

# Labour Education and Training Research Network



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## The Impact of Privatization on Newfoundland College Students: The Case of the Career Academy

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## **The Impact of Privatization on Newfoundland College Students: The Case of the Career Academy**

Post-secondary education and training in Newfoundland is largely a post-World War II phenomenon, and in fiscal terms really a post-Confederation matter. Development of the public college system has occurred in two main phases. First, from 1949 to the early 1970s public education facilities were constructed across the province and closely related to the government's economic development program. In more austere financial conditions from the late 1970s to the present, largely brought about by federal cuts to transfer payments and the increasingly neo-conservative agenda of deficit and debt reduction, the Newfoundland post-secondary system underwent a series of reorganizations allegedly to make it more responsive to changing labour market needs. In the process the public college system experienced an almost continuous period of review, which led to the restructuring of who was to be trained, where, and in what fields. The responsibility for the costs of training also shifted from the first period when education and training were seen as a government responsibility (paid for in large measure by federal dollars) to the later period when education was increasingly viewed as an individual responsibility. As the public system endured constant reorganization and continuous fiscal cutbacks, private colleges stepped in to fill the training void, especially in the 1990s.

Three factors make Newfoundland's post-secondary college education system important to study. First, Newfoundland has the largest private sector training industry in Canada. Second, the industry grew rapidly in the 1990s. Third, the consequences of the growth of private colleges have had considerable impact on the quality of training in the province and, as a result, on labour market outcomes for individuals and groups in Newfoundland. All of these changes have been undertaken with little regard to their impact on the labour force and the individuals involved in it. Our preliminary work suggests these impacts have largely been negative. In this paper we will discuss each of the three factors in detail, and offer hypotheses on why the Newfoundland post-secondary college system has developed in this way. The initial section of the paper will discuss the historical evolution of training in Newfoundland both in the public and private sectors. In the second section of the paper we discuss the rapid growth of the private training system and explore the causes of its development in Newfoundland and Canada. In the third section we analyze the consequences of the rapid expansion on both the quality of training, including a comparison of the labour market outcomes between public and private colleges, and on the stability of private institutions.

## **Section I: The Evolution of Post-secondary College Training in Newfoundland and the Role of Private Colleges**

Before we explain the historical development of private colleges in Newfoundland it is first necessary to place private colleges in the overall context of post-secondary training. Vocational colleges were a new phenomenon to Newfoundland in the post-Confederation (1949) period. It was only in the wake of World War II that the need for vocational training was recognized. Prior to that education in Newfoundland was academic in nature. Post-secondary education was offered at Memorial University College which obtained degree granting status in 1949 as Memorial University of Newfoundland.<sup>1</sup> Vocational training was seen as necessary to train returned soldiers for civilian jobs. In fact, Newfoundland's first public vocational college was created in 1949-1950 after the Vocational Institute set up to train ex-servicemen was transferred to the new Department of Education to meet civilian training needs. Here it is important to note that the public college system initially developed to meet the needs of craft or trades training, particularly for young workers.<sup>2</sup>

As a new province (1 April 1949), Newfoundland became eligible for federal grants for vocational education (under the Vocational Schools Assistance Act 1950), and in the early 1950s used this money to build a new vocational college in St. John's. The public college system received a tremendous boost in the early 1960s as the federal Technical and Vocational Assistance (TVA) Act (1960) and the subsequent Agreement (1961) provided 75 per cent of the costs of constructing new capital projects. With the TVA money Newfoundland set out to build a district vocational schools system (12 district schools were built in the 1960s) and two new public colleges in St. John's, the College of Trades and Technology (COTT) and the College of Fisheries, Navigation, Marine Engineering, and Electronics.<sup>3</sup> District schools provided pre-apprenticeship and pre-employment training in trades and vocational programs. While the district vocational schools continued to focus on trades training, COTT and the College of the Fisheries's mandate was to provide more technical skills, especially for industrial and marine occupations. Using federal funds, a public Heavy Equipment School and an Adult Training Centre were built in Stephenville in the late 1960s and further district vocational schools were built in the early 1970s.<sup>4</sup> In addition to paying the bulk of the costs for building these new schools, the federal government also bought many of the training seats through its Canada Manpower Training Program (CMTP). In 1966 the federal government passed the Adult Occupational Training (AOT) Act, which was intended to improve the re-employment prospects of adult workers by buying classroom training at public colleges. Newfoundland quickly took advantage of this program by changing its training focus from youth to adults.

Until the early 1980s, Newfoundland's post-secondary college system consisted of district vocational schools focused on craft training and of training institutes for industrial and marine pursuits. Unlike other provinces Newfoundland did not have a system of

community colleges, despite calls for one in the 1967 *Royal Commission on Education and Youth*.<sup>5</sup> A decade later a combination of reduced federal funding for training through its Manpower program and decreased enrolments in trades training led the provincial government to appoint the Crocker-Riggs Task Force on Education to recommend ways to improve the post-secondary education system.<sup>6</sup> With the Crocker and Riggs, both Memorial University education professors, recommended that a coordinated community college system be established with six regional colleges for the Avalon, Bonavista-Burin, Central, North West, South West, and Labrador. Each college was to incorporate existing district vocational schools and to develop programs to meet community needs. Little was done with the Crocker-Riggs recommendations until the mid-1980s when the government released a *White Paper on the Reorganization of the Vocational School System*, which again advocated the creation of a community college system. Much of the government's slowness in acting was due to the drying up of federal funding in the wake of the recession.<sup>7</sup> From 1949 to the late 1970s the federal government had played a key role in funding Newfoundland's post-secondary education system.<sup>8</sup> Federal financing allowed the provincial government to create a massive public post-secondary education system without paying all of the costs. When the federal government began to pull out of the funding of post-secondary education in the 1980s, Newfoundland was left with a public system it could ill afford.<sup>9</sup>

Acknowledging that the public college system needed to be made more responsive to future training and labour market needs, the new Department of Career Development began to promote structural and program changes in 1985. Public training institutions, according to the Department, should provide programs that are general and give individuals the skills required to cope with change.<sup>10</sup> The government was reacting to the economic difficulties faced by the province in the early 1980s because of high unemployment, high emigration, and an increased use of social programs.<sup>11</sup> With the shift in focus, the government was also responding to growing technological advances, as well as a change in the economy away from jobs in trades toward jobs in technology.<sup>12</sup> This was in keeping with their new emphasis on offshore oil and mining as the industries of the future. In addition to the move toward technology training, the government also started promoting a decentralized system of public post-secondary education. A decentralized system, according to Minister of Career Development Charlie Power, would make post-secondary education more accessible to all areas of the province.<sup>13</sup> To help bring vocational education in line with the increasingly technological workplace, the new system had to be flexible and had to cooperate with industry. Much of the costs of restructuring would come from the Offshore Development Fund which provided \$150 million for educational and training programs.<sup>14</sup>

To meet the province's current training requirements and future labour market needs, the government proposed integrating the vocational system with the existing colleges into a community college system. District vocational schools were consolidated into the College of Trades and Technology, the Bay St. George Community College, and the Fishery and

Marine Institute to create a new system of provincial community colleges. For the first time public colleges offered university transfer credits. Focusing on new technologies and oil-related training was intended to make the colleges more responsive to changes in the economy and to labour market demands. At the time of reorganization, Newfoundland had 15 district vocational schools and two colleges of trades and technology. Under the new system, there were only six institutions each with its own Board of Governors and with 20 campuses throughout the province.<sup>15</sup> The major justification for the changes was that the trade schools=original purpose of training skilled workers, largely apprentices, was outmoded.<sup>16</sup>

In 1986 the idea of a community college system received an additional boost from the *Royal Commission on Employment and Unemployment* which commissioned a report on post-secondary education, *Education for Self-Reliance*. This report also endorsed a community college system, strongly advocating the new system meet training needs on a regional basis.<sup>17</sup> Both the House Commission and *Education for Self-Reliance* promoted the idea that it was necessary to re-design the education system to prepare for the new **Aglobal@market**. Both viewed education as an agency capable of fostering economic prosperity. In essence this form of education promoted the need for students and the education system to be subservient to the changing demands of industry. Much of this argument also promoted individuals taking more responsibility for their own training requirements. Much like the *White Paper*, the Commission recommended training needs be addressed on the regional, not provincial, level to allow them to be more adaptable to the local market.

The new community college system was opened in September 1987, replacing vocational schools with a system of community colleges. The new schools were organized along the lines of the Saskatchewan community college system. While the old vocational schools offered pre-employment and academic upgrading courses, the new community colleges offered vocational, technical, general education, academic upgrading, and university transfer credits. Newfoundland was relatively late to the community college idea. Most other provinces had constructed community college systems in the late 1960s and 1970s. In the new structure, the old College of the Fisheries was reborn as the Institute of Fisheries and Marine Technology, and two new arts and technology colleges were established, the Cabot Institute in St. John's and the Fisher Institute in Corner Brook. District vocational schools were transformed into five regional community colleges: Labrador, Central Newfoundland Regional, Eastern Community, Avalon Community, and Western Community. Most courses at the community colleges were initially supposed to be of one year or less in duration. Courses at the new arts and technical institutes offered two or three year diploma programs.<sup>18</sup>

Not satisfied that the new community colleges were meeting labour force and market requirements, the provincial government released a report in February 1990 entitled *Equality, Excellence and Efficiency: A Postsecondary Educational Agenda for the*

*Future.* The report laid out the government's expectations of the public post-secondary education system and how changes were needed to ensure Newfoundland received the best value for its educational spending. Showing its new focus on cost-effective training, the report stated "Postsecondary education affects all of our lives, whether as students, workers, employers, or taxpayers."<sup>19</sup> The government's main policy objectives were laid out in its five year plan and included: *equality* -- defined as increasing accessibility, especially to under-represented groups; *excellence* -- defined as providing cutting edge teaching methods, facilities, high quality teachers, services to students, and applicability of programs to the job market; and *efficiency* -- defined as getting the best value for the investment, rooting out duplication and waste. To improve access, the report recommended adding a new campus of Memorial University in Central Newfoundland, expanding the Corner Brook campus, and developing a standard first year transfer program. To ensure excellence, the government promoted expanding student services and increasing collaborations between community development groups, business and labour. It is interesting to note that as the government promoted increased access to post-secondary education, it also felt the need to state that while it supported the principle of equality it was constrained by two main factors: Government's ability to provide additional financial resources, and the labour market's ability to absorb graduates. The report continued it would be unfair to students and wasteful of resources if a large surplus of graduates for specific occupations were being regularly produced, and could not obtain employment.<sup>20</sup>

According to the Department of Career Development, "postsecondary institutions have a special role in improving human resources so that new enterprises in all areas of the Province will have a better chance of success."<sup>21</sup> Measures of success such as surveys of students, graduates, and employers were to be established. Given the ideological tenor of the early 1990s it is not surprising that the government's third tenet was efficiency. Arguing that "there is a growing *public demand* for efficiency in all government-funded services, including postsecondary education," and that "duplication and waste cannot be tolerated," the government report demanded that economies of scale be identified and that funds be allocated to areas of the highest priority.<sup>22</sup> To increase efficiency the report recommended reducing post-secondary education services in St. John's by consolidating the campuses of the Cabot Institute with three of the campuses of the Avalon Community College into one new community college. The Marine Institute was to be integrated into the university, the Fisher Institute and the Western Community College were to be merged into one community college serving the West Coast, and Eastern Community College and the remaining campuses of the Avalon Community College were to be merged. Under these plans reorganization occurred between 1990 and 1995.

