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Chair

Mr. Ed Komarnicki

Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

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• (1530)

[English]

The Chair (Mr. Ed Komarnicki (Souris—Moose Mountain, CPC)): We'll call the meeting to order.

We have with us today the Canadian Apprenticeship Forum, being represented by Sarah Watts-Rynard and David Suess, the incoming president.

We have also the Canadian Automotive Repair and Service Council, CARS. Jennifer Steeves, the president, is here with us today. She'll be presenting.

I'll just go through the process. Each of you will present, and then we'll have some questions from the committee.

Ms. Charlton.

Ms. Chris Charlton (Hamilton Mountain, NDP): Thank you, Mr. Chair.

Before we start—and I apologize to the witnesses—I had given notice of a motion last week, and I wonder whether we could take a few minutes to deal with that motion right at the start of the meeting, please.

The Chair: I would defer that motion to the last 15 minutes, after we've had the second panel, and conclude it at that point.

Ms. Chris Charlton: Okay, so we'll have it in the last 15 minutes of the meeting.

The Chair: Yes.

Ms. Chris Charlton: All right.

The Chair: Okay, we'll start with Ms. Steeves. Go ahead.

Ms. Jennifer Steeves (President, Canadian Automotive Repair and Service (CARS) Council): Thank you, Mr. Chair, co-chairs, and members.

I'm very pleased to have been invited to appear here today in relation to your study "Fixing the Skills Gap: Addressing Existing Labour Shortages in High Demand Occupations". I will provide you with some context in relation to the automotive repair and service industry.

Repair and service establishments exist in every community across Canada. Given our vast geography, they reflect the necessity of vehicle ownership. In fact, there are over 21 million vehicles on Canadian roads, and more than 306,000 Canadians are employed in

over 66,000 businesses across Canada. Fifty-five percent of these businesses employ one to four workers. The automotive aftermarket sector reached \$18.7 billion in retail sales in 2009, and this was at the height of the economic downturn.

Performance Driven, the 2009 labour market study, noted that employers were reporting approximately 13,000 unfilled positions and that 37% of these were for automotive service technicians. Overall, 29% of employers in the industry have one or more unfilled positions, and this is impacting business growth. Related to this, a majority of employers—58%—said that their "new hires are not job-ready".

Why is the private sector experiencing difficulty in finding sufficiently skilled people in certain fields? For our industry, the number one reason is the pace of technology advancements. Vehicle technologies are mainly responsive to government regulation—that is, aggressive fuel economy, emissions targets, and safety. As a result, 75% of new and emerging technologies are related to electronics and engine fuel systems. These advancements are comprehensive and complex. The skills impact is significant.

Second is essential skills. These important foundational skills impact the success of continuing learning and ongoing professional development. Those that are key to our industry occupations are critical thinking and communications.

Third is business skills. The importance of owner-operator business skills and the further development of those skills were noted in our *Performance Driven* study. These are busy people who are balancing many tasks every day. As a result, they often omit themselves from any training planning. Improved business practices would help them better schedule work flow and calculate how many technicians they actually need on staff and on the floor at a time, thus impacting productivity and profitability.

What are some key considerations in addressing and fixing the skills gap? Number one is labour market information. Continuity and currency of available labour market information—at the national, provincial, and local level—need to be coordinated. Further to this, better linkages need to be made among technology innovation, the skills impact for a workforce, and labour market pressure points.

Comprehensive LMI that examines skills pressure points and leads to the development of skills training that reflects technology demands will ultimately better support those seeking employment or those proactively trying to maintain their employment or grow their career. Applicants need current skills that reflect current technologies and workplace and customer expectations and safety.

Secondly, labour market information needs to lead to services that stakeholders—that is, employers, employees, and job seekers—can easily access and utilize.

Labour market data itself may not help a small-business owner. He does not have the time or expertise to interpret the data to his own situation; however, what they will respond to and invest in is a service or resource that will help them meet their recruitment and retention challenges. This is important. A skills assessment tool that supports the recruiting process, and that points to specific skills upgrading to improve a candidate's or employee's productivity, will get traction. To be relevant and useful, these kinds of tools need to be developed and updated based on current LMI.

Number three: harness available labour market expertise, and connect. This is a complex issue, fixing the skills gap, and a mechanism to connect governments with stakeholder expertise in a meaningful ongoing dialogue about the development and implementation of solutions will be key. An expanded service such as the “Working in Canada” website is positive, but unless connections are made to technical skills assessment tools, essential skills assessment tools, and available skills development opportunities, we will miss a valuable opportunity to more fully support the client.

• (1535)

Currently, much of the training skills information is based on that needed to enter the industry. There also needs to be information for those trying to maintain their employment, stay current, and transition within the industry. When labour supply and demand are this tight, you need to keep the workers that you do have current and employed.

There is a lot of potential here, and there are several organizations well positioned to support these kinds of enhancements. This expertise needs to be harnessed and exploited.

Number four: connect labour market information and skills required with various levels of education and training. Job readiness of those wanting to enter an industry can be improved if there are more proactive connections among national skills information, the labour market, and education and training. A system that would connect labour market data, employers, and education and training providers would provide better support to the job seeker, whether they are a young person, someone in transition, or a new Canadian.

Connecting educators at all levels with employers will help teacher, student, and parent understanding of skills expectations and the education and certification requirements that will increase job readiness. Again, linking with expertise in these areas is important.

Thank you for this opportunity. I look forward to your questions.

The Chair: Thank you, Ms. Steeves. I appreciate that presentation.

Ms. Sarah Watts-Rynard, I understand you're going to present next.

Ms. Sarah Watts-Rynard (Executive Director, Canadian Apprenticeship Forum): Absolutely.

Thank you very much, and thank you for inviting us here today to talk about fixing the skills gap.

I wanted to start by defining apprenticeship, because this is a term that is commonly used, and we find that apprenticeships and the apprenticeship system are not well understood within the skilled trades community, let alone in the wider community.

Apprenticeship is a workplace-based training. It's generally 80% on the job and about 20% in a training institution. Apprentices must be registered by the provincial apprenticeship authority and ordinarily by an employer, so they have a job and they're employed prior to registration. Technical training takes place at a college or union training centre, with a private trainer, or online. Once an apprentice has completed the required hours of on-the-job training and modules of technical training, that person is able to challenge a certificate of qualification exam.

The benefits of this type of training include the ability to earn while you learn, to receive certification and good pay, to find career opportunities across Canada, and to become an entrepreneur and start your own business.

We wanted to talk today about some of the challenges. The Canadian Apprenticeship Forum has been hearing about current and anticipated skills shortages in sectors across Canada and how they affect productivity, the ability to innovate, and economic prosperity for a company, for a region, for a province, and for the country as a whole.

In 2011 we did a survey with employers, and 71% of employers told us that the skills shortages are affecting or will soon affect their ability to take on new contracts and do business, but only about 30% had an active plan to address that HR concern. Some of our research has also identified a number of barriers to apprenticeship. These are for employers but also for apprentices and other apprenticeship stakeholders. The barriers include a lack of awareness about apprenticeship, negative perceptions of trade careers, unstable employment, unwelcoming workplaces, cost of apprenticeship, basic and essential skills of apprentices, and shortcomings of workplace and technical training.

