employers.

5. Given the changing labour market and slowing demand for skilled workers, should the Apprenticeship Wage Subsidy program continue, or should the $7.1 million that supports the program be redirected to other initiatives? If so, how?

Employers take on the responsibility for training apprentices, which requires the time and attention of qualified journeypersons. They also take on a certain degree of liability due to the inexperience of many apprentices. The Apprenticeship Wage Subsidy program allows journeypersons to continue to spend time training apprentices, which supports a strong labour market.

Participants provided the following suggestions:

• Continue to support the Apprenticeship Wage Subsidy program as it greatly benefits both employers and apprentices in the province; and
• Consider expanding eligibility to include Provincial Government entities and non-profit organizations wishing to hire an apprentice.
Other Things We Heard

During the consultations, government sought input from apprentices, employers, industry associations, and other interested stakeholders. While the consultations were centred on the Apprenticeship Wage Subsidy program, often discussions led towards topics that were not directly related to questions posed to stakeholders. The following are some of the other views expressed during the consultation process that are not directly related to the Apprenticeship Wage Subsidy program:

• Consider expanding the level of hands-on skills acquired by students during pre-employment training so that students are better prepared for the job site when they become apprentices;

• Review the timing for block training and mirror the availability of apprentices to ensure training is conducted during downtimes in their industries;

• Explore providing additional supports for apprentices who must travel for block training or consider having additional block training sessions closer to where apprentices live and work; and

• Assess whether dual certification or cross-training for apprentices is possible for those individuals who have completed entry-level training in related trades.
Summary and Next Steps

Stakeholder response to this consultation confirmed the value of the Apprenticeship Wage Subsidy program. The program has demonstrated great success in assisting apprentices to secure employment in the skilled trades. Respondents also stressed the importance of continuing support for apprentices in acquiring the necessary skills and training for journeyperson certification.

The Provincial Government is committed to ensuring the province’s labour force acquires and maintains the skills required by industry and has a sufficient supply of skilled tradespersons to meet future demand. Supporting apprentices in their training to advance to journeyperson certification will help meet this commitment.

Through The Way Forward: A Vision for Sustainability and Growth in Newfoundland and Labrador, Government has committed to ensuring our people are supported by responsive, innovative and efficient programs and services. By working with our stakeholders in pursuit of better outcomes, we will continue to ensure the Apprenticeship Wage Subsidy program is responsive to the needs of industry stakeholders, including apprentices and employers. Input provided by our stakeholders will help inform any future enhancements to the Apprenticeship Wage Subsidy program.
Contact Information

**Provincial Office**
Apprenticeship and Trades Certification Division
Confederation Building – West Block
P.O. Box 8700
St. John’s, NL A1B 4J6
Telephone 1-709-729-2350

**St. John’s/Mount Pearl Offices**
1170 Topsail Road
Mount Pearl, NL
A1B 4J6
Telephone: 709-729-2729
Toll Free: 1-877-771-3737
Fax: 709-729-5878

**Clarenville Office**
45 Tilley’s Road,
Clarenville, NL
A5A 1Z4
Telephone 1-709-466-3982
Toll Free  1-877-771-3737
Fax  1-709-466-3987

**Corner Brook Office**
1-3 Union Street
Aylward Building, 2nd floor
P.O. Box 2006
Corner Brook, NL
A2H 6J8
Telephone 1-709-637-2366
Toll Free  1-877-771-3737
Fax  1-709-637-2519

**Grand Falls-Windsor Office**
42 Hardy Avenue
Grand Falls-Windsor, NL
A2A 2J9
Telephone 1-709-292-4215
Toll Free  1-877-771-3737
Fax  1-709-292-4502

**Happy Valley-Goose Bay Office**
P.O. Box 3014, Station B
Bursey Building,
163 Hamilton River Road
Happy Valley-Goose Bay, NL
A0P 1E0
Telephone: 1-709-896-6348
Toll Free: 1-877-771-3737
Fax: 1-709-896-6703

For general inquiries, please email app@gov.nl.ca.
Appendix A

List of Consultation Attendees or Parties who Submitted Written Submissions

Accurate Construction
Belfor Property Restoration
Blanchards Heating and Cooling Ltd
Canadian Home Builders Association
CarStar Gander
Chinched Bistro
City of Corner Brook
College of the North Atlantic
Cross Fox Construction Ltd.
Curtis Powerworks
Derek Sceviour Contracting
ECO Contracting
H.J. Bartlett Electric Inc
Jenco Limited
Jim O’Neill
Labrador Aboriginal Training Partnership
Labrador Rewinding Inc.
Memorial University
Merit Contractors Association of NL
Newfoundland Power
Norseman Contractors
Notre Dame Seafoods
Office to Advance Women Apprentices
OK Tire
Pardy’s Waste Management & Industrial Services Ltd
Provincial Apprenticeship Certification Board
Provincial Refrigeration Ltd.
Rock Solid Diesel
Serco Facilities Management
Tavenor’s Electrical