In 1992 the provincial government under Clyde Wells issued its strategic economic plan outlining its plans for economic development in the province, *Change and Challenge*.<sup>23</sup> Based on the findings of the Economic Recovery Commission and the Advisory Council on the Economy, the government committed to promoting Newfoundland's economic recovery within the framework of the changing global economy. To effect changes within

increasingly limited government spending, especially reduced transfer payments, the provincial government called for a fundamental transformation in thinking by the public, government, labour and business. People were asked to be more self-reliant, to show more entrepreneurial spirit, and to increase their education levels. While education and training had always been fostered as a way to promote economic development in Newfoundland, in the early 1990s the government aggressively began to advocate the individual's responsibility for training and retraining. In addition, government encouraged the private sector to be a more active player in training. Signalling its intention to rely more on the private sector, the document called for the private sector to be the engine of growth, as government structures became more efficient. In the post-secondary education system this meant private colleges were to take over some of the responsibilities previously under the public education system. The government also further committed to a curriculum review to ensure courses met labour market needs.

As many of these reports make clear, especially *Change and Challenge*, in the 1980s and 1990s post-secondary training became an integral part of the province's economic recovery/economic development plans. Following similar trends in Britain and the US, education reformers in Newfoundland wanted to use the college system to help Newfoundland gain a competitive advantage in the new global economy -- in part by involving under-represented groups in both the education system and the labour market. High-tech skills and entrepreneurial spirit were to be taught by the colleges, and if public colleges could not meet the needs of the labour market, then private colleges certainly would.<sup>24</sup> Earlier emphasis on education for the good of society was transformed by an increasing emphasis on training for the needs of the economy. As Philip McCann has pointed out, much of this thinking blames the Newfoundland worker and the failings of the education system for Newfoundland's poor economic performance, while ignoring problems of economic structure. By claiming workers and the education system have been unable to adapt to the new global economy, the government had a free rein to tinker with the public college system and to allow the privatization of large parts of post-secondary education.

In 1996 after more than a decade of tinkering with the public college system, the provincial government merged the five community colleges into a single provincial college system, the College of the North Atlantic. Now administered by a single Board of Governors, the new college maintained many of its campuses but cut many of its programs. In part the provincial government's decision to reorganize the college system was brought on by the federal government's three-year phased withdrawal from the training market. The federal government's role in training no longer involved the purchase of training courses/seats from colleges. Instead it made funds available to eligible students through its new Skills Loans and Grants Program.

After a series of problems became apparent in the private training system in the late 1990s, in 1999 and 2000 the provincial government began to put some money back into the public post-secondary education system.<sup>25</sup> This was desperately needed in the public college system which had seen layoffs in 1997 in the wake of budgetary errors at CONA. NAPE, the union representing public college instructors, bitterly opposed the layoffs and the provincial government's full-speed privatization agenda. Funding cuts to the public post-secondary education system had begun in the early 1990s. In every year from 1990-1 to 1994-5 grants-in-aid to Memorial University declined by an average of 3.2 per cent, while public colleges faced an average decline of 4.1 per cent a year to 1995 when they rose to 5.4 per cent.<sup>26</sup> From 1995-1998 post-secondary education spending continued to decrease, decreasing from a high of \$84.8 million in 1995-6 to a low of \$71.5 million in 1997-8. In addition, in 1996 the federal government repealed the Unemployment Insurance Act and the National Training Act which had provided much of the training funds to the provinces. In their place the federal government passed the Employment Insurance (EI) Act, which shifted the responsibility for training and employment programs to the provinces, and ultimately transferred the costs of training onto individuals.<sup>27</sup> Under the new EI legislation the provinces were given the final say on unemployment insurance training programs. Rather than the old system of direct grants to public colleges, the new system provided loans to individuals which could be used at public or private institutions. The EI Act prohibited the federal government from an active role in training without an agreement from the provincial government. Newfoundland and Ottawa signed the Canada Health and Social Transfer program to help fund social programs, including post-secondary education. Under the new system, however, federal monies were sent as a lump sum which no special earmarking for post-secondary education. After a decade of spending cuts and tuition increases, in 1999 the provincial government announced a two-year tuition freeze at CONA and MUN, which was extended for a third year in the 2000 budget. In addition, funds were found to upgrade facilities at Sir Wilfred Grenfell and at CONA.<sup>28</sup>

Since 1991-2 there has been an overall decrease of federal government funds specifically earmarked for post-secondary education, from \$11,840,656 to \$6,023,485 in 1996-7, a decrease of 49 per cent. In 1993 public colleges received \$7.8 million. But by 1997-8 the figure had dropped to \$4.1 million. According to NAPE, the largest public sector union in Newfoundland, the province has cut its teaching staff in the public college system by half since 1994; it has closed five public college campuses in the last two years; and has cut 262 community college programs since 1993. In addition, the provincial government has reduced its grant in aid to the public college system from \$87 million in 1993 to \$43 million in 1998.<sup>29</sup> In 1997 HRDC spent \$15 million in training allowances for provincial private colleges, but only \$3-4 million in public colleges. NAPE blames this situation on the downsizing of the public college system which has once again caused waiting lists for courses and has forced students to turn to private colleges.

To make matters worse alongside the funding cuts and the constant reorganization of the public system, just as the community college system finished another round of reorganization, it began to face greatly increased competition from private, for-profit colleges. In 1986 the House Commission reported on these new private colleges and warned that these new private colleges were expensive and unproven. By 1987-8 there were six main private colleges in Newfoundland - CompuCollege, the Early Childhood Training Centre, Lawrence College, Keyin Tech, the Career Academy, and LeMoinés School of Hair and Design. In 1987-8 less than one-third of all college students were enrolled in private colleges, a number which dramatically increased to 50 per cent by 1999.<sup>30</sup> Initially private training institutions operated under the Trade Schools Act developed in the 1960s for the district vocational schools, but with the amalgamation of district vocational schools into the community college system the government needed to pass new legislation to cover private training institutions. In 1988 the Private Training Institutions Act was passed, taking effect in 1989. From 1989-1999 little changes were made to either the Act or the Regulations, despite rapid changes underway in the private training field.

This then is the context in which the private training colleges developed. A federal government devolution of power, a provincial government insistent upon the need for individual responsibility and a belief in the market to provide services, and public training institutions that were constantly in a state of reorganization. It is no wonder that private colleges began to expand rapidly in the early 1990s.

## **Section II: Reasons for the Rapid Growth of Private Institutions**

In 1986 the Newfoundland Royal Commission on Employment and Unemployment reported:

A new phenomenon in post-secondary education in recent years has been the emergence of several private colleges and schools offering programmes in such fields as business management and computer programming. The programmes are expensive and unproven, and the claims made for their success by the companies have not been systematically investigated.<sup>31</sup>

Despite this prescient warning, private schools have flourished in Newfoundland. Between 1989 and 1996 enrolments at private colleges increased by more than 500 per cent as the student body reached 13,000 students at 57 institutions. By 1997 students at private training institutions made up almost 50 per cent of all college students. In August 2000 there were still 55 private training institutes registered with the provincial Department of Education, not counting Adult Basic Education Centres or correspondence institutions, down from the peak of 64 reached in September 1997.<sup>32</sup> Regulation of private training institutions has not kept pace with this growth. After passing a Private Training Act in

1988, the government did little to regulate private training institutions until serious problems emerged in the late 1990s, paramount among them the lack of standards for private colleges and the August 1998 bankruptcy of one of Newfoundland's largest colleges, the Career Academy. Other problems noted in the provincial reports on the state of post-secondary education include findings that private colleges generally offered a lower level of education than public colleges and that in most fields private college graduates faced poorer job prospects, lower wages, and more job insecurity than students who had completed their studies at either the College of the North Atlantic (CONA) or Memorial University (MUN). Yet students continue to flock to private institutions and governments continue to devise funding programs to funnel money to these institutions.

As the government began tinkering with the public education system, a private training system was developing to meet needs not covered by the public system. In the late 1970s and early 1980s, many private training schools began to develop as secretarial or business training schools to provide practical job training skills, primarily to women. When the demand for computer training increased, private training institutes and their business preparation courses were well positioned. The province's desire to create a more flexible, productive workforce, familiar with new technologies, including electronics, computers, and telecommunications, combined with its unwillingness to pay for upgrades to the public college system, led to the expansion of private colleges. Initially they primarily taught business and secretarial courses but by the late 1980s they were also offering other courses, many of which were similar to courses in the public college system.

Initially, the opening of the private colleges had to do with the perception that the public school system was not meeting training needs as quickly or as fully as demanded. But as the federal government downloaded more of the financing of training onto the provinces, private colleges stepped into all levels of job training. Early impediments to the growth of private colleges included the refusal of the federal government to fund training seats at private colleges unless there was no public training program available, or the public system was either significantly more expensive or geographically inconvenient. Such restrictions changed in the late 1980s and 1990s.<sup>33</sup> By that period, many in business and government argued that private colleges could adapt faster to labour markets.

According to interviews conducted by Philip Warren, the private college system was viewed as far more accessible to the public than the public system. It was also seen as meeting students' needs for practical job training. In addition, many of the students interviewed by Warren found that not only was there a geographic barrier preventing many students from attending public colleges but there was also a psychological barrier. Many students did not see either MUN or CONA as attainable goals, either because few people from their areas had ever attended public higher education or because they did not feel their educational achievement would gain them access. Both MUN and CONA demanded a high school leaving certificate for entrance to their programs.<sup>34</sup> For other students CONA and MUN were viewed as too impersonal and large. For students who

could not afford a four year degree program at MUN or a two to three year diploma program at the public colleges, especially when job prospects were limited, a year-long private college course which all but guaranteed job placement looked increasingly attractive.