For today's presentation, I want to talk about three broad areas of challenges. I'm going to start with the skills mismatch that exists in Canada.

We have a high rate of youth unemployment. It was almost 15% in February. We know that youth underemployment is an even bigger problem across the country. We have a negative perception of careers in the trades, a perception that the trades represent a pathway of last resort. At the same time, we have severe skills shortages.

The average age of a newly registered apprentice is 26. One of the problems we're finding is that the school-to-work transition isn't being managed effectively. We're pushing youth to go in other directions, and they're finding trades careers relatively late.

Another one of the broad areas of concern is employer engagement. Even if we manage to convince youth that there are jobs available for them, we do still need to make sure that there are employers who are willing to take them on as apprentices. We feel it's necessary to continue to talk to employers about the return on training investment when it comes to apprenticeship. We've done quite a detailed study about return on training investments, looking across 21 trades, in small, medium, and large businesses across Canada. We spoke with those employers who actually hire apprentices and asked them about the financial costs of apprenticeships in terms of wages and benefits, administration costs, cost of a journeyperson's time, and materials.

● (1540)

For every dollar they spend in areas like this, we find they have a return of \$1.47, and that's when you start to look at charge-out rates and the financial value that an apprentice brings to a workplace. It's important to continue to talk to employers about that, because we know that among skilled trades workplaces, only about 19% hire and train apprentices, and 50% of employers in skilled trades areas don't really have a very good understanding of apprenticeship. They don't understand what their responsibilities would be or how they would get involved with apprenticeship. Fourteen percent of these employers told us they would hire apprentices, if only they would come and knock at their doors. "We don't know where to find them," they said.

So we do know that we have a lot more work to do in terms of speaking to employers about how this is a source of skilled trades workers.

The final broad area I wanted to raise with you is around apprenticeship completion.

In 2009 Statistics Canada data told us that there were about 409,000 registered apprentices across Canada. In the same year, around 31,000 apprentices completed and received their certification. So while we've seen registration rates double in the last ten years, completion has remained relatively stagnant. That completion rate isn't moving very much.

While the barriers to completion are complex, and I certainly wouldn't say that there are one or two solutions, I think there are some areas where something could be done federally with systemic barriers like inter-jurisdictional mobility of apprentices, so that when they have their certification, they're completely mobile between jurisdictions. But in the course of an apprenticeship, if someone were to lose their job in one part of the country, they would find it very difficult to move and have their hours and their training recognized in another part of the country.

As well, we hear—and this is from coast to coast—about EI wait times. Because apprentices are considered to be employees, they're eligible for EI when they do their technical training. But if you can imagine going to technical training, having a mortgage, a car payment, and a family to support and not actually getting your EI until you're back at work.... In some cases, people are waiting eight or ten weeks to receive their first EI cheque, and that does make it a little more difficult to motivate somebody to go back for their second or third round of training. When we talk about a completion rate, it's important not to put up barriers like that.

As well, there are incentive and completion grants that are offered by the federal government, but those are taxed back. Those are subject to taxation, which would lead more people to ask themselves if this is something that's worth applying for and waiting for.

I'll speak briefly about some of the recommendations we have put forward. I've provided a brief to all of you today, which goes into a little more detail, but I think this speaks to a need for better career awareness of trades and apprenticeship with regard to employers, youth, and the general public, and also to the professionalization of the trades—to start thinking about certification as something that has value for a journeyperson but also for their employer and the general public.

We hear about small and medium-sized businesses facing a number of barriers. They're not sure they have enough continuous work and they're not sure they can offer the full scope of the trade. As a result, they might not participate in apprenticeship training. There are some innovative approaches around consortiums, where you have small and medium-sized businesses getting together and sharing an apprentice, but that would certainly benefit by a review of the way tax credits are applied.

Also, I think the public sector really needs to recognize their role, not just as a funder but as an employer and as an owner community. By employer, the public sector actually employs only a quarter of... When you look at the ratio of apprentices to journeypersons for those employed in the public sector, it's 3%. In the private sector, it's 12%.

● (1545)

When you talk about the owner community, the public sector is a huge user of skilled trades services and contracts for maintenance, construction, and fleet services, and they do have the ability to put a point system into bid documents or some additional motivation for contractors to hire and train apprentices.

Beyond that, and going back into completion, I think there's a need to look more closely at interjurisdictional mobility between the provinces and the territories, and certainly fast-track apprentice EI claims when they're going into technical training.

Finally, as I said, there are opportunities there to use tax levers as well around the incentive and the completion grants, credits for employers who train apprentices, taxes for those who perhaps don't, incentives for employers to train more apprentices than they need, and then maybe some supports for underemployed people to consider a second career.

● (1550)

The Chair: Thank you very much for that presentation.

Mr. Suess, are you going to participate in the questions and answers, or do you want to make a quick comment at this time?

Mr. David Suess (Incoming President, Canadian Apprenticeship Forum): Mr. Chair, I think Sarah spoke to most of the key points. We collaborated on what she submitted and what she spoke to. I think my value would be maybe trying to clarify from the employer perspective some of the questions the panel may have.

The Chair: Okay. We'll do that for sure.

We'll start our first round of questioning with Ms. Charlton. Go ahead.

Ms. Chris Charlton: Thank you very much, Chair.

Thank you all so much for being here today and for your presentations.

I want to focus my initial round of questions on the apprenticeship side. You certainly suggested that incentives like the apprenticeship incentive grant and the apprenticeship completion grant, although obviously not 100% successful, have been important incentives leading toward a greater completion rate in apprenticeships.

Were you aware that those programs had been cut in the main estimates 2012-13? I think \$113 million is gone from the apprenticeship incentive grant.

Ms. Kellie Leitch (Simcoe—Grey, CPC): Point of order.

Let us be clear that it was because of uptake, not because of a choice in a cut. I think it's very important that we are very clear with respect to what decisions are made going forward.

I leave it to the member's discretion to make her comment, but let's be very clear: this was not a cut in this budget; this was based on previous uptake for apprentices.

The Chair: I don't know whether—

Ms. Chris Charlton: I would suggest that's a point of debate and not a point of order.

Nevertheless, if you look at the main estimates, there is now \$113 million less under the apprenticeship incentive grant and \$40 million less under the apprenticeship completion grant.

Even if the point is right that that's because of uptake, clearly there are barriers to uptake when you're saying there's a need for apprentices, certainly a need in the economy for journeymen, and you identified this as an incentive to try to raise completion grades.

Could you comment on that?

Ms. Sarah Watts-Rynard: I think it's been very effective in terms of raising the profile of the importance of apprenticeships, because anything that enables us to start to talk to employers and talk to apprentices about the perceived value I think is beneficial.

Uptake has been a challenge. I think there are reasons. The fact that it's taxed back is certainly one of those reasons. Somebody might question whether or not they wanted to go through the process.

I know there were some difficulties initially in the application process and some of the processing that had occurred that may have led to take-up that wasn't quite as good as we would have hoped.

Ms. Chris Charlton: Have you been consulted by the government about how to perhaps increase take-up rates of those two programs, rather than just seeing the money no longer available for apprentices in your program?

