

George Nakitsas:

Basically, like any other industry, we've been hit hard by the economic downturn in a number of ways. Especially the steel industry, the resource industry ... The price changes of resources have been dramatic – that's had a huge impact on steel and other primary industries. The surprising thing is we have not lost most of our apprentices.

For the most part, a lot of the companies have maintained their apprentices. That's quite interesting because, outside of a few companies, we had very few apprentices in the steel industry four years ago. The last number of years have seen an increase in the number of apprentices in the steel industry. In such a short period of time to be able to maintain them in most places, has been an interesting phenomena, and hopefully one that will continue.

Why has that happened in the last few years? Most of the credit has to go to steel companies and the steelworkers union. A study was done in the late 1990s all the companies participated, gave us all their data, number of employees, occupations, projected retirement ages, and everyone knew it, but we found out that we'll lose a third of our workforce and over 50% of our tradespeople over the next ten or twenty years. There was a subsequent study done in 2005 and that study reinforced that it wasn't the next decade, it was a two, three, four, decade challenge that we have. So attributed to the companies and the steel companies and the unionized operations, you saw a trend towards bargaining apprenticeship, so it would actually be in collective agreements, which have been very important, so that's been one factor.

The role of CSTEC, for those of you who don't know, CSTEC is an over twenty-year old employer-union joint venture that started on trade issues, and went through adjustment issues. CSTEC has been able to work with the steel industry to deal with any of the challenges the steel industry might be facing. Its work has been expanded beyond the steel industry to other areas within steel-making communities. CSTEC has played a critical role around apprenticeship over the last number of years. For one, we have promoted apprenticeship as a preferred option. And Tony's comments around why it is preferable to other options that do exist in terms of skilled trades - there are not too many companies in the steel industry that do not see apprenticeship as the preferred option, as opposed to company-specific trades, or other options. CSTEC, not the organization, but the industry through CSTEC, has been able to promote apprenticeship as the preferred option. Equally important, we have been able to reduce costs and risks of apprenticeship. The Canadian Apprenticeship Forum knows better than anyone else about not only the benefits, but the costs and risks of apprenticeship, whether it is program administration, CSTEC has been able to work hands on by helping companies put together programs and assisting with the administration costs through our apprenticeship programs.

Relations with colleges has been another area because it might be natural for someone who has an apprenticeship program, but it is not the first thing in anyone's mind who doesn't have a program.

Skills upgrading and mentoring. It is a huge problem in our industry, we realize too late that as people go out the door, you are losing not only losing the person, but also your mentor, your journey person. We have a challenge of being able to help companies with their mentoring, with the company and the union.

Our key contribution, though, has been access to government funding. Most companies do not know what is available and we have been able to help out there as well. Government websites are not the easiest thing to figure out.

Another thing that I do not want to minimize, especially in unionized environments, has been our ability to share experiences between companies. Obstacles to apprenticeship programs do come up and we have been able to facilitate a discussion to share solutions for such issues. From there, it is up to each workplace to determine what will or will not work in their particular situation, but the ability to share experiences through CSTEAC has been very important.

Finally, is the idea of consortia. This is the latest thing that we have become involved with, especially with small and medium-sized operations in steel-making communities, such as Hamilton, the Sioux, Whitby, Cambridge, Calgary, Edmonton. We have been looking at CSTEAC becoming a sponsor. We could sponsor the apprenticeship, bring in more companies that don't want to take that risk initially of, in our industry, it's \$280,000 for an apprentice over a four year period. CSTEAC would provide the mentoring up to a certain point where a company would take them over. But they would be able to see them over one work term or two work terms. In discussions with Ontario, there has been positive response to this proposition because they see this as a huge challenge to pick up on the types of things Ron was talking about. That would help spread the risk and the cost of apprenticeship in new ways we haven't done so far.

So we've been doing quite a bit, that being the industry, and the industry through CSTEAC, but I need to point out that I think the government has 3 very important roles and I do not think they should minimize them. They will be important, not only during this economic crisis, but also in the good times that will eventually follow. The three things I would set out: 1 – Yes, the industry has committed resources to get organizations such as CSTEAC going, but they aren't free, and they cost a lot, and the industry pays for most of it. Reinforcing the coordinating groups that bring industry together needs to be shared, and I say shared in terms of investments and not costs because they are investments in the future. 2- Especially as our industry has become globalized, there are now so many foreign companies and no Canadian companies compared to when I started thirty years ago, and they operate across the world. And when you look at the sharing of apprenticeship investments between what the industry pays and the governments finance, we are very near the bottom. Right now, depending on the province you live in, between federal and provincial incentives, you are looking at optimistically the government paying 10 % of the investment, sometimes 5%. We have been pushing for 20 %, with an average of 19%, which I think would be a huge incentive to go to those companies and say: not only do we have a consortia, but you also get your risk cost-shared at the beginning. The provinces and feds have to take that challenge on through discussions. The third thing: Especially in times of economic challenges, there are some companies laying off their apprentices, and as it was mentioned earlier, they are often the first to go, not the journeyman, it's the apprentice. Why would you want to support someone, as someone who has lost their job on transition, when you've got the option of supporting that person to continue to be an apprentice? Special funding in these sort of circumstances of keeping people employed in apprenticeship and training programs is critical. The new budget has set out a number of parameters for mostly displaced workers, and I hope there is that creativity federally and provincially to look at those people that are at risk of losing their jobs, especially apprentices, especially in industries

where apprenticeship has been new, to keep it going, instead of dropping it because of the crisis.

We're keeping fingers crossed, but the industry is continuing to maintain its efforts in the apprenticeship area, and we look forward to further discussions.