Private institutions appealed to many students as they offered shorter and more focused programs than their public counterparts, with private programs often viewed by the students as more likely to lead to more immediate job placement. In many cases the private colleges also provided more flexibility in entering and completing programs than the public system, and many promised help in job placement. Private institutions often used far more extensive advertising than public institutions. One private college promoted itself as customer friendly with free parking, on-site day care and flexible start dates. Others boasted high placement success rates, which often were actually based on employment in mandatory work terms, not rates of success after graduation. Wait-lists for courses at public colleges also made private institutions more attractive. In addition, private colleges were in many cases more willing to take students without the educational achievement level demanded by the public college system. At least initially, private institutions served a rather different clientele or at least a segment of the student market with differing educational backgrounds from those served by public institutions.<sup>35</sup>

In a 1995 survey of community colleges, the Department of Education and Training found that while just under 22,000 students had applied for full-time training courses, less than 8000 were accepted. The remaining 14,000 were placed on waiting lists. Of those 9000 wanted immediate placements. The huge number of applicants in 1994 and 1995 was due to The Atlantic Groundfish Strategy (TAGS) training (See page 16): Of the 14,000 on the wait list, 77 per cent were reliant on government financial assistance for training. In 1993, even before much of the TAGS funding filtered through to the system, the average length of time students would be on the wait list was two years. Students were added to programs on a first come, first served basis. The length of the wait lists and the numbers of students on the wait lists no doubt led many students to choose private colleges.<sup>36</sup>

One of the first private schools in Newfoundland was the Newfoundland Secretarial Academy which opened in September 1979. In its first year the school, run by Lorraine Lush, had 63 full-time students. After a rocky first year the school closed, and reopened the next fall with new financial backers. By 1982 it had 100 full-time (all women) and 93 part-time students. A private secretary for almost 20 years, Lush wanted to start a school where secretaries could be trained to be immediately employable. The Newfoundland Secretarial School was a member of the Canadian Career Colleges Association and registered under the Trade School Act. One of its biggest selling points was that it offered individual attention to students, trained them on new computer systems, and functioned as an employment broker between students and employers.<sup>37</sup> Lush subsequently built the Career Academy into one of the largest private training schools in Atlantic Canada. The Career Academy's success owed much to the persona of Lorraine Lush. She sold her own

hard-luck story of personal and financial woes to the public and created an image that parents and students could trust. Lush set out to sell the public on the idea that they had to pay for quality education and that her school would provide personal care and attention. The Career Academy's motto was "Students come first" and recruitment advertisements used the slogan, "When people believe in you - you begin believing in yourself." Lush figured prominently in all the print and TV promotions. In interviews she promised to make the Career Academy and its students part of her family. With up to 85 per cent of the enrolment from outside the Avalon Peninsula, Lush's maternal figure provided a measure of relief for parents sending their children to the city. In various articles Lush told of parents phoning her up to make sure their children were not hanging out on George Street and promised to go to students' homes to check up on them if they missed class.<sup>38</sup> Lush acknowledged in the business press that her success derived from her appearance of caring about her students and her ability to market herself. In one article, Lush described herself as "the corporate symbol," "the Mickey Mouse of the Newfoundland Career Academy."<sup>39</sup> Following Lush's success, other private schools emerged promoting themselves along similar lines.

Another early private school was Keyin Technical College, which opened in 1980, and quickly grew to become one of the largest private technical training colleges in Atlantic Canada, serving more than 500 students by 1986. Founded by Gwen Tucker, Keyin Tech's original mandate was to offer instruction in computer data entry.<sup>40</sup> Other programs included career training in computer studies, business management and secretarial studies. In 1981 Keyin Tech registered under the 1960 Trades School Act. Like Lorraine Lush, Gwen Tucker initially figured prominently in the ads around the school, and also offered to mother potential clients.<sup>41</sup> As the school grew and attracted more male students, however, Gwen Tucker appeared less and less in the school's promotion, unlike Lorraine Lush who continued to be the key figure identified with the Career Academy.<sup>42</sup> As a designated training centre for Canada Employment and Immigration and Workers' Compensation Commission training, Keyin Tech sold itself to students as offering hands-on learning, up-to-date equipment, and a low student/teacher ratio.<sup>43</sup> Keyin Tech also promoted itself as the training institute in Newfoundland which met the needs of special needs students, including the physically challenged, visible minorities and the socially disadvantaged. By 1989 Keyin Tech was also selling itself as the best college in which to acquire the skills needed for jobs in offshore development.<sup>44</sup>

A third private college, CompuCollege, opened in 1983. Its main goal was "to teach students to master a useful job-skill in as short a time as possible" and to prepare students for the "real world of business."<sup>45</sup> Founded by Max Jacobs and Ronald Hull, CompuCollege emphasized practical work experience and hands-on training rather than theoretical knowledge. Jacobs, responsible for the financial, marketing and planning at CompuCollege, had been employed by the Division of Technical and Vocational

Table 1  
Private Training Institution Enrolment 1990-1 to 1997-8

	1990-1		1991-2		1992-3		1993-4		1994-5		1995-6		1996-7		1997-8	
	Enrol.	%	Enrol.	%	Enrol.	%	Enrol.	%	Enrol.	%	Enrol.	%	Enrol.	%	Enrol.	%
Academy Canada	0	0	0	0	369	15.8	368	13.7	684	6.8	1106	9.5	1464	11.2	1362	13.4
Academy of Learning	0	0	0	0	0	0	0	0	3	0	276	2.4	264	2	122	1.2
Avalon Education systems	0	0	0	0	0	0	0	0	199	2	160	1.4	19	0.1	74	0.7
Avalon Professional Driver	0	0	0	0	0	0	0	0	130	1.3	213	1.8	217	1.7	76	0.7
Career Academy	568	34.2	825	37.5	701	30.1	980	36.4	1917	19	3278	28.2	3937	30	3599	35.3
Centrac	0	0	0	0	0	0	0	0	431	4.3	329	2.8	649	4.9	353	3.5
Central-Training	0	0	0	0	0	0	0	0	118	1.2	184	1.6	252	1.9	66	0.6
Compu-College	518	31.2	649	29.5	644	27.7	468	17.4	1127	2.8	1084	9.3	1137	8.7	653	6.4
Corona Institute	0	0	0	0	0	0	0	0	267	1.6	168	1.4	80	0.6	45	0.4
Distance Education Operation	0	0	0	0	0	0	0	0	0	0	47	0.4	89	0.7	88	0.9
Early Childhood Centre	56	3.4	59	2.7	50	2.1	55	2	223	2.2	291	2.5	1	0	117	1.1
FFAW/CAW	0	0	0	0	0	0	0	0	743	7.4	589	5.1	142	1.1	1468	14.4
H&R Block	0	0	0	0	0	0	0	0	105	1	125	1.1	0	0	347	3.4
Keyin College	350	21.1	532	24.2	432	18.5	619	23	1748	17.3	1905	16.4	2063	15.7	44	0.4
Lawrence	130	7.8	84	3.8	94	4	135	5	260	2.6	263	2.3	234	1.8	187	1.8
LeMoines School of Hair	39	2.3	52	2.4	39	1.7	66	2.5	80	0.8	77	0.7	97	0.7	112	1.1
Norpen Technical Institute	0	0	0	0	0	0	0	0	200	2	37	0.3	0	0	795	7.8
Nortech	0	0	0	0	0	0	0	0	233	2.3	144	1.2	186	1.4	144	1.4
Other Private Institutes	0	0	0	0	0	0	7	0	1628	16.1	1045	9	1366	10.4	80	0.8
Provincial Learning Centres	0	0	0	0	0	0	0	0	273	0	289	2.5	932	7.1	456	4.5
Total	1661	100	2201	100	2329	100	2698	100	10,369	100	11,160	100	13,129	100	10,188	100

Source: Government of Newfoundland and Labrador, Review of Private Training..., 7.

Notes: 1. Figures include full and part time students.

2. Enrolment increased dramatically in 1994-5, 1995-6, and 1996-7 due to TAGS funding

3. In 1992-3 Academy Canada was established, prior to that it was a franchise of Career Academy

4. In 1994-5 changes to the student loan system were implemented, including increases to the maximum that could be borrowed in any one year.

5. Increases in 1994 also reflect changes in regulations which required sponsored programs to be registered.

Education for ten years, eight years as principal of the Baie Verte district vocational school and two years as a teacher. Hull, acting as Principal at the new college, also came out of the public education system, working as the supervisor of instruction for a district vocational school for the five years prior to starting CompuCollege. Both men came out of the public college system as it moved from an emphasis on the trades to technical training. Offering courses year round with courses available in the evening and on Saturdays, and offering a payment plan for tuition, CompuCollege encouraged students to learn on their own schedules. In its first year CompuCollege had 150 students registered in five program areas, including legal and medical secretary courses, computer programming, word processing, and accounting. Unlike the other two colleges, CompuCollege was part of a franchised chain with campuses in Toronto, Hamilton, Montreal and Saskatoon. In the late 1980s CompuCollege School of Business added several new programs to its roster, including Micro Computer Business Application, computerized Bank Teller and Customer Service Representative, and hotel and restaurant management.

Growth of private colleges remained relatively slow until the early 1990s, however, when new governmental programs with training components were introduced in Newfoundland. The private training sector developed haphazardly, focusing on areas of technical and computer training. By 1999 there were 57 private training schools located in Newfoundland and Labrador, up from 24 institutions (17 located within the province, seven correspondence) in 1990.<sup>46</sup> In the 1990s enrolment in private training schools ballooned, from 1989 to 1995 enrolments increased by more than 500 per cent in the private school system, as compared to 22 per cent in the public system. (See Table 1, across). In 1989-90 the public college system produced 84 per cent of all college graduates. By 1994-95 the private college system accounted for 49 per cent of graduates. Despite the overall decrease in shares of the market, in real numbers public colleges showed only a slight drop in overall student levels. In 1990 there were 1661 students, by 1994 that number more than tripled thanks to the first full year of TAGS funding. By 1996-7 more than 13,000 students were registered in private schools. (See Table 2)

**Table 2: Total Public and Private College Enrolment, 1989-90 and 1995-96**

	Public		Private	
	Enrolment	Percent	Enrolment	Percent
<b>1989/90</b>	6673	83.8	1288	16.2
<b>1995/6</b>	8161	50.9	7865	49.1

Source: Post-Secondary Indicators '98, 76; Warren report, 8.

Note: Public includes the Marine Institute at Memorial University.

In the late 1990s the number of students in private colleges was almost equal to the number of students registered in the public college system. (See Table 3). It is clear that

most of the growth in the Newfoundland college system has come in the private sector. Newfoundland currently has the highest enrolment in private colleges across Canada, at 50 per cent of all college enrolment.<sup>47</sup>

**Table 3: Revenue from Sponsored Training Programs:  
Private and Public, 1993-1997**

<b>Description</b>	<b>1993-4</b>	<b>1994-5</b>	<b>1995-6</b>	<b>1996-7</b>	<b>1997-8</b>
<b>Private</b>	11,206,671	27,098,681	22,011,047	9,393,825	5,323,128
<b>Public</b>	29,178,216	31,158,966	22,747,093	8,115,440	3,239,005

Source: Human Resource Development Canada, Warren report, 9

Note: in 1995 the federal government announced a three-year phase out of direct funding to individual institutions starting in 1996-7, replaced by a Skills Loans and Grants program for targeted individuals.

Several factors contributed to the growth of the private college system over the public system. The private training system received a huge boost in the mid-1980s with the federal government's Canadian Jobs Strategy (CJS). CJS was the start of a major shift in federal government thinking about training. The underlying premises of CJS were that employers needed to take a far more active role in training and that the private sector was more capable of providing market-sensitive training than the public sector.<sup>48</sup> Under CJS the federal government promoted retraining and upgrading of workers temporarily dislocated from the job market; much of which fell to private colleges. As part of its deregulation and privatization platform, the Conservative federal government of Brian Mulroney moved away from public training after 1985 under the belief that private trainers would be more adaptable to the changing needs of the economy. The federal government was operating under the assumption that the market was the sole mechanism through which jobs and economic development/recovery could be achieved. Privatizing training programs allowed the federal government not only to cut training funds but also to further its overall smaller government platform.<sup>49</sup> The new federal focus on private colleges and an increased role for business in determining that courses in public colleges met so-called market demands fuelled the private college boom across Canada in the late 1980s. In the period from 1987 to 1990 federal government employment programs provided \$6 million in training funds to Newfoundland per year, by 1990 almost 50 per cent of it went to private colleges.<sup>50</sup> Federal cuts to public training hit "have-not" provinces such as Newfoundland harder than provinces where more diversified economies allow the provincial governments to increase their own investment in training.