Ms. Sarah Watts-Rynard: We have. The trades and apprenticeship program has a close relationship with the Canadian Apprenticeship Forum. They present to each of our board meetings, and have certainly spoken to us, not in terms of cuts, but in terms of take-up and how to improve that. I know many of our board members were approached with a survey asking how we could improve take-up.

Mr. David Suess: I think from the perspective of an employer and my new employer moving to Alberta, they were not even taking advantage of it. It was 300....

Ms. Sarah Watts-Rynard: That was the tax credit.

Mr. David Suess: That was the tax credit.

In our work with CAF, when we talk with employers—again, I'll have to be careful not to cross provincial and federal lines—it's what's required to apply for it. Do they even know about it? Who's out there helping to promote it and helping the individual apprentice process it? Because it all comes back onto the shoulders of the individual.

Again, the fact that they're having to be taxed on it is one reason they don't even bother. If they're out there working and are picking up some overtime, depending on their tax base, that \$1,000 turns into.... They lose \$600 of it. It's not just the base wage. It's because they're up in a higher tax bracket.

• (1555)

Ms. Chris Charlton: Thank you.

I grew up in Germany, where apprenticeship programs are huge. They're a common part of most workplaces, and that's how most people get their training. So I really appreciate your point about the importance of raising awareness among youth that trades are a viable profession. They are family-sustaining jobs and are things we should be promoting. We could do a much better job of that in this country. I take your point that much of that is also a provincial responsibility.

I wonder if we could talk a little, with respect to the training, about the Red Seal program and specifically about the impact of that program on labour mobility. I know that one of the difficulties traditionally is that you get your papers in one province and it's difficult for you to work in a particular trade in another province. I think there have been huge efforts made to try to increase labour mobility.

I wonder if you can speak a little about where we've come from, where we are now, and where you would like to see improvements made.

The Chair: Time is actually up, but it's a fair question, so take your time to respond. You can start with Ms. Watts-Rynard first, and then if Mr. Suess has a comment, fair enough.

Ms. Sarah Watts-Rynard: Okay.

The agreement on internal trade has made mobility much easier once anybody is certified. Red Seal has always been recognized and has been advertised as something related to the labour mobility of a certified journey person. I think that's been helpful in the Red Seal trades, which the majority of apprentices go through for their training.

The agreement on internal trade has allowed for increased mobility between the provinces. I think the difficulty with mobility right now is this idea of apprentice mobility. We have 13 separate apprenticeship systems. Because you're training to be a carpenter in Nova Scotia does not mean that you're at the same stage of your training as you would be in British Columbia, if you wanted to move out there.

The mobility of apprentices has not been dealt with yet. While Red Seal's been effective once you have your ticket, there's still some work to do.

If you've lost a manufacturing job in southern Ontario, for example, and you're a millwright or an instrumentation technician, there are jobs available for you in Alberta. But it's not necessarily easy to transfer your hours on the job and your training hours. You can't just pick them up with you and have them articulated in another province. That is an area where there are still challenges.

The Chair: Thank you, Ms. Watts-Rynard.

Mr. Suess, do you have a comment you'd like to make?

Mr. David Suess: No. Actually, Sarah's addressed that fairly well.

The issue is that apprenticeship is just the journey. As an employer, I'm hiring an apprentice for the journey person I need four and a half years out in our workforce plan. So again, we're planning ahead.

Now, as we've heard and as was addressed in the brief, sometimes those opportunities change, so the apprentice is stuck now with an employer in transition. On a regional basis, if southern Ontario's economy goes south in the steel industry, and I want to go finish my apprenticeship in the west, I might find out that I have to repeat my second year of trade school, because they don't recognize it. They consider it different, because it's provincial.

With the Red Seal, once I have it, I'm good. But as an apprentice, I'm left stranded without much support.

The Chair: Okay, thank you.

Ms. Leitch, go ahead.

Ms. Kellie Leitch: Thank you to everyone for coming today. We greatly appreciate your taking the time to share with us your thoughts and comments.

I have three questions for you. The first is on the issue of awareness. You made the comment that there is not a great appreciation for younger people who enter a skilled trade or who go to college versus possibly university or who choose not to take post-secondary education at all.

What three specific things should be focused on by private sector employers and/or government to encourage young people to enter the skilled trades?

The Chair: Ms. Steeves, we're going to start with you and work our way across.

Ms. Jennifer Steeves: Thank you. It's a good question.

Awareness has to be hit at a few different angles. The employer has to be made more and more aware of the benefit of taking on the apprentice. Too many still look at it as a cost. So to Sarah's point, I know in our industry they still do, or they'll hire the journey person over the apprentice.

There still needs to be a lot of work done to communicate the value and the benefit of investing in an apprentice, versus thinking of it as a cost. The second thing that needs to happen is that we need to integrate the communication better. I think when you look at young people coming in, the people who are in front of them day in and day

out are their teachers. Their parents may sway them to and from different career choices, but their teachers are presenting curricula, and sometimes aren't able to make the connection of how what they're learning in school is applied in a workplace setting.

If there were more of that, if we could communicate through the people who are in front of those young people every day, which is their teachers and trainers, about making those connections of what their learning and how it's applied.... The other piece to that is to integrate the employer into the equation so that there's more of a conversation and dialogue and a rapport with local schools, with local employers, and those young people.

If you can connect those dots, and I think there are ways to do that in a really efficient fashion that's effective and results-oriented, I think you'll start to see some of these things that just sort of keep on.... We continually talk about young people and if they are going into the trades, and I think if you start connecting those dots better you'll start to realize some systemic change.

• (1600)

The Chair: Okay.

Ms. Watts-Rynard.

Ms. Sarah Watts-Rynard: I would be in agreement with Jennifer on that.

My thinking is that there has to be a better-managed school-to-work transition period. Certainly teachers can't be expected to understand a career path that they didn't take. So awareness is big with guidance counsellors and teachers.

When I speak to apprentices, they tell me they weren't encouraged to go into the trades, though they can make better money than a lot of their contemporaries who are going off to university. They were still told that this is what you do when you can't do anything else, and it's still seen as the career of last resort. That's not a positive way to respond to the needs of our economy.

I think there is some work to be done. When I say talk about career awareness, I mean let's have an accurate conversation about what opportunities exist, and about how no matter what direction they choose to go in for their careers, there are many opportunities. But to encourage people who enjoy that creative, hands-on type of work, we have to value it the same as we value any other type of post-secondary education.

Ms. Kellie Leitch: I'm a pediatric orthopedic surgeon, so I'm in a very male-dominated career set; about one in a hundred are women. We often see that in other skilled trades. We saw that when we were out visiting in Atlantic Canada a couple of weeks ago: in the Irving shipyards there were not as many women as there were men, but they were growing in numbers.

Do you know of specific firms that have programs that encourage young women to enter into the trades, and what would be a best practice that you think could be adopted by other industry leaders in order to encourage young women to enter into skilled trades?

The Chair: Your time is up, but we will get the parties to conclude by answering the question, if you could.

Mr. Suess, go ahead.

Mr. David Suess: There are many school-to-work programs, and I know as employers we support those programs.

For the under-represented groups—and I'll speak to women in trades—again, it's the school-to-work. The successful ones are where you've engaged—I'll speak to women—the young female in their secondary school years, you've given them some opportunity to come in to work and they understand the job, what they're getting into, and the commitment ahead of time.

