

Canadian Shipowners Association

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

3. Demographic Change What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages? Established in 1903, the Canadian Shipowners Association (CSA) represents the interests of Canadian ship owners conducting short sea shipping in North America. Its member companies provide safe, efficient, and sustainable transportation while continuing to lead innovation within the marine industry. Short sea shipping is a vital link in the Canadian economy and the unique CSA member fleet carries commodities and bulk cargo such as iron, wheat and limestone. These Canadian flagged vessel are part of a Canadian marine system that provided 48, 288 jobs, \$15.4B in revenue and generated \$4.4B in tax revenues in 2010. Short sea shipping is widely recognized to offer economic and environmental advantages in terms of fuel efficiency and cost savings as well. For example, a typical CSA vessel can carry 25, 000 metric tonnes per voyage, which is the equivalent of 225 rail cars or 870 trucks. When considering air emissions, the data are equally compelling. Rail transport and highway transport emit 2 and 5 times more atmospheric pollutants respectively than marine transport for the same distance travelled. An additional benefit is the reduction in road congestion due to truck traffic. The interest of the House of Commons Finance Committee in this pre-budget consultation on demographic renewal and skills shortages is very timely for the CSA as our membership is finding it difficult now to recruit and retain mariners and expects this difficulty to increase as mariners retire. As the economy recovers and demand for our members' services grows, the labour shortage could threaten to delay or stop ships from sailing; this has happened in the recent past and could become more acute as demand for shipping increases and labour supply decreases. Given the benefits of short sea shipping, it is important that the Finance Committee recognize the growing and significant

challenges facing the industry with regards to recruiting, retaining and updating the highly-skilled employees it needs to continue operating. CSA members only employ Canadian citizens and rely on their expertise to navigate the waters of the St. Lawrence, Great Lakes, the Arctic and the East and West Coasts of Canada. The CSA recognizes the importance of properly trained, qualified and compliant mariners for the safety, efficiency and protection of the marine environment. Not only are highly-skilled and certified employees retiring in greater numbers with a real crisis projected by the membership within the next 3-5 years, but attracting, training and retaining young employees is also a significant and growing issue. Currently, potential students interested in entering a marine career or formalizing their prior learning attend a marine college and augment this with on-the-job work experience. However, enrollment and graduation rates from marine colleges have not kept up with demand and this trend is expected to continue. Another major challenge to developing marine labour capacity has been the constriction of the option for on-the-job training, commonly referred to as the "hawsepipeline" route, which is how many in the industry previously developed their skills and certification. The decline of this training option was due in part to Transport Canada's adoption of the 2010 Manila Protocol Amendments of the International Maritime Organization's International Convention on Standards of Training Certification and Watchkeeping (STCW). While on-the-job training is still an option and a preferable learning approach for many students over classroom learning, company-developed and STCW-compliant training must be approved by Transport Canada, which can be difficult to obtain. Some CSA members would like to see the hawsepipeline route revitalized as a complement to the marine college learning path. In addition, the mounting personnel renewal and certification requirements originating from the International Maritime Organization and adopted by Transport Canada, place an increasing burden in terms of costs and employee fatigue, particularly for senior officers who train and mentor less experienced crew. Some of these training requirements (such as for piracy) are unnecessary in Canadian waters and should be scrutinized for their cost and benefit before being adopted. Short sea shipping is not very visible in Canada; this likely contributes to the very low awareness of the industry and its career opportunities. Adding to this low profile is the competition CSA members have to compete with other more visible sectors such as oil and gas and trucking for workers interested in a nonstandard work environment and work cycle. Elevating this profile through public education and strategic communications may bring more potential employees into the marine labour development cycle as would support for education and retraining initiatives. While there may be short term solutions to the labour shortage through immigration, equivalency and certification, the long term development of Canadian marine capacity and training is paramount if Canada's short sea shipping ability is to grow and contribute to Canada's sustainable prosperity. The CSA is currently researching the issue and will use the final results to formulate specific policy recommendations regarding training, equivalency, accreditation, immigration, recruiting and retention of mariners for Canadian ships. The CSA also plans to consult and partner with key stakeholders in the labour development process including marine colleges, unions, industry, government and other associations to develop and implement a coherent and integrated plan. This effort may involve building on and expanding upon existing programs and/or developing new programs and approaches that address our research findings. The CSA would be pleased to discuss these findings and this issue further with the House Committee on Finance as we anticipate receiving the final research report in September 2012.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?