In addition to the push toward private training institutions from the federal government, the provincial government also encouraged the growth of private institutions in a variety of ways. Methods included the reorganization of the public college system, cuts to the

public post-secondary system (in part brought on by the downloading of responsibilities by the federal government), and changes to the provincial student loan system which made it easier for students to borrow money to attend private colleges. Initially the student loan system was only for those attending public institutions, unless a case could be made that there was no equivalent public program or unless the public program was more expensive. This changed in the early 1990s as student loans were made available to students regardless of whether their schools were public or private.

The 1989 election of Liberal premier Clyde Wells brought the privatization ideology to Newfoundland. He announced that reasonable offers would be entertained for any of Newfoundland's public services. In 1995 Wells stated "Government is prepared to consider any reasonable proposal for privatization of any commercial-type activity... that can be more effectively carried on by the private sector."<sup>51</sup> As part of an overall program of deregulation, government downsizing, cuts to social spending, income support reform, his government and its successor have reduced the amount of government spending in education, helped extend the influence of business over training, and shifted the focus from education to training for specific jobs. Under the Wells government's downsizing program, public colleges faced funding cuts in the early 1990s. As a result of the federal and provincial cuts, the St. Anthony campus of the Western Community College was forced to slash programs and staff in 1990.<sup>52</sup> It is somewhat ironic that at the same time the provincial government was attempting to promote education and training as key to Newfoundland's economic development/economic recovery, it was withdrawing much of its financing from the public college system. The Newfoundland government's own spending cuts to public colleges from 1991-1995 reduced spending to 1981 levels.<sup>53</sup>

Yet another reason for the growth in private post-secondary education was the success of neo-conservative governments in defining post secondary education/training as for the individual's personal, rather than societal, good. By defining university and colleges as existing for the student's individual gain, governments justified cutting education budgets and turning to private institutions to provide education and training as a money making enterprise. With training and education increasingly downloaded to the provinces, problems arose such as ability to provide quality training, economic fragmentation between regions and provinces, and the growing economic disparities between urban and rural populations.<sup>54</sup> The combination of these three Canada-wide factors (the federal government's privatization push, the need to upgrade and retrain workers, and the neo-conservative attitudes defining training as an individual responsibility) combined with a set of circumstances peculiar to Newfoundland to give an added boost to private training in the early 1990s .

While the federal and provincial privatization schemes had an impact on the growth of private colleges in Newfoundland, the levels of high growth can be more easily attributed to the massive influx of training funds attributed to the TAGS program. In the early 1990s after the collapse of the cod fishery, the federal government introduced two programs to help unemployed Newfoundland fishery workers, the Northern Cod Adjustment and Recovery Program (NCARP) and its successor The Atlantic Groundfish Strategy (TAGS). The main goal of TAGS was to reduce the labour force in the fishery by half through retraining, relocation, income support, and retirement. While designed primarily as an income support program, TAGS also included an education and retraining component to provide opportunities outside the fishery.<sup>55</sup> Individuals on TAGS were encouraged to upgrade their skills and to retrain for employment outside the fishery.<sup>56</sup> In response to the growing amount of training funds available, private colleges moved into the areas hardest hit by the fishery collapse.

With training funds for thousands of displaced workers, TAGS offered private colleges a steady guarantee of income for the following five years, making new institutions appear to be viable businesses. Unfortunately, little thought went into where new students for these institutions would come from when TAGS money ran out. By 1992 the public college system was entering yet another consolidation phase, and was ill-equipped financially to move into these areas, many of them only recently abandoned by district vocational schools. Nor did the government appear to want the public system to expand. To add insult to injury as public courses were cancelled and public college campuses closed, in many instances private operators were allowed to take over building, equipment, and education resources paid for by tax payers to use in for-profit education. Faculty who had worked in the unionized public colleges were forced into low-waged, insecure, non-union jobs with the private colleges.<sup>57</sup>

The overall TAGS budget was \$1.9 billion, allocated between HRDC, the Department of Fisheries (DFO) and the Atlantic Canada Opportunities Agency (ACOA). Newfoundland's share was 72 per cent. Of this, 87 per cent of this was earmarked for income support, 11 per cent for active programming, and the remaining 2 per cent to cover administrative costs. HRDC allocated roughly \$275 million in active programming, \$128 million of it in Newfoundland.<sup>58</sup> Between 1994 and 1997 15,500 TAGS recipients (more than 50 per cent) took some form of active programming, which comprised employment interventions, training and counselling.<sup>59</sup> Of the 7630 TAGS recipients (27 per cent) who undertook direct training programs, 11 per cent chose personal development training, 33 per cent adult basic education, and a further 69 per cent participated in skills training.<sup>60</sup> Over 1700 TAGS recipients also participated in employment interventions designed to provide them with incentives to find employment outside of the fishing industry.

The education and training components of TAGS were cancelled in July 1996, one year ahead of schedule, when the federal government opted to redirect funds into income support due to budgetary constraints. Of the 27,922 individuals in Newfoundland on TAGS, 60 per cent were in the processing (whose workforce was comprised almost equally of men and women) and 40 per cent in the harvesting sector, which was male-dominated. Two-thirds of those on TAGS were men, one-third women.<sup>61</sup> This had a direct impact on the gender balance of most private colleges. Prior to TAGS training most private colleges were training much higher numbers of women than men. Most of the private colleges had started as secretarial schools, and as late as the early 1990s many of the course offerings still focused on clerical skills and business administration. As TAGS training funds went disproportionately to fishers (largely men) over processors (largely women), private colleges began to tailor their course offerings more to men. TAGS training funds allowed many colleges to make the switch to more high tech and information technology style courses which in the mid-1990s largely remained a male dominated field.<sup>62</sup> While private schools initially served more female than male students, and percentage-wise met the needs of more female students than the public colleges, by 1999 this had changed to the point where private colleges were now enrolling 50.7 per cent of the male and 49.3 per cent of the female students.<sup>63</sup> In 1989-90 more than 86 per cent of all private school graduates were female, while males dominated the public colleges, especially in the trade areas. In 1995-6 both public and private schools had a much more balanced gender mix, private schools graduating 52 per cent females.

In addition to TAGS training, there have been other federally-sponsored training programs and contract training through Human Resource Development Programs (such as Employment Insurance). Several private colleges were established to take advantage of the demand for training.<sup>64</sup> In total, training centres across Canada took in \$66 million from TAGS. While training was undertaken in a number of areas - including nursing, hairdressing, dog grooming, fish farming, and welding - one of those trained complained that the only ones who got anything out of it were the businesses [colleges] that took the money.<sup>65</sup> TAGS money was distributed to more than 150 schools. While the top colleges were all public colleges (Eastern College \$9 million, Cabot \$6 million, Westviking \$6 million, Marine Institute \$3.5 million), private colleges also took in a great deal of training dollars, Career Academy (\$3 million), Keyin Tech (\$3 million), Academy Canada (\$1.5 million).<sup>66</sup>

TAGS and other federal government funding programs provided a boon not only to for-profit training institutions but also led to the creation of some not-for-profit private training institutes. Many of the union-sponsored private training schools were established in this period to meet the training needs of their own members. Included in this category were private colleges set up by trade unions to offer life skills or academic upgrading training such as FFAW's literacy schools or trades training.<sup>67</sup> The question of union involvement in privatized training is a complex one. Unions have traditionally been strong supporters of the public college system. Yet in Newfoundland in the 1990s, private

training institution have been founded by several unions, especially in the building trades industry and the fisheries, offering similar courses and sometimes in direct competition to the public colleges. With massive influxes of training dollars available to train construction workers for the Hibernia project from the federal-provincial Offshore Development Fund in the late 1980s and from the Hibernia contract from 1991-95, many unions opted to form their own training schools.

One of the largest union training school was operated by the Laborers International Union of North America (LIUNA), the Atlantic Construction Training Centre (ACTC). ACTC was an industry-driven centre established to help the Newfoundland construction industry meet changing technological needs. Founded as a labour-management organization, the school is financed by Local 1208's Training and Rehabilitation Trust Fund. LIUNA recognized that as the construction industry faced increasing competition, it was necessary to retrain its members or face losing the work to non-union workers. In order to maintain its ability to compete for new work, especially in the oil and mining fields, LIUNA decided to invest in its own training centre. It argued that *When we identify the skills training we need and then act upon it by ourselves ... then we are taking ownership and responsibility for our futures.*<sup>68</sup> LIUNA was not the only union to set up its own training centre. The Boilermakers' Union set up an Industrial Training Centre in Holyrood, as did the Operating Engineers, while the United Association of Plumbers and Pipefitters had a training school in St. John's and the Carpenters a Training Institute in Mount Pearl. The International Union of Operating Engineers College (OEC) is not simply a school for union workers, since 1992 it has also offered courses to industry, government and the public. Included in its course offerings are the highly specialized courses in tower crane operation, but it also offers apprenticeship and improvement training programs in direct competition with public colleges. From 1992-1999 1000 students have graduated from OEC, and it boasts a 90 per cent placement rate. Enrolment however has declined as the Hibernia project training was completed and in 1999 there were only 50 students registered in the LIUNA ACTC school and 10 in the OEC.<sup>69</sup> Not all of the unions chose to operate their own training programs; much of the training for Hibernia was largely done through the College of the North Atlantic.