As an employer, it gives us a chance to shop before we buy. And they get comfortable with the job and the environment.

I think one of the things is no matter how hard we try, the work environment is not always the most conducive to some of the under-represented groups. I know as an employer, it's something we focus on a lot. Jobs can be dirty, and when you're down in the middle of a shutdown at two o'clock in the morning and you're covered in grease, that's not for everybody. It's not just a gender issue there.

•(1605)

The Chair: Does anyone else wish to comment on that?

Ms. Steeves and then Ms. Watts-Rynard.

Ms. Jennifer Steeves: Thank you.

To Dave's point, I think the school-to-work transition piece and job readiness piece are really important. I think what happens is that a lot of people—I'll use our industry as an example—only think of the occupations they see when they drop their vehicles off. They talk to the service adviser; they maybe talk to the service technician, the collision guy. But they don't see the back end of the operation, the parts side of it, which is huge.

Women who have gone into our industry have done very well. In fact a lot of shops really like having women as service advisers because they're very good at communicating. A lot of women are dropping their vehicles off. They're pressured. They have to get the kids to practice.

I think the more young people, including women, are exposed to that workplace and the various occupations that are a part of an industry—and you could even take it a step further, to the occupations that intersect within other industries—I think the more they may have an interest in pursuing a skilled trade or occupation they hadn't thought about previously.

The Chair: We'll move now to Ms. Watts-Rynard. Go ahead with a short response, if you could.

Ms. Sarah Watts-Rynard: Absolutely. I'll just say that in terms of best practices, I've heard of many. There are programs in Nova Scotia. There's a women building futures program that is located in Edmonton. The YWCA also has some programs.

I think the best practices we see are introducing women to the trades and then supporting them as they go through the process to connect with an employer. They are also giving opportunities for the women to come back and report if they're facing a problem or obstacle. They have the support structure in place.

These are still male-dominated careers, and some of that additional support from an outside group is helpful for women.

The Chair: Thank you for that response.

Now we'll move to Madame Boutin-Sweet.

[Translation]

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Thank you.

I would like some clarification about something, so first, I will ask a question, and then I will give the rest of my time to Mr. Cleary.

I am wondering about employment insurance and apprenticeship, specifically.

[English]

The Chair: Hold on for one moment. We'll give you a second to get the earpieces unwound, and then we'll start again to make sure you get the translation.

[Translation]

Ms. Marjolaine Boutin-Sweet: Can you hear me clearly?

[English]

The Chair: Ms. Steeves, we'll wait for you to get your earpiece on.

Okay, start again.

[Translation]

Ms. Marjolaine Boutin-Sweet: I was saying that I would like something clarified and will then give the rest of my time to Mr. Cleary.

I am wondering about apprenticeship and employment insurance.

Are apprenticeship costs never covered, or sometimes covered?

[English]

Ms. Sarah Watts-Rynard: The EI is paid when somebody goes to technical training. They're eligible to receive employment insurance benefits. In their first year there's a two-week waiting period, the same as for anybody applying for employment insurance, and in subsequent years there's no waiting period.

The problem is that the processing time has caused some problems for apprentices. I've spoken to a number of apprentices who found they were without income for those weeks, which does not motivate them to go back into technical training. It's just one of those barriers that they face on a fairly regular basis.

•(1610)

[Translation]

Ms. Marjolaine Boutin-Sweet: What happens if the person in training is a young student? Will they receive EI benefits during their training even if they were not working before the training?

[English]

Ms. Sarah Watts-Rynard: An apprentice is an employee, so they have always worked ahead of time. They are eligible for EI. They're not considered a student; they're considered an employee. They're not eligible for student loans, but they are eligible for employment insurance.

It's a little bit different in Quebec because that apprenticeship system is different. It puts all of the training time at the beginning and then someone goes into employment. The Quebec apprenticeship system is different from the other 12 systems. All of the 13 systems are different, but Quebec is somewhat different in that way.

[*Translation*]

Ms. Marjolaine Boutin-Sweet: Very well. Thank you.

Mr. Cleary has the rest of my time.

[*English*]

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Thank you.

I have a question for Ms. Steeves.

You mentioned in your opening about how new hires aren't job-ready, and you listed three challenges: pace of the technology and keeping up with technology; essential skills; and business skills.

To cut to the chase, why aren't new hires job-ready? When they leave trade school, are they ready to walk into the job? Is there a problem with the education?

Ms. Jennifer Steeves: I think there are a couple of things.

When people leave the training system, they have the foundational skills. They may not necessarily have training on the new technology in the shop for vehicle diagnostics and repair. That would come with workplace training, for sure. But I think employers are seeing a challenge with those foundational skills and some lack of consistency in those.

For example, electronics is huge in our industry. As I was saying, most of the technology advancements relate to electronics and engine fuel systems. If somebody coming in does not have a really strong foundation in reading a wiring diagram, for example, the complex diagrams and electronics they're going to be facing as new vehicles continue to roll out will be staggering. So if they don't have that foundation in the layered complexity, they just won't be able to keep up.

Mr. Ryan Cleary: Is the answer more on-the-job training? What's the answer here to make sure your students are ready to walk into the job?

Ms. Jennifer Steeves: I think there are a couple of things.

One thing is having information about what new technologies are coming down the pipe. I think that's hugely important, because if you know what that is, you can put the skills lens to it and look at what skills are going to be needed to respond. That information could then be communicated to educators, to the training systems, so those young people or those people coming out of the training system would have those foundational skills. That's a really important piece. When I talk about labour market information, I include technology, because people's skills have to respond to technology, and people have to have those good, strong foundations.

As well, there are instances of people already out there working in the industry whose literacy, numeracy, and critical-thinking skills just haven't kept pace with the demands of their industry, and that situation is a challenge for an employer.

For example, I got an e-mail from an employer who said he had a 57-year-old guy who's worked for him for 30 years and who just can't keep up, and he doesn't know what to do. He needs him. He doesn't want to get rid of him, but he can't give him the complex diagnostic work. It has to go to somebody else. So how does he, as an employer, keep him in the industry? How does he figure this out? We've been helping this gentleman with some essential skills assessments and some of that kind of work.

There's no easy answer, but I think there needs to be an understanding of the technology. There needs to be a mechanism to communicate that. There needs to be an ongoing dialogue with employers about research on new technologies that are coming, as well as the skills that will be needed.

The Chair: Your time is well up.

We appreciate the responses to the questions.

We'll move to Mr. Mayes.

• (1615)

Mr. Colin Mayes (Okanagan—Shuswap, CPC): Thank you, Mr. Chair.

Thank you to the witnesses for being here today.

In my local community, the college campus partnered with the school district and actually had eight grade 12 students go with a contractor and build a home right from the foundation up. It was a really interesting project, and they were actually accredited as first-year apprentices. Out of those eight, six were offered jobs in Vancouver—I live in the interior—because there was a high demand.

Is there any work being done to try to capture the students in high school and get them interested? The good thing is they'd have the exposure, and if they didn't like it then they'd realize it wasn't for them. Otherwise they wait until they're 26, because a lot of them can't find a job anywhere else and they decide they're going to go into a trade, and they really don't know what trade they want to go into, and they're just sort of doing things ad hoc. I was wondering if there was any effort at all to try to link up the training with the school districts, between the high schools and the industry.

The sponsor of this was the local college. The local construction association went together on this with the school district, and it's been very successful. I was just wondering if you've had any experience in that.

The Chair: Go ahead, Ms. Steeves, and then we'll work our way across.

Ms. Jennifer Steeves: Yes, there are examples of that kind of partnership happening. I chaired a pilot project a couple of years ago. It was called the education sector council partnership project, where we worked with the Toronto District School Board on exactly what you're talking about. The district school board realized that 60-some percent of their kids weren't going to university or college, and asked how they could address their needs. Local employers were saying they needed people with good skills. This project worked at connecting high schools with local employers, with the school board, and the province to make those connections, to connect those dots. Employers were coming into the schools, they were having more dynamic conversations with the educators and saying what they were looking for.

The teachers, who are challenged with delivering curricula, could say, "Well, this is what we need to deliver. How do we make this real for the kids?" Employers would say, "Bring them in. We'll show them how this is applied. We'll give them copies of workplace documents they need to be able to read when they come in. These are the expectations we have." Through that, more work experiential opportunities came, some certifications came out of it, and it better prepared young people to say either yes, they'd love to work in that, or just as importantly, no, it's not for them, and they want to go look for something else.

The Chair: Go ahead.

Mr. David Suess: Building on that, every province has a youth apprenticeship program in existence. Again, it speaks to the school to start to expose them, start to give them some appetite for what a trade is. Also, there's the understanding of the stakeholder involvements. It's not just education, it's the employers and the labour groups that all have to be around the table to support those things. Even the labour agreements have to be written to incorporate it.

I will say I'm a great supporter of Skills Canada and what they do for this very agenda item.

Mr. Colin Mayes: Could I just address the issue?

I owned a grocery store. We had a full bakery and we had apprentices in the bakery department. They had that challenge of being married, having children, having payments to make, and what not. When they had to leave our employment to upgrade and work through their apprenticeship, they had, of course, the time between EI... So as an employer, we said, "Okay, we'll just continue your wages," but we asked them to sign a two-year agreement that they would stay with us after they received their journeyman ticket. That worked for us.

Has there ever been a recommendation to the government to look at, when these employees go out to be trained, the employer picking up the EI, but being reimbursed with the EI payment when it finally shows up?

Ms. Sarah Watts-Rynard: That's an interesting idea. What I hear more of is about trying to get employers to take up the top-up program. If they register, then they're allowed to top up their employees' salaries to 95% of their earnings. But employers aren't necessarily aware. As we talk about school-to-work transition, when I speak to high school educators they're telling me, "You have all

these employers who are interested in workers, so why can't I find work experience for my tech students?"

There's a real challenge. Educators are here to educate and businesses are here to run a business, and the two don't necessarily meet unless you start to build those bridges. That's really where organizations step in. That's where something like the CARS Council or the Canadian Apprenticeship Forum are able to step in and negotiate some of the connections.

• (1620)

Mr. Colin Mayes: As far as I'm concerned, as a former businessperson, your greatest resource is the people who work with you and for you. I just wonder if that is some of the problem. Maybe the business community needs to look at their employees as an investment for the long-term sustainability of their business. They might not see instant profit from that apprentice to start with, but in time they are going to see that profit.

Is there any effort to educate business people to that mentality? I'm sure you try to communicate that all the time.

The Chair: Your time is up, but we're willing to take a response to that.

Go ahead.

Ms. Sarah Watts-Rynard: Part of the what the Canadian Apprenticeship Forum has really been working on for the last four or five years has been primarily around employer engagement, trying to ensure the 50% of skilled trades employers who say they don't really know very much, know more—know that there are connections that they can make to the youth apprenticeship programs, know that there is a return on training investment. We try to provide them with tips and worksheets and a tool kit for learning more about apprenticeship and seeing what the value would be to their business, and by using employer champions we can go to employers who are doing it and saying "It's working for me," and have employers speaking to employers.

The Chair: Thank you.

Mr. Suess, make a short comment if you can.

Mr. David Suess: I think the return on training investment is the vehicle we use to try to communicate to the employer to start thinking about their apprentices differently than as investment hires—just to build on that point.

The Chair: Thank you very much.

Mr. Cuzner, and we'll conclude with your round.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Thanks very much for your comments.

We had the minister here a number of months ago, and when we questioned her on the eight- to ten-week wait times for EI she was comfortable that people were getting their cheques within 23 days. But the department actually counts both those who get cheques and those who get notices of non-payment. So quite a few of those letters don't have cheques in them; they are notices of non-payment. Some people are not receiving any kind of income at all for an extended period of time. She has now been made aware of that problem, and we expect her to rectify it in a matter of weeks.

I think Mr. Mayes walked us a little closer to recommendations, but I think they are logical. It will be neat to see recommendations like that come forward in this report.

One of the other consistencies we've seen that I think is one of the most frustrating aspects—it denies young people the opportunity to be more mobile—is the mobility of those skills. The Red Seal program works in this country and we should be proud of it, but with training opportunities and apprentice work experience, we're not seeing that continuity.

Is there a particular trade out in front on this that's trying to make a difference? In the absence of a national approach to dealing with apprenticeships, is there a province out there saying... In the province of Alberta the thirst for workers is significant. Are they dealing with New Brunswick, Nova Scotia, or Newfoundland and saying to their trades-training people, "Bring them to this level, or let's put together some kind of testing protocol so we can help develop this young person together"?

So is there a trade that's doing it well? Is there a province that's doing it well?

• (1625)

Ms. Sarah Watts-Rynard: Because Alberta has had a need for such a long time, I think they're out in front in terms of thinking about that. They have bilateral agreements with British Columbia and Newfoundland and Labrador to facilitate the movement of apprentices.

Mr. Rodger Cuzner: When we get to Alberta we may want to speak with officials from that department on what some of the key components are.

Ms. Sarah Watts-Rynard: Absolutely.

It tends to be the regulated trades like electricians, for example. They have the International Brotherhood of Electrical Workers that regulates the trade quite extensively. It's a safety-related issue as well. So certainly the electrician trade is out ahead in trying to ensure that its members meet standards.

That's not to say they've managed to overcome some of the issues that arise in moving between jurisdictions, because it's still a challenge. There are 13 different systems. Each system has to be looked at individually, and those relationships have to be looked at one by one.

The Chair: Does anyone else wish to make a comment?

Mr. Suess.

Mr. David Suess: To build on that and round out the work Alberta's doing, the old mentality was "Sorry, we don't recognize your second year. You have to repeat it in this province." They're coming to the point where they realize, "This little module's different. We need you to pick it up." So I think there is some progressive thinking out there in Alberta. From my experience, you should definitely talk to them, because they're starting to realize that if they want people to move and fill their needs, they have to be a little more progressive in their thinking.

Mr. Rodger Cuzner: The uptake on apprenticeships is of concern. Why they're getting in a little later, I understand that. The completion of them would be a major deterrent. It would impair

them in being able to pursue the work. Things like EI would be an annoyance as well.