### **Section III: The Consequences of Privatization**

From the outset, however, many problems existed with private, for-profit training colleges. In 1986 the House Commission criticized the lack of a standardized curriculum and the duplication of programs already available in the public system. As a result it recommended that no public funding be given to those institution offering courses already available through the public system. House recommended that the Department of Education take a more active role in the regulation of private training institutions. House noted a recent proliferation of private colleges, training 1000 full and part-time students by 1985. He worried about the *poor* quality of training due to overcrowding and inadequate

teaching. The high cost of tuition and the questionable employment benefits were also raised as problematic. House had found that 24 per cent of recent private college graduates were unemployed. In light of these issues, House recommended that the government regulate not only the standards but also the advertising campaigns of private colleges.<sup>70</sup>

In addition to questions over course duplication and quality, in 1988 questions began to arise over the financial stability of many of the private colleges. In late January 1988 Harbinger School of Business declared bankruptcy, leaving 75 students scrambling to finish their education. Harbinger School of Business had opened in September 1986.<sup>71</sup> While Keyin Tech and the Canadian Career Institute stepped in to place the students, the bankruptcy led to calls for stricter legislation to govern private colleges. Keyin Tech managing director Ralph Tucker called for better legislation to control the operation of private colleges, as he was worried all private colleges would be tarred by the same brush. He hoped stricter monitoring would weed out the bad schools.<sup>72</sup> In the wake of the January bankruptcy, Harbinger School of Business principal Brenda Lawrence opened her own private training school in February with more than \$60,000 in private investment. Twenty-seven of the students from Harbinger transferred to Lawrence College to finish their secretarial science programs. Students were credited with tuition fees, \$1450 per term, already paid to Harbinger. Lawrence stated: "When we moved facilities we were able to start classes immediately. We used the same teachers, the same curriculum and books, so we only lost one day of training and that's all."<sup>73</sup>

In response to the bankruptcy and the rapid growth of private colleges, and to several complaints to the Department of Education concerning quality, the Provincial government introduced the legislation to control private training colleges, the Private Training Institutions Act in 1988.<sup>74</sup> Under the Act, all private training colleges offering courses of 50 or more instructional hours were legally required to register with the Department of Education. The Department of Education was also responsible for approving all programs offered by the private institutions. The Act allowed the government greater scrutiny with regard to how they perform, how they advertise, the standard of teachers, the standards of their curriculum.<sup>75</sup> Minister of Career Development Charlie Power urged students to "make sure they know what they are purchasing." According to Power, part of the problem with many of the private schools was that they started out offering business and computer courses in which they were qualified but then expanded into other areas where they were not qualified, leading to complaints by students and parents. Power hoped that with the reorganization of the public post-secondary system the need for private schools might diminish; but he noted private colleges had a role to play and offered a good balance to the public vocational schools. While Power discussed the need for bonds they were not a part of the legislation and this proved to be a problem later in the 1990s.<sup>76</sup>

To assess the consequences of the development and rapid growth of private colleges we shall look at three main points. First, using data collected by the Department of Education we shall review the outcomes of graduation from a private college in terms of employability, wage earnings, and student satisfaction. Second, we shall return to the Career Academy and Lorraine Lush to examine the events which shaped the bankruptcy of Newfoundland's largest private college. Third, we shall conclude with an examination of the Warren report, a review of private training in light of points one and two.

A recent report released by the Department of Education reported that in Newfoundland there is a clear relationship between educational attainment and employment. Those with a higher level of education are far more likely to be in the labour force, to work in their field of training, and to make more money than those with less education. The report concluded that those people on social assistance had significantly lower educational levels than the general public. The vast majority of those on social assistance in the province have educational levels below that needed for entry level jobs. This is especially true with older adults, many of whom quit school very early to work in the fishery. The report also determined that graduates of MUN or CONA were more likely to find employment than those in one or two year private colleges or one year public colleges. Those graduating from private colleges also had slightly smaller earnings than those from an equivalent public college. Tuition fees are also significantly higher at private colleges, on average \$2297 per semester as compared to \$1335 at Memorial and \$600 at the College of the North Atlantic. Given that the average family income for Newfoundland continues to be the lowest in Canada, and that the tuition costs approach the national average and the ancillary costs are increasing, Newfoundland students who are forced to take courses at private colleges face a serious disadvantage compared to the other Canadian students.<sup>77</sup> In February 2000 private colleges received another blow when it was announced that the default rate on loans for private colleges was 42 per cent, almost double the rate for students at public institutions.<sup>78</sup> No doubt this higher default rate has to do with the higher costs of tuition, the lower job prospects, and the lower wages at private colleges.

To examine employment experience and earnings of recent graduates in the public and private college systems, as well as at Memorial University, the Department of Education undertook a survey in 1999, entitled *Career Search: Employment Experience and Earnings of Recent Graduates*. With a response rate of between 67 and 71 per cent of all 1996 college graduates, *Career Search* found that graduates from public college programs of three years had the highest rate of full-time employment related to training (49.6 per cent) and the lowest per cent of unemployed workers (19.7 per cent). Graduates of two year public programs had the next highest full-time employment rate (31.6 per cent), followed by graduates of one year public programs at 27.6 per cent. Graduates from private colleges fared a bit worse, at 27.5 per cent full-time work related to training for two year programs, and a low 17.9 per cent for private one year programs. (See Table 4, next page)

**Table 4: Activities of College Graduates since Graduation  
(Measured over a One year period, July 1996-July 1997)**

Employment Status	Public 1 Yr	Private 1 Yr	All 1 Yr	Public 2 Yrs	Private 2 Yrs	All 2 Yrs	Public 3 Yrs*	College Total
Full-time work related to training	27.6	17.9	21.7	31.6	27.5	29.5	49.6	27.2
Full-time work unrelated to training	15	14.6	14.8	12.9	14.1	13.5	11.7	14
Part-time work related to training	9.9	8	8.8	8.7	5.6	7.1	5.5	7.8
Part-time work unrelated to training	7.1	9.7	8.7	7.8	8.5	8.2	5.2	8.2
Unemployed	26.6	31.8	29.8	21.7	29.7	25.8	19.7	27.3
In School	7.3	11.3	9.7	12.9	8.3	10.6	6	9.8
Other	6.5	6.6	6.6	4.4	6.3	5.4	2.2	5.7
<b>Total</b>	100	100	100	100	100	100	100	100

Source: Government of Newfoundland and Labrador, *Career Search: Employment Experience and Earnings of Recent Graduates 1999*, Table 1, 3.

\* There are no 3 year programs in the private sector.

As can be seen from the data, in both the one and two year programs, graduates from public colleges were more likely to have full-time employment in their field than their private college counterparts. Private college graduates were more likely to be unemployed than public school graduates, and more likely to work in areas unrelated to their field of training.<sup>79</sup> Wage rates, too, were divided between public and private colleges, with graduates from one and two year private college programs more likely to earn less than their public college counterparts. Dividing wage earners into the low-waged (under \$8 hour), medium waged (\$8-14 hour), and high waged (over \$14 hour), *Career Search* found 50.8 per cent of all one year private college graduates employed full-time were low waged, compared to 25.6 per cent of public college graduates. At the high wage level, 32.2 per cent of one year public college graduates made more than \$14 an hour, compared to only 19 per cent of private one year graduates. (See Table 5)

**Table 5: Graduates= Weekly Wage in Reference Week (22-28 June 1997)**

Wages per week	Public 1 Year	Private 1 Year	Public 2 Year	Private 2 Year	Public 3 year
Low	25.6	50.8	39.7	39.9	12
Medium	42.3	30.3	38	46.7	40
High	32.2	19	22.2	13.4	48
Total	100	100	100	100	100

Source: *Career Search*, table 3, 4. Based on graduates who were employed full-time in reference week, full-time based on 30 hours of week.

*Career Search* also measured graduates= satisfaction with their investment of time in their programs. It found that public college programs had a higher satisfaction rate than private college programs, in both one and two year programs. (See Table 6).

**Table 6: Satisfaction with investment of time for class and study**

Status	Public 1 Year	Private 1 Year	All 1 Year	Public 2 Year	Private 2 Year	All 2 Year	Public 3 Year	College Total
Satisfied	90.1	77.6	82.5	87.8	74.6	81	89.9	82.5
Dissatisfied	9.9	22.4	17.5	12.2	25.4	19	10.1	17.5
Total	100	100	100	100	100	100	100	100

*Career Search*, table 5, 5.

On the financial investment, public colleges also came out ahead of private colleges, in both one and two year programs. (See Table 7)

**Table 7: Satisfaction with financial investment for Education**

Status	Public 1 Year	Private 1 Year	All 1 Year	Public 2 Year	Private 2 Year	All 2 Year	Public 3 Year	College Total
Satisfied	82.8	59.1	68.5	77.2	52.3	64.6	86.7	68.5
Dissatisfied	17.2	40.9	31.5	22.8	47.7	35.4	13.3	31.5
Total	100	100	100	100	100	100	100	100

*Career Search*, table 6, 6.

In the length of job search category, public and private one year programs were very similar, roughly 28 (public) and 29 (private) per cent of graduates had jobs before graduation, in two year programs 25 per cent (public) and 30 per cent (private) had jobs before graduation, however, those who took longer to find jobs (3 months or less) were more likely to find jobs if they graduated from public two year programs (53.5 per cent) as opposed to private (40.7 per cent). (See Table 8).

**Table 8: Length of Job Search**

Status	Public 1 Year	Private 1 Year	All 1 Year	Public 2 Year	Private 2 Year	All 2 Year	Public 3 Year	College Total
Job before graduation	27.9	28.7	28.4	25	29.9	27.4	23.6	27.5
3 months or less	44.6	42.8	43.6	53.5	40.7	47.2	56.3	46.3
4-6 months	10.7	12.6	11.8	9.4	12.3	10.8	9.8	11.2
7 months or more	16.7	15.9	16.2	12.1	17.1	14.5	10.2	15
Total	100	100	100	100	100	100	100	100

*Career Search*, Table 7, 6.

Despite all of these factors enrolment at private colleges was up from a 5.7 share of post-

secondary graduation in 1989-90 to a 28.8 per cent share in 1995-6. In 1995-6 this amounted to just less than 2500 graduates or 49 per cent of graduates from all colleges. It must be noted that some of the private colleges objected to *Post-Secondary Indicators* results because they lumped together all the private colleges and created the impression that all the private colleges were of dubious quality.<sup>80</sup> To counter this image, Keyin Tech commissioned an independent audit of its graduates. Keyin Tech representative Shawn Skinner called on the Department of Education to break down statistics in the *Post-Secondary Indicators* on an institution by institution basis which would allow each institution to be judged on its own merits.<sup>81</sup>

Even before the evidence presented in *Postsecondary Indicators* was available, the government had begun to recognize the need for regulatory reform of the private college system. As more private colleges were founded in the mid-1990s, questions over quality and financial competence began to abound. In 1995 officials from the Department of Education began to meet with officials from the Newfoundland and Labrador Association of Career Colleges to discuss changes to the *Private Training Act*. An additional impetus was given to the need for increased regulation in 1997. In the Fall 1997 thirteen students at the Newfoundland and Labrador Paralegal Training Institute staged a protest demanding tuition refunds after learning their program did not have national accreditation. In March 1998 the Paralegal Training Institute closed its doors in the wake of financial problems. While other schools stepped in and placed the paralegal students, further problems developed when the students could not access their academic records to give to their new schools.

The 1997 problems were only the beginning. In the summer of 1998 the situation worsened as Newfoundland's largest and best-known private school closed. On 14 August 1998 the Career Academy, Newfoundland's largest private vocational school, shut its 14 campuses in Newfoundland, Nova Scotia and Ontario. The Career Academy was Newfoundland's largest private college from its inception. At its peak in 1997-8 the Career Academy enrolled 35 per cent (3600 students) of all private school students. The next largest private school enrolment was at Keyin Tech with 14.4 per cent (1500 students). (See table 1). Selected in 1997 as one of the best run businesses in Canada, the Career Academy operated for almost 20 years before its surprise failure.<sup>82</sup> In response to the closure, Education Minister Roger Grimes announced that he hoped laws governing private post-secondary colleges would be amended in the fall session to compel colleges to provide more detailed financial information to the government and to protect students.<sup>83</sup>

There had been early warning signs of Career Academy's difficulties. In December 1997 students in its massage therapy program launched a law suit against the Career Academy for negligence in failing to provide them with the appropriate education and against the provincial government for failing to carry out its responsibilities and obligations under the *Private Training Act*. Students complained instructors had failed to cover material on the registration exam. A second lawsuit was launched after 17 of the 24 students in the course

failed the Ontario registration exams for massage therapy. Students complained of inadequate teachers and poor equipment.<sup>84</sup> Staff turnover was another familiar complaint at Career Academy. In July 1997 several Career Academy students walked out of class after protesting they had seen eight different instructors in the course of several months, with instructors regularly quitting or in one case being fired after demanding more money. Information Technology students also complained of substandard and outmoded equipment.<sup>85</sup> Other students in the aviation program protested inconsistent tuition policies and lack of flying time and students in the aircraft maintenance program complained of extraordinarily high costs of the Career Academy program compared to the public program offered at Gander.<sup>86</sup> Given the high cost of programs (\$16,800 for the massage therapy program, \$10,000 in the applied technology program), many students felt the problems with instructors and equipment were unacceptable.

The Career Academy bankruptcy has been blamed on a financial crunch brought about by expansion into Ontario and on changes to the Student Loan Act. Career Academy owner Lorraine Lush, however, ultimately blamed the closure on the provincial government's refusal to permit an offer from a US investor to save the entire college chain. Education Minister Roger Grimes countered that claim, arguing that it was not a good deal as the US investor was to take over none of the Career Academy's \$16 million debt.<sup>87</sup> Lush also blamed the financial crunch on the provincial government for changing the way student loans were distributed so that payouts were made at later dates.<sup>88</sup> A more likely scenario is that the Career Academy's diversification into new programs, especially the expensive aviation and avionics programs into Ontario over-extended it to the point of bankruptcy. In the wake of the bankruptcy it was revealed that the Education Minister, Roger Grimes had known of the college's shaky financial situation as early as April 1998, yet did nothing to warn students.<sup>89</sup> Students continued to take student loans and to pay tuition.

More than 1400 students and 240 staff were left to scramble into other colleges in the wake of the failure. Several other private colleges have attempted to meet the demand not only by bringing in the Career Academy students, but also by providing employment to some of the instructors.<sup>90</sup> The RCMP has investigated Lush and other owners on charges of fraud, but to date no charges have been laid. Newfoundland students have launched a class action suit against the Career Academy for breach of contract and against the province for negligence in carrying out its responsibilities and obligations under the Private Training Institutions Act, but this suit has also come to nothing.<sup>91</sup> In the week following the closure, students set up a tent city on the legislature's lawn in an attempt to force answers from the provincial government over their future.<sup>92</sup> In September 2000 the government announced those former students of the St. John's campus of the Career Academy who did not complete their programs at other schools had until December to apply for reimbursement of lost tuition fees under the \$75,000 bond posted by the Career Academy prior to its bankruptcy. While the government called the bond in July, it was under no obligation to announce that it had called the bond to students who had six months from the date the bond was called to make a claim. To be eligible for

reimbursement, students were required to convince a judge of their application's merit. Even if judged deserving, there is no guarantee students would receive their full tuition rebate as awards depend on the numbers of applicants. Of the 1400 students only 1100 were placed in other schools. Students are responsible for any legal costs incurred while appearing before a judge. One former aviation electronics student paid much of an \$8000 student loan to the Career Academy days before the bankruptcy, and still bears responsibility for the debt.<sup>93</sup>

In the wake of the Career Academy failure, the Professional Institute of Applied Technology took steps to insure students' tuition in case of bankruptcy. Students in this college, which specializes in information technology, currently pay up to \$4000 per semester and will be insured for up to \$5000 per semester. Grimes has indicated that depending on the outcome of the Warren investigation, other private colleges may be forced to follow suit.<sup>94</sup> The closure of the Career Academy has led many to question the quality of private school education. Many are questioning why the government fostered the growth of private schools rather than use the money to bolster the public system. Higher student tuition is mostly paid for by student loans, which in the end are often absorbed by the provincial and federal governments. Students at private colleges also face greater uncertainty over their choice of private colleges than their public counterparts. As the Career Academy case demonstrated, private colleges, even those which seem stable, are often financially insecure.<sup>95</sup> So why does the government support private colleges? One answer is that a myth prevails that private sector ventures are superior to government ones, and that government initiatives are often inefficient and less fiscally responsible than their private counterparts. However, the Career Academy's collapse demonstrates a rather different view.

In April 1998, shortly after Lush warned him of Career Academy's financial problems, Education Minister Roger Grimes announced the Department of Education would be increasing its monitoring of private, post-secondary institutions, and would be conducting a review of the Act, regulations, and policies governing private colleges. Denying that the review was prompted by the bankruptcy of the recent Paralegal Training Institute, Grimes claimed that the review was in response to "unprecedented growth and expansion" of the private college sector.<sup>96</sup> According to Grimes, the government undertook an independent consultation because of the unprecedented growth of the private college industry and to consider if the rules governing private schools were strict enough to protect students. Between 1998 and 2000, six private colleges closed, including the Paralegal Training Institute, Career Academy, and Centrac College.<sup>97</sup> The review was announced on the same day the government released *Postsecondary Indicators '95*, a detailed report on the public and private post-secondary institutions. A former education minister in the Wells-governments, Phil Warren was appointed to review the Private Training Schools Act. While he completed his review, the government put a freeze on the opening of new private schools. To handle the increased monitoring of private colleges, the Department hired three new staffers and reallocated other staffers to deal with complaints about private

colleges. The Review of Private Training Institutions Act and Regulations was established to consult and offer recommendations on the regulation of private training. Warren argued that private training institutions were an important part of the education system and hence the main question was not whether private colleges had a role to play in post-secondary education but rather what was the nature of the role. Warren was well-suited to the task of chair as he had previously chaired the 1967 Royal Commission on Youth and Education and was the Minister of Education under Clyde Wells.

In a recent interview, Phil Warren remembered little monitoring of private colleges while he was education minister. He recollected regular meetings on the reorganization of the public college system, but little, if any discussion directly on the growth of the private system. His memory is supported by the Department of Education's Annual Reports which throughout the 1980s make little mention of private colleges. In the 1983-4 Annual Report the organization chart outlining responsibility for monitoring does not even have a section for private colleges.<sup>98</sup> The first mention of private colleges came up in the statistical analysis of enrolment data collection in the late 1980s, but little analysis was done until the *Postsecondary Indicators* report of 1995.

The underlying goal of the Warren review was to develop a system of quality controls to build into the licensing and monitoring processes, in order to provide better oversight of both the educational and financial components of private institutions. Throughout the report students are referred to as consumers, with consumer protection the paramount aim. Consumer protection included everything from conflict-resolution mechanisms and enhanced student contracts to providing adequate bonding and an industry-wide training completion fund. The tone of the report was much in keeping with many of the changes on the federal scene in the past few years. Warren stated, for instance, "There are many quality private training programs and institutions in Newfoundland and Labrador; and an environment must be created which will result in increased numbers of such programs and institutions."<sup>99</sup>

At the consultation meetings, concerns for many stakeholders focused not on the private college system *per se*, but on the perceived overproduction of graduates in certain areas of employment and the increasing debt load of students. Some of those interviewed worried about the relatively low standards of admission into many private school training programs and about the nature of advertising used to attract students including the promise of jobs on graduation, but only a few questioned the need for private training or the concept of training for profit. Many of the calls were for more accountability in the private training sector and greater student protection. To Warren, ensuring program quality involved "matters of accountability and accreditation." While Warren acknowledged that the market was to some extent a judge of quality, further protection was needed for students and the public. To be effective, changes in regulations needed to involve both trainers and the Department of Education. By including industry participation in the regulatory process, the report hoped to increase confidence and stability in the private training industry.<sup>100</sup>

To enhance quality Warren recommended the following steps: increased registration requirements; more rigorous checks of an applicant's credit history; improved assessments of proposed programs including external assessments where necessary; a greater emphasis on linkages with the labour market; more rigorous monitoring of instruction, instructors and facilities once licensed; and the encouragement of appropriate accreditation. In addition, he recommended changes to internal operational procedures at the individual college level that would require regular quality control assessments including admission tests, student evaluations, mandatory professional development, and the establishment of quality control advisory committees at each institution.<sup>101</sup> Warren's first recommendation required the Act to be revised to demand more information and closer scrutiny of initial applicants. He also asked that each application include a description of the courses to be taught and their mode of teaching, a training completion plan, evidence that the applicant had the required security established in the regulations, and an external review of the curriculum. Indicative of the idea of training for labour market needs, applicants were also required to provide evidence of the educational demand and projected employability of graduates. Warren also asked that the Minister of Education be given the right to refuse to register or renew any application where the applicant had previously had a certificate of registration canceled in Newfoundland or any other province. Similarly, he recommended that the Minister be given the power to place an institution on probation or to cancel a registration if necessary to protect students interests. Warren also proposed that the Minister be given the power to suspend or cancel an instructor's authorization to teach. To demonstrate their financial viability, Warren suggested that private colleges be in operation for at least two years before receiving student aid designation. This last change, however, would not have prevented the collapse of the Career Academy, but it would have affected a number of the other colleges that declared bankruptcy in the late 1990s.<sup>102</sup>

To help meet increased monitoring needs, Warren sought an increase in the Department of Education's staff. This recommendation was immediately implemented as two new monitors were hired, one in Western and one in Central Newfoundland. Influenced by high profile bankruptcies such as the Career Academy, the Warren report suggested several changes to protect not only students but private college employees and taxpayers as well. Many of Warren's findings were not unique to Newfoundland. Other provinces have taken similar action. While some of the reasons for the Warren investigation were local, such as the Career Academy failure, the process resembled regulatory reviews underway in other provinces, including a comprehensive 1993 Ontario review. The Ontario review described the legislation in place there as a patchwork of unrelated consumer protection items which were developed to respond to the situation as it existed 20 years ago. It lacks a coherent framework within which not only current but also future concerns and developments can be addressed. Warren found that while the Newfoundland legislation had only been in place for a decade, it too was out of step with the current conditions.<sup>103</sup> To prevent students from being left holding the bag after a bankruptcy, Warren recommended that bonds of between \$50,000 and \$150,000 be required. The report also

suggested establishing a training completion fund to allow students the opportunity to complete their training rather than obtain a tuition refund. Warren also recommended that all college instructors meet minimal standard levels.<sup>104</sup>

### **Conclusions**

Newfoundland's private, for-profit training industry is now in considerable jeopardy. In its early years, it filled a significant space for the training of women, and for many who were excluded from post-secondary institutions by reason of educational achievement or geographic remoteness. Unfortunately, the powerful ideological thrust of privatization and the actions of the Mulroney federal and Wells provincial governments fuelled the early expansion of private colleges in the late 1980s and early 1990s. The collapse of the cod stocks and the consequent TAGS programme led to an explosion in the private college industry.

Initial governmental enthusiasm and its failure to regulate the industry directly led to the crises of the late 1990s, symbolized in this paper by the collapse of the Career Academy. Newfoundland still awaits legislative action to enact Phil Warren's recommendations on an appropriate regulatory regime. Indeed, in the face of declining population, the withdrawal of most federally funded training support monies, the government's outcomes data in *Postsecondary Indicators*, and the collapse of public confidence in private colleges, we can expect further crises or, at best, mergers in what we would predict is likely a declining sector.

Meanwhile, MUN and CONA continue to try to deliver public post-secondary education with inadequate budgets. Perhaps, the forthcoming *Postsecondary Indicators* covering 1998-2000 will further enhance provincial appreciation of public education.