What else are you seeing beyond those two? Why has the success rate in bringing tradespeople on to journeyman status...why have so many slipped off the road along the way? The success rate is really not great.

The Chair: That concludes Rodger's time, but we'll allow the responses to be completed by the parties who wish to make them.

Mr. Rodger Cuzner: Can I finish that question?

The Chair: Sure.

Mr. Rodger Cuzner: Are any companies really doing well training apprentices?

The Chair: That's the additional question. Go ahead.

Ms. Sarah Watts-Rynard: Completion is a complex issue. I think a lot of factors go into why someone would complete or not complete. The point is let's take down as many barriers as possible. If it's a barrier because you feel you can't go because it's a really busy time, and you don't want to ask your boss if you can go to technical training... It could be that the technical training is not being offered, that there aren't enough people in that trade who want that technical training right now. It could be that technical training is taking place at a busy period, versus not a busy period.

So many different factors go into whether or not somebody completes. In some trades the movement is important. You have to understand that some employers might think they'd rather keep a second-year apprentice because she's a good worker and they get to pay her less if she's a second-year apprentice. There are reasons on both sides not to go to technical training and progress.

Alberta has done something whereby if you don't progress within 18 months you are deregistered, which is a motivation for both the employer and the apprentice not to lose their work-hour credit.

The Chair: Does anyone else wish to make a closing comment?

Ms. Steeves, go ahead.

Ms. Jennifer Steeves: There are employees who are doing things smartly. Those are the ones who recognize the investment versus the cost, and I could certainly recommend some.

The Chair: Mr. Suess.

Mr. David Suess: The only other thing, and we've talked about this, is say I'm employed as an apprentice and the employer's work runs out, so the next thing you know I'm off work. I have a mortgage, maybe I have some kids and I need to support them. So the next thing you know I'm working somewhere else, Home Depot, wherever. What's my incentive now to go back to that employer when he gets a contract that might be a one- or two-year contract? I might not finish the apprenticeship, so that's another factor I think we need to consider as we look at this. How can you keep the apprentices employed as apprentices until they finish the journey? Again it comes back to those labour agreements and everything else: last in, first out. It's a challenge.

• (1630)

The Chair: I would like to thank the presenters for taking the time to appear before us and give us some constructive suggestions that we'll certainly take into account.

We'll suspend for five minutes before we start the next panel.

Thank you very much.

•(1630) _____ (Pause) _____

•(1635)

The Chair: I call the meeting back to order. We'd like to start with the next round of witnesses in the next segment.

We will be concluding this part of our meeting at 5:15 to deal with some committee business. We're going to shorten the time a bit, but we will allow you to make your presentations and there will be questions back and forth. I'll try to enforce the time a little more precisely.

Who's going to present first?

Go ahead, Mr. Montpellier.

Mr. Ryan Montpellier (Executive Director, Mining Industry Human Resources Council): Thank you very much, Mr. Chair and members of the committee, for the opportunity to be here again this afternoon.

My name is Ryan Montpellier. I'm the executive director of the Mining Industry Human Resources Council. MIHR is a public-private partnership between HRSDC and the Canadian mining sector, funded in part by the sector council program.

I'm sure you are all aware of Minister Finley's remarks from last year and the changes to the funding of the sector council program. There's no question that there will be an impact on all sector councils, and you heard from a few of them earlier this afternoon.

The Mining Industry Human Resources Council is currently exploring all options to continue to identify and address the HR needs of the sector. We're looking at a number of different models to sustain the operations of the organization, and I believe our very strong partnership with the mining association and a number of mining stakeholders will allow us to continue to be around after March 2013.

Now, that's not the purpose of why I am here today. I am here today to talk about some of the labour market challenges in the minerals and metals sector and also to highlight some strategies that are currently under way to address them.

On that note, the mining sector today is really facing a perfect storm, but it's a good-news story as well, because we need workers. According to the Mining Association of Canada—and you'll hear from Paul Hébert momentarily—the industry has almost \$140 billion currently in new projects that are in the permitting or environmental assessment phases.

This rapid expansion of the sector will put significant pressure on an already strained labour market. In fact no other sector has added more jobs in the last 12 months, percentage-wise, than the mining sector. Employment has grown at roughly 8% in the past 12 months.

The mining sector is not immune to the aging workforce in this country. About 40% of the current mining industry workforce is over 50 years old. Today we are, if not the oldest sector in Canada, one of

the oldest industrial sectors in Canada. We estimate that about a third of the industry will be eligible to retire by 2016.

The loss of these people in itself is not necessarily the issue; it's the loss of the skills and competencies and knowledge that these people are taking with them. We've been throwing around numbers for needing 100,000 workers or 115,000 workers, but the real challenge is replacing these individuals who have been in the industry for 20 or 30 years and have decades of experience in extracting our resources.

Further compounding the challenges are the negative perceptions and stereotypes often held by youth today, and also the nature and the location of mining activities, which are for the most part in rural and remote communities. That is a barrier to attracting and recruiting workers.

Another challenge is attracting and recruiting women. Women today account for 14% of the minerals and metals sector. When you drill down into production-specific occupations, such as miners, equipment operators, and some of the skilled trades, that number falls to under 1%. So there are still significant challenges and opportunities for attracting more women to the sector.

Also, the sector has not done that great of a job at attracting immigrants. About 8.7% of our industry are immigrants, compared to about 20% for the entire workforce. We certainly have a lot of work to do in attracting and recruiting the next generation of mine workers.

All of this translates into a need to recruit what we're estimating to be over 112,000 new workers by 2021, and that's based on a very moderate growth scenario. If we see the same level of growth we've seen in the past 12 months over the next 10 years, that number quickly balloons to over 200,000.

The question, then, is how do we address this challenge? I think the important comment I would make is that the skills shortage... I've been working in this organization for about eight or nine years, and the skills challenge has always been something the HR departments would deal with. It was an HR issue.

I think very recently it has become truly a business risk, and a risk that is impacting companies on the bottom line. In fact Ernst and Young every year publishes the global risks that are impacting the global mining sector, and the labour shortage is now ranked as the number one risk for mining companies for both the developed world and the developing world.

•(1640)

How do we address this? The question, I guess, is what are we doing as an industry to try to rectify the skills shortage?

I think the first challenge is to make better use of all potential sources of labour supply. You only have to look at your television screens during hockey games to see the ads saying “Come and work with us” from the Rio Tintos and ArcelorMittals and BHPs. There’s a significant amount of effort invested today in attracting, recruiting, and retaining a number of under-represented groups—youth, women, aboriginal people, new Canadians—and even retaining older workers.

I think mining companies for the most part prefer to attract locally. When the local talent pool is exhausted, they then look within the province, neighbouring provinces, and the country as a whole. But when talent is simply not available, looking outside of Canada’s borders seems to be increasingly what companies are turning towards. To that end, some of the recent proposed changes to the immigration system favouring more direct access or links to qualified individuals entering the country are certainly welcome.

I think the industry also needs to take a very good look at what they can do to increase productivity. This country in the mining sector has lacked in productivity gains compared to other countries in the world. Any investment to drive innovation or lead productivity would certainly be welcome. At the end of the day, we will need to do more with less. People will continue to be a scarce resource or input into the mining sector.

For our part, at the Mining Industry Human Resources Council, we continue to address these issues through strong collaboration with the mining sector. In a recent consultation, industry viewed three areas as being of most value to our sector. One is the labour market intelligence that we’ve been able to provide.

There’s also the worker certification that we’ve building for the past six years now. This worker certification is for undesignated occupations. You just heard from the Canadian Apprenticeship Forum. That system is working excellently, in our eyes, for a number of skilled trades, but for the undesignated occupations—miners, equipment operators, diamond drillers, mineral process operators—there is absolutely no system or pan-Canadian system in place. Even at the provincial level, there are very few systems in place to recognize the skill sets of miners.

Certainly the investments we’ve had from HRSDC in the past... and certainly our efforts going forward will be to continue to build a national, pan-Canadian worker certification program for a number of undesignated occupations.

• (1645)

The Chair: Perhaps you could wind this up, Mr. Montpellier.

Mr. Ryan Montpellier: Sure.

The last point I will make is that the labour market intelligence we have provided has been absolutely well valued and key to our industry. I think the most important element of that is how our industry stakeholders are using it.

The one example I will give is from Saskatchewan. The Saskatchewan Mining Association worked very closely with us to develop labour market intelligence for that province. As a result of that, a number of new programs have been created at SIAST, the Saskatchewan institute of technology, and at the University of Saskatchewan we’ll be launching a mining engineering program. All

of that is as a result of the LMI that we were able to develop in partnership with them.

I will conclude there. I look forward to your Q and A session.

The Chair: All right.

Go ahead, Mr. Hébert.

Mr. Paul Hébert (Vice-President, Government Relations, Mining Association of Canada): Good afternoon, and thank you for the invitation. I’m happy to be here today.

My name is Paul Hébert. I’m vice-president, government relations, at the Mining Association of Canada, or MAC.

MAC is the national voice of Canada’s mining and mineral processing industry. Since 1935, we have worked to promote one of Canada’s most integral economic sectors. We provide leadership and we share resources, primarily through three activities: advocacy, stewardship, and collaboration.

We promote industry growth and development while addressing the needs of important communities of interest. It’s our goal to ensure that success in the mining sector is based on a strong commitment to sustainability and ready access to accurate, up-to-date information for industry members and associates, policy-makers, and the general public.

We believe that a constructive business environment in Canada depends on public understanding of our country’s major industries. We represent over 30 members who are engaged in exploration, mining, smelting, refining, and semi-fabrication across a whole host of commodities, including iron ore, gold, diamonds, oil sands, steelmaking, coal, base metals, and uranium.

As you’re probably well aware, for the past several years the Canadian mining industry has been enjoying a period of tremendous growth, even during the economic downturn of 2008-09. That downturn had a relatively short-lived impact on the mining industry. We were one of the first to bounce back, and we bounced back quite quickly and strongly.

A very strong demand for metals and minerals from emerging economies such as China, India, Brazil, and others has created a tremendous opportunity for Canada. Commodity prices for both base and precious metals are strong and are expected to generally remain so for years to come.

The mining industry will always be cyclical, to a certain degree, but the consensus is that the general trend in prices will be positive for decades to come.

All this demand is translating into opportunity and prosperity for Canadians from coast to coast to coast. As Ryan mentioned, we anticipate over \$140 billion in mining investment over the next five years. That’s a figure that includes investment to build new mines and to expand existing operations across the full range of commodities, in every region of the country, with the exception of Prince Edward Island. I’ll save the potato mining joke.

To capitalize on this opportunity, a number of challenges must be overcome. The challenges can be grouped into three categories. They include, first, inefficiencies in government review processes. We've started to see those begin to be addressed through the Budget Implementation Act.

The second challenge is remote regions or inadequate or uncompetitive infrastructure. We tend to operate in very rural and remote areas, and we need railways, roads, ports, and power grids to develop mines and get our products to market.

The third challenge is in the area of human resources and skills constraints.

Ryan has just provided you with a good overview of the magnitude and breadth of the HR challenges for the mining sector. So in the interest of leaving more time for questions, I won't reiterate. I will add, however, that given that the Mining Industry Human Resources Council was one of the highest performing sector councils, the Mining Association of Canada and its members were disappointed to learn of the abolition of the sector council program. Nonetheless, we're cautiously optimistic about MIHR's ability to continue operating beyond March 2013.

Individually, all MAC members are very actively working to address skills and personnel issues within their own operations. However, there's recognition that to best meet the needs of the entire sector, a more concerted approach is required. Our board of directors recently struck an HR task force to oversee the process of determining how industry can collectively address HR issues, in light of the elimination of sector council funding.

The coming months will bring a measure of clarity on the future of MIHR and how industry will continue to work together on skills issues to make sure that the mining industry continues to thrive and grow for the benefit of all Canadians.

We hope that government will continue to support industry efforts to attract, recruit, and retain the next generation of the mining industry workforce. Industry efforts, such as those undertaken by MIHR, which Ryan mentioned, specifically in the areas of labour market information and intelligence, worker certification, and aboriginal engagement in training programs, are particularly useful.

Thanks again, and I look forward to your questions.

• (1650)

The Chair: Thank you very much for that presentation. Certainly infrastructure and human resources are very important to mining.

You can share the potato mining joke with Mr. Cuzner, who will share it with Mr. Easter, I'm sure, in due course.

We'll start with Mr. Lapointe.

[*Translation*]

Mr. François Lapointe (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, NDP): Thank you, Mr. Chair.

Thank you for being here, gentlemen. We appreciate it.

It is important to always keep in mind that we are encroaching somewhat on provincial jurisdiction here. Nevertheless, I am going to take advantage of your expertise to explore some rather glaring

problems further. There is a mining boom happening, especially in the northern parts of the country, including northern Quebec and the territories. There are a lot of jobs, and they are often well-paid. Still, the whole situation gives rise to many issues, not the least of which is human resources.

In some regions, we see one thing happening, and in others, we see the exact opposite phenomenon. For example, my colleague, Mr. Cleary, was telling me that certain industries in the southern part of his province had a very high unemployment rate, despite the boom up north and the resulting labour shortage there. In my area, the much talked about Plan Nord is beginning to bear fruit, and we have the opposite problem. In some sectors, all the young people who were trained on the south shore of the St. Lawrence are heading north where they make salaries that secondary and tertiary processing companies on the south shore cannot match.

Sometimes a young person who has just completed a cooking program will not join the tourism food service industry because they can make two-and-a-half times as much in a simple cafeteria job up north. Some industries are feeling a tremendous labour squeeze because young people are going north for work, despite needs at the local level. Other sectors are dealing with unemployment and do not yet feel the difference.

How can we come up with a labour plan tailored to the conditions of each rural area while meeting the development needs up north?

Mr. Ryan Montpellier: Thank you. That problem exists. On our end, we envision a system where people have the ability to choose where they want to work, in the job market that is best suited to them. The question is this: can we eliminate the labour mobility barriers so people can travel to or work in a region for a period of time and then return to their own communities. Today, the vast majority of new mines are built up north. In terms of the work schedule, people fly in and fly out. They work on site for a few weeks and then go back home for a few weeks.