## Acknowledgments

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## Notes

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1. For more on MUN see Malcolm MacLeod, *A Bridge Built Halfway: A History of Memorial University College* (Montreal 1990); Phillip McCann, *Schooling in a Fishing Society* (St. John's 1994); Melvin Baker and Jean Graham, *Celebrate Memorial!: a pictorial history of Memorial University of Newfoundland* (St. John's 1999).
  2. For more on the roots of vocational training in Newfoundland see Geoffrey Kelly, *From Vocational Schools to Community Colleges and Investigation of this Restructuring Process in a Newfoundland Setting*, M.Ed., Memorial University of Newfoundland, 1987; George Anderson, *Vocational Education in Newfoundland: A Brief History*, M.Ed., University of Alberta, 1979; Dale Kirby, *Running Head: Newfoundland and Labrador's Post-Secondary System*, unpublished paper, MUN, Department of Education, 1999; and, for a more critical appraisal, see Michelle McBride and Gregory S. Kealey, *Vocational Education in Newfoundland: A Historical Examination*, Draft paper, 2000.
  3. McBride and Kealey, *The Changing Face of Training in Newfoundland from 1949-1999*, Draft Paper, 2000.
  4. Stephenville was the chosen location as it faced economic uncertainty after the announced closure of the Harmon air force base (US) which had provided much of the area's employment and because of its close proximity to many of Newfoundland's anticipated industrial projects, including Churchill Falls.
  5. Government of Newfoundland, *Royal Commission on Education and Youth* (St. John's 1967), chaired by Phillip Warren; and Government of Newfoundland, *Task Force on Education* (St. John's 1978), chaired by Bob Crocker and Frank Riggs.
  6. Enrolment in vocational schools was quite variable, in 1963 there were 998 full-time students in vocational programs, by 1966-7 with the opening of several new vocational schools that number climbed to 5322, and peaked in 1976-8 at 5417. By 1977-8 the number had fallen to 3833, a number which continued to decline to the low point of 2266 full-time students in 1985-6. Kelly, *From Vocational Schools to Community Colleges*, 42-43.
  7. Government of Newfoundland, Department of Career Development and Advanced Studies, *White Paper: Reorganization of the Vocational School System* (St. John's 1985), 7-8.
  8. While federal money was essential to the development of post-secondary institutions in Newfoundland, it is important not to understate the provincial government's role in developing the public college system. From the outset premier Joseph Smallwood set about to transform Newfoundland into a prosperous, progressive Province. For Smallwood education was an essential part of modernization, especially at the vocational and technical levels. Smallwood viewed post-secondary education as the best way to create an industrial workforce and to impart a level of professionalism and skill thought lacking in the Newfoundland labour force. For more

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on the role of the provincial and federal governments in the vocational and technical education system see McBride and Kealey, *The Changing Face of Training*.

9. For more on the state of Canadian training and the devolution of responsibility for training see Stephen McBride, *The Political Economy of Training in Canada*, Paper delivered to York Training Matters Conference, Toronto, 1998; Thomas Dunk, Stephen McBride, and Randle Nelsen, eds., *The Training Trap: Ideology, Training, and the Labour Market* (Winnipeg and Halifax 1996); and Duane Leigh, *Canadian Training Programs*, in *Does Training Work for Displaced Workers?* (Kalamazoo, Mich. 1990), 71-87.

10. *White Paper*, 3, 8.

11. See, for example, McCann, *Schooling in a Fishing Society*, 222.

12. With increasing uses of technology, many skilled (trained in a specific trade) workers found themselves displaced by machines operating by semi-skilled or unskilled operatives.

13. *White Paper on vocational schools due for change, says minister*, *ET*, 20 March 1986, 24.

14. *White Paper on vocational schools due for change*, 24.

15. *White Paper*, 5-7.

16. Government of Newfoundland and Labrador, *Reorganization of post-secondary education system*, *Forecast 1987* (St. John's 1987), 30.

17. Government of Newfoundland and Labrador, *Education for Self-Reliance* (St. John's 1986), part of Royal Commission on Employment and Unemployment, chaired by Doug House.

18. See for instance, Anderson, *Vocational Education in Newfoundland: A Brief History*; Kirby, *Running Head: Newfoundland and Labrador's Post-Secondary System*.

19. Government of Newfoundland and Labrador, *Equality, Excellence and Efficiency*, 1.

20. Government of Newfoundland and Labrador, *Equality, Excellence and Efficiency*, 11.

21. Government of Newfoundland and Labrador, *Equality, Excellence and Efficiency*, 17.

22. Government of Newfoundland and Labrador, *Equality, Excellence and Efficiency*, 18. Emphasis added. It is interesting to note that the government blames cuts to post-secondary education on public demand.

23. Government of Newfoundland and Labrador, *Change and Challenge: A Strategic Economic Plan for Newfoundland and Labrador* (St. John's 1992), iii.

24. For an excellent discussion of the impact of US trends on the Newfoundland education system see McCann, *Schooling in a Fishing Society*, 232-240.

25. Government of Newfoundland and Labrador, *How is postsecondary education financed in Newfoundland?* *Postsecondary Indicators* 95 (St. John's 1996 or for a web version see <http://www.gov.nf.ca/edu/pub/4.2.htm>).

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26. How is postsecondary education financed in Newfoundland? *Postsecondary Indicators* 95.
27. Jean-Claude Parrot, *Training Canadian Labour: the Hard Questions*, Centre for Research on Work and Society paper, 1998.
28. Government of Newfoundland and Labrador, *Budget 1999* (St. John's 1999); *Budget 2000* (St. John's 2000).
29. Jackson, *Province given failing grade*, *ET*, 27 August 1998. 4. In response the Department of Education public relations director noted that the province held the line on public college spending in 1998 over 1997.
30. Of the 2682 students enrolled in pre-employment programs in 1987-8, 781 were in private colleges, 1902 in public; of the 1529 students in pre-apprenticeship programs 120 were in private colleges, 1409 in public; all 839 students enrolled in apprenticeship programs, and all 1214 in skills upgrading courses were enrolled in public colleges. Government of Newfoundland, Department of Education, *Post-Secondary Education in Newfoundland and Labrador: A Statistical Compendium* (St. John's 1989).
31. Government of Newfoundland, *Royal Commission on Employment and Unemployment* (St. John's 1986), 144. Chaired by Memorial University sociologist Doug House, this Commission is often referred to by his name.
32. Figures for August 2000 are from the Department of Education's web page, <http://www.edu.gov.nf.ca/directory/pti.htm> Figures for 1997 were from the Warren report, 84-89; earlier figures were from the Government of Newfoundland and Labrador, Department of Education, *Postsecondary Indicators* 98 (St. John's 1998), 1.
33. Letter from John Mastropietro, Business Director, the Newfoundland Career Academy, to Aloysius Leonard, 17 September 1986, Re: Presentation to the Liberal Task Force on Unemployment (26 August 1986), deposited in the Centre for Newfoundland Studies, MUN.
34. Interview with Phil Warren, conducted by Greg Kealey and Michelle McBride, 19 September 2000.
35. *Review of Private Training Institutions Act and Regulations, Interim Report*, Submitted by Warren to the Newfoundland government, 12 November 1998, 11. (Hereafter *Interim report*).
36. Economic Recovery Commission, Background Report to the Postsecondary Education and Training Strategy for Economic Development (St. John's 1995), 3-23. Cited in Overton, *Redrawing Boundaries*.
37. *Private secretarial school turning out professionals*, *Evening Telegram (ET)*, 26 March 1982, 18A.
38. See for instance, *Lorraine Lush... and still growing!!!*, *The New Found Woman*, 1, 1 (Fall 1996); two page ads promoting Lush as the Entrepreneur of the Year in the *Evening Telegram*, 20 August 1994, 24-25; Paul Bickford, *AA real, live corporate symbol*, *The Express*, 7 December 1994; Bob Hallett, *Profile: Lorraine Lush*, *Newfoundland Herald*, 30 September 1989, 12-13.
39. Bickford, *AA real, live corporate symbol*, B3.
40. *Grand Opening: Keyin Technical Training*, *Newfoundland Herald*, 10 April 1982, 52.
41. *Keyin Technical College*, *Evening Telegram*, 8 September 1990.

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42. See for instance, AKeyin Technical College Celebrates its 10<sup>th</sup> Anniversary,@*Evening Telegram*, 8 September 1990, 60.
43. AKeyin Technical College Among largest in Atlantic Canada,@*ET*, 20 March 1986, 24.
44. AKeyin Tech proves true the maxim >Success breeds success,@*ET*, 30 March 1989, 44.
45. ACompuCollege Opens in St. John's,@*ET*, 23 November 1983, 33.
46. Warren, *Review of Private Training...*
47. Jackson, AProvince given failing grade,@*ET*, 27 August 1998. 4.
48. Paul Gallagher and Robert Sweet, AIntermediate Skill Development in British Columbia: Policy Options for a Post-Industrial Era,@*The Canadian Journal of Higher Education*, 27, 2-3 (1997), 181-212.
49. For more on the role of the federal government in the deregulation of training see Jim Overton, ARedrawing the Boundaries of State Responsibility: The Privatization of Adult Basic Education in Newfoundland.@paper presented to the Boundaries Conference, University of Edinburgh, May 1996. For contemporary critiques of the CJS see Canadian Centre for Policy Alternatives, *Canada Under the Tory Government* (Ottawa 1988).
50. Russell Wangersky, APrivate colleges collect hefty fees for job retraining,@*Express*, 30 December 1990, 1-2.
51. Clyde Wells, AClosing Remarks@to the *Rethinking The Way We Do Business: A Conference About Public-Private Partnering* (St. John's 1995), cited in Overton, ARedrawing the Boundaries,@13.
52. Alan Bock, ASt. Anthony college campus reduced to two courses,@*Northern Pen*, 3 April 1991, 1. Cited in Overton, ARedrawing the Boundaries,@37.
53. Overton, ARedrawing Boundaries,@37.
54. *Our Future is on the Line*, 16.
55. TAGS was established in May 1994 to provide income support, labour market adjustment and training options for harvesters and processors in the fishing industry. Department of Finance, *The Atlantic Groundfish Strategy: An Analysis of the Programs on a Regional Basis* (St. John's: Newfoundland Government, 1996). 1.
56. For more on the TAGS program see HRDC, *TAGS: Background Paper*, January 1996; and HRDC, *Final Report*, January 1996. Our thanks to Dr. Barbara Neis for providing copies of these papers to the authors. For an examination of the gendered nature of the TAGS program see Brenda Grzetic, AEducation as a Determinant of Womens Health in an Environment of Restructuring,@part of the research project, AFrom Fishplant to Nickel Smelter: the determinants of health in an environment of restructuring,@Memorial University, 2000.
57. Sullivan, AColleges brace for layoffs,@3.
58. AProgram Expenditures,@*The Atlantic Groundfish Strategy*, 1-2.
59. AHighlights of TAGS Interventions,@*The Atlantic Groundfish Strategy*, 1.

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60. AHighlights of TAGS Interventions,@*The Atlantic Groundfish Strategy*, 1. Some recipients participated in more than one option. Appendix 2.1 ANumber of Clients in TAGS Program Intervention,@1.
61. AAn Overview of TAGS Clients,@*The Atlantic Groundfish Strategy*, 1.
62. Research by Grzetic found that women were disproportionately under-represented for a number of reasons. Structurally, women were not involved in the design or implementation of the classes, there was a lack of skill recognition for women's prior experiences, and there was a lack of resources and a lack of labour market data to help women choose the right training courses. On an individual level, women faced barriers to training due to their greater role in the home, their geographic mobility was limited by family responsibilities, lower levels of self-esteem, low levels of education, and a lack of support in the community or family for women's retraining. Other women questioned training for what. Given the limited jobs in Newfoundland, many questioned whether it was worth the both to retrain. Grzetic, AEducation as a Determinant,@8-9.
63. Warren, *Review of Private Training...*, 15.
64. *Postsecondary Indicators* 98, 17.
65. Ryan Cleary, AMilking the TAGS Cash Cow,@*ET*, 15 February 1997, 1. Statement by Clayton Chafe.
66. Cleary, AMilking the TAGS Cash Cow,@1.
67. For more on the FFAW's literacy programs and on adult basic education see Overton, AThe Business Quest for >Total Re-education=@, ARedrawing the Boundaries,@40. Overton takes a critical view of the FFAW's involvement in literacy training, arguing that union training has helped to undercut the public literacy programs.
68. <http://www.actc.nf.ca/>
69. Government of Newfoundland and Labrador, *Review of Private Training Institutions Act and Regulations*, chaired by Philip Warren (St. John's 1999), 5. Hereafter Warren, *Review of Private Training...*, 14-5.
70. Government of Newfoundland, *Royal Commission on Employment and Unemployment* (St. John's 1986), 81-144.
71. Pat Doyle, AConfusion abounds after Harbinger school closure,@*ET*, 30 January 1988, 3.
72. Cathy Finn, ATighter rules needed for private schools,@*ET*, 3 February 1988, 3.
73. Ken Meaney, AFormer Harbinger principal now running her own school,@*ET*, 4 June 1988, 4.
74. Government of Newfoundland, *Private Training Institutions Act*, 1988.
75. Finn, ATighter rules needed for private schools,@*ET*, 3 February 1988, 3.
76. Doyle, AControls on private career schools to be legislated,@*ET*, 3.
77. *Postsecondary Indicators* 98, 8. \$42,328 in Newfoundland compared to \$52,858 for Canada, more than 20 per cent lower than the average.

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78. Harris hammers hidden costs,*@ET*, February 2000, 4.
79. *Career Search* also measured employment status during a reference week 22-28 June 1997, a period when most seasonal jobs were underway, and found similar patterns: full-time employment in one year public programs was 57.9 per cent, in private programs 44.8 per cent; in two year public courses full-time employment was 52.6 per cent, 49.5 per cent in private courses; and in 3 year public courses the full-time employment rate was 71.8 per cent. *Career Search*, 4.
80. Deana Stokes Sullivan, Controversy hits before report released,*@ET*, 25 April 1998, 3.
81. Sullivan, Controversy hits before report released,*@3*.
82. Jackson, Province given failing grade,*@ET*, 27 August 1998. 4. The Career Academy had Newfoundland campuses in Corner Brook, Gander, Spaniard's Bay, Conception Bay South, and St. John's.
83. William Hilliard, More students placed,*@ET*, 26 August 1998. 3.
84. Gary Hebbard, Career Academy faces suit over course,*@ET*, 17 December 1997, 4; Bonnie Belec, More students suing Career Academy,*@ET*, 11 August 1998.
85. Craig Jackson, Students protest turnover in Career Academy Staff,*@ET*, 16 July 1997, 3.
86. Barb Sweet, Students, college spar over outstanding balance,*@ET*; Adrienne Parsons, School closes, students pay,*@ET*, 19 August 1998, 6.
87. Hilliard, More students placed,*@3*. Barb Sweet, Lush breaks silence: Blames province for scuttling investment deal to reopen academy,*@ET*, 25 August 1998. 1.
88. Ryan Cleary and William Hilliard, Career Academy closed,*@ET*, 15 August 1998. 1-2. Barb Sweet, The year of cash-flow hell,*@ET*, 25 August 1998. 2.
89. The demise of the Career Academy,*@ET*, 20 August 1998.
90. Dave Kearsley, Academy students report for classes,*@ET*, 26 August 1998. 4 Students in Corner Brook were placed with Academy Canada as were some of their instructors. College of the North Atlantic assumed the dental assistant program, and partnered with Provincial Airlines to provide pilot training in St. John's. The Gander campus of the College of the North Atlantic picked up the aircraft maintenance technician and aircraft electronic technician programs as well. Massage therapy students were moved to the CompuCollege. Hilliard, More students placed,*@ET*, 26 August 1998. 3, and Ryan Cleary, Private College insuring fees for students,*@28 August 1998*. Ex-employees of the Career Academy School of Aviation were unhappy that there was no commitment from either the Department of Education or the Nova Scotia Community College that they would receive jobs in the new diploma program being started up. Ex-employees plead for jobs,*@ET*, 1 September 1998. The provincial government agreed to pay moving costs for students forced to uproot from St. John's to Gander. Private College insuring fees for Students,*@*
91. Ryan Cleary, Tent City wraps up with all placed,*@ET*, 29 August 1998. The Department of Education was aware of financial problems with the school as early as April, but did nothing, accepting assurances that the financial problems were not long-term. William Hilliard and Ryan Cleary, Trouble apparent in April: Career Academy discussed short-term problems at spring meeting,*@ET*, 17 August 1998. 1.

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92. Roger Le Blanc, *The Career Academy Camp-out: Rumours, anger, speculation fill the air in Tent City*, @ *The Express*, 26 August 1998. 5. In addition to the lawsuits by students, Provincial Airlines has also filed suit against Aviation Holdings Ltd., a Career Academy subsidiary for \$478,000 for goods and services provided. Ryan Cleary, *Academy students suing*, @ *ET*, 22 August 1998. 1.
93. Will Hilliard, *Academy Students refund deadline looming*, @ *ET*, 25 September 2000, 1.
94. Ryan Cleary, *Private Colleges insuring fees for students*, @ *ET*, 28 August 1998.
95. John Gushue, *Where's the quality in private training?* @ *ET*, 30 August 1998. 5.
96. Deana Stoke Sullivan, *Private Schools soon to be on the spot*, @ *ET*, 28 April 1998, 1.
97. Sue Hickey, *Growth of private colleges prompts consultations*, @ *The Express*, 12 August 1998. *New player steps forward*, @ *ET*, 17 August 1998; *Province should invest in public education, Harris says*, @ *ET*, 31 May 2000, 3.
98. Government of Newfoundland and Labrador, *Annual Report 1983-4*, Department of Education (St. John's 1984).
99. Phil Warren, *Review of Private Training, Interim report*, Underlying Goals section.
100. Warren, *Review of Private Training*, 19.
101. Warren, *Review of Private Training*, 19.
102. Warren, *Review of Private Training*, 20-22.
103. Cited in Warren, *Private Training Review*, 29.
104. Warren, *Private Training Review*, 39.

## The Labour Education and Training Research Network

Training Matters is funded by the *Social Sciences and Humanities Research Council of Canada* for a period of five years. During that time, we expect to produce innovative research that critically examines the provision of training for the Canadian workforce. In addition to publishing books of collected articles on selected themes, we are publishing a working paper series to disseminate as widely as possible the research being conducted by members of our Network.

### Training Matters Working Papers

**Access Diminished: A Report on Women's Training and Employment Services in Ontario**, Jennifer Stephen; **L'alternance: pratique structurante ou alternative pédagogique? Éléments d'analyse d'une dynamique régionale**, Christian Payeur, Laurier Caron et Nancy Émond; **The British Columbia College, University College, Institutes and Agencies Accord on Government Contract Training**, John Calvert; **Consequences of Attrition in Apprenticeship: An Analysis of the 1994-95 National Apprenticed Trades Survey**, Robert Sweet and Zeng Lin; **Les Entreprises et la formation de la main-d'oeuvre au Québec: un état des lieux**, Colette Bernier; **La formation de la main-d'oeuvre et les syndicats au Québec dans les années 90**, Jean Charest; **La formation professionnelle continue dans les ordres professionnels au Québec**, Sylvain Bourdon et Claude Laflamme; **Formation professionnelle et action syndicale: enjeu plutôt que dilemme**, Christian Payeur; **The German Dual Apprenticeship System: An analysis of its evolution and present challenges**, Diane-Gabrielle Tremblay and Irène Le Bot; **Human Capital, the Competitiveness Agenda and Training Policy in Australia**, Stephen McBride; **The Impact of Privatization on Newfoundland College Students: The Case of the Career Academy**, Michelle McBride and Gregory Kealey; **A Labour Agenda on Training Funding**, John Anderson; **Un modèle de pratique en formation destinée aux jeunes à risque d'exclusion**, Sylvain Bourdon and Frédéric Deschenaux; **The Political Economy of Training in Canada**, Stephen McBride; **Research and Engagement with Trade Unions**, Carla Lipsig-Mummé; **Sectoral Strategies of Labor Market Reform: Emerging Evidence from the United States**, Laura Dresser and Joel Rogers; **Skills Training: Who Benefits?** Nancy Jackson and Steven Jordan; **Snakes and Ladders: Coherence in Training for Office Workers**, Alice de Wolff and Maureen Hynes; **The Strategic Conception of Skills and Training in Construction Unions**, John O'Grady; **Trade Unions and Vocational Education and Training Trends in Europe**, Winfried Heidemann; **Training and Canadian Labour: The Hard Questions**, Jean-Claude Parrot; **Training and Equity Issues on the British Columbia Island Highway Project**, Marjorie Griffin Cohen and Kate Braid; **The Training Strategies of the Australian Union Movement**, Peter Ewer; **Union Membership and Apprenticeship Completion** Robert Sweet and Zeng Lin; **Universities, Liberal Education and the Labour Market: Trends and Prospect** Paul Anisef, Paul Axelrod and Zeng Lin; **What Works in Forest-Worker Training Programs?** Tom Nesbit and Jane Dawson; **What's Happening with Training in New Brunswick?** Joan McFarland and Abdella Abdou; **Women's Access to Training in New Brunswick**, Joan McFarland; **Women and Apprenticeship: The Role of Personal Agency in Transition Success**, Robert Sweet; **Worker-Centred Training in an Economy-Centred World: The Challenge for Labour**, Thom Workman and David Bedford

### Other Network resources and CRWS Working Papers

**Combating Youth Employment I and II**, Winfried Heidemann; **Funding for Training: An Annotated Bibliography**, Nyranne Martin and D'Arcy Martin; **Knowledge and Skills for the New Economy: The role of educational policy**, Winfried Heidemann; **Public and Private Sector Unions in the Delivery of Training: The 1998 CLC Protocol**, John Anderson; **Seizing the Moment to Finance Training: A Union Perspective on the Joint Union-Management Program**, Fred Wilson; **Voices from the Classroom: The Ontario Colleges and the Question of Quality**, Jerry White

The Training Matters Network is coordinated by the **Centre for Research on Work and Society**. For more information on Training Matters and the Centre for Research on Work and Society, and its activities and working paper series, contact the Centre at:

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