That's a departure from the past because communities are no longer built around the mine, as was the case years ago. I would say the challenge today is to enable workers to move around freely and work where they want when they want.

Mr. François Lapointe: I was describing the labour imbalance that is happening as we speak. In some regions where unemployment is way too high, there doesn't seem to be enough solicitation, but in regions like mine, Rivière-du-Loup, we need expertise in areas that are also growing, even though they may be secondary, tertiary or quaternary processing companies.

How do we put a labour plan in place? Forgive me for saying so, but what you are selling is wishful thinking, as if giving people free mobility will solve the problem. We all know that if you don't do just a fraction of HR planning, things won't necessarily be fine.

•(1655)

Mr. Ryan Montpellier: As we say in English,
[English]

“there is no silver bullet”.

[Translation]

I don't believe in creating a system where every industry anticipates its labour needs and then we limit workers' mobility so that we can manage human resources more effectively. If compensation is what motivates them, workers will go wherever the highest-paying jobs are. Don Drummond, the economist, often says

[English]

that there is no skills shortage. There is a price that clears the market.

[Translation]

Those who are the most competitive will attract the most skilled workers. All of our research at the council shows there is more to attracting workers and meeting their needs than just money; considerations such as career advancement and safety also come into play. The money will indeed continue to draw people in the regions—

[English]

The Chair: Thank you, Mr. Lapointe. Your time is done.

We'll now move to Ms. Leitch. We're running a little tighter in this round. Go ahead.

Ms. Kellie Leitch: Great, thank you very much.

I thank you both for presenting today.

I have two questions. First, are there some specific industry leaders or industry programs that you find have been particularly effective in encouraging young people to enter into trades? Can you give me some specific examples of best practices, or specific companies or firms we can look to that we should be examining to encourage young people to enter into skilled trades?

Mr. Paul Hébert: Yes, there are a number of high performers in our sector. One that I would point to to begin with in terms of diversifying their workforce would be IOC, the Iron Ore Company of Canada—Rio Tinto. In the Labrador Trough they made it a strategic priority to diversify their workforce a number of years ago. When they started, for example, their rate of participation from women—and Ryan can correct me on the precise figures—was about 4% or 5%, and seven years later they're now at over 20%. That's a remarkable increase, and really demonstrates industry leadership and commitment to attracting young people, specifically women, to their workforce.

Teck Resources, a large Canadian company, has been quite successful as well.

The common denominator in these high performers is really a strong commitment from the highest levels of the organizations and making it a strategic priority, recognizing the strategic importance of the HR challenge, and building strong linkages with the very youngest members of our society in reaching out to grade schools,

high schools, and post-secondary institutions to make sure that young people at least understand the opportunities that exist.

One of the biggest barriers for us is just the lack of awareness of our sector and the opportunities that exist. So familiarity and outreach are really some of the hallmarks of the higher performers.

Mr. Ryan Montpellier: I would have echoed both companies that Paul mentioned. The other one I would add is Cameco, in northern Saskatchewan. The investments they've made in the community, particularly around apprenticeship and aboriginal engagement and inclusion, in my opinion are leading the sector. They are the largest industrial employer of aboriginal people in Canada, and they have done some remarkable work in attracting and developing apprentices in that province.

Ms. Kellie Leitch: We receive a whole series of data. There's a variety of different places you can receive it from, whether it be Stats Can, NOC rankings and everything, and in some of the projections that we're seeing, even up to 2020, they're not projecting any shortages.

From what we hear from all the consultations that we have, and quite frankly also from what I know on the street, because my family runs a small construction company in western Canada, there are needs.

What are the top three areas where you think there are skilled trades that need to be developed and then feet put on the ground in your industry?

Mr. Ryan Montpellier: I would say we're seeing skilled shortages throughout, but I would say in particular for mining engineers.

I think your question was around skilled trades in particular, but if I look at all occupations in mining, there are nine mining engineering schools in Canada. Enrollment in those schools has almost doubled in the past five years, which is fantastic news, but five years ago we were seeing very few people entering mining engineering programs, and in fact a number of them were on the brink of closing. So although the enrollment has doubled, we are just now seeing the fruits of those enrollments. I would say that's probably the occupation highest in demand. And along with them, a number of the specialist occupations in geosciences, the geologists, geophysicists, and geochemists, who not only serve the mining sector but also serve the prospecting, developing, and the mineral exploration sector, have also seen a number of shortages throughout.

I'd say the third would be skilled trades.

•(1700)

Ms. Kellie Leitch: Which specific trades?

Mr. Ryan Montpellier: I couldn't speak to one in particular, but the mining industry employs a number of them—welders, industrial millwrights, equipment mechanics.... They're competing with a number of other sectors, mainly construction, and we've heard there are a number of shortages in those areas.

Ms. Kellie Leitch: I understand that, but I'm asking you specifically which one. There's a very specific reason. In some of the data we receive they lump physicians, which I am, in with dentists and hygienists. I'm asking you to be specific so that we can be somewhat specific. If you don't know, that's okay.

The Chair: Your time will be up, so just respond if you like.

Mr. Ryan Montpellier: I couldn't tell you specifically what skilled trade was more in demand at this point.

Mr. Paul Hébert: Anecdotally, I would just add that what we hear from our members is industrial mechanics and millwrights are at the top of the list, and electricians. I'll leave it at those. Again, it's anecdotal. We don't have any empirical data, but that's what we're hearing.

The Chair: Okay. Thank you for that.

Mr. Cleary, go ahead.

Mr. Ryan Cleary: Thank you, Mr. Chair, and thank you to the witnesses.

My question is for you, Paul. You talk about three challenges for the mining industry. You talk about inefficiencies in government review. You talk about remote regions and no infrastructure; we have that problem, for example, in Labrador. You talk about human resources and skills. Did I hear you correctly? In terms of the first one, inefficiencies in government review, did I hear you say that some of these inefficiencies were addressed in the omnibus budget? Did I hear that correctly? Or they're being addressed in government legislation right now?

Mr. Paul Hébert: Yes, you did hear me correctly. There are changes being proposed to the Canadian Environmental Assessment Act, for example, that are quite welcome.

Mr. Ryan Cleary: Like what?

Mr. Paul Hébert: The mining industry is regulated quite heavily at both the federal and provincial levels. So in the realm of environmental assessments, for example, projects have traditionally been subject to two separate yet in most cases very similar environmental assessment processes, which don't happen concurrently. So a process that could take a year, two years, or more in the past is then repeated for the same duration, thereby prolonging the amount of time it takes for a project to come on line.

Through the changes to the Canadian Environmental Assessment Act, things like equivalency are being introduced.

Mr. Ryan Cleary: In your view, then, it addresses redundancy?

The Chair: I let the discussion go because nobody's objecting, but it's a little bit off the topic of our discussion. You may want to bring it back to labour shortages.

Mr. Ryan Cleary: I bring it up because Paul brought it up, so I thought I'd go down that road.

The Chair: I let it go, but it is a bit off topic, so try to bring it back into the area of study, which is obstacles, barriers to skilled trades, high-demand occupations, and lower-skilled work and how we might fill those gaps and meet them. That's the general area. We're going into environmental assessment, which has some impact in terms of perhaps creating more or fewer jobs in the general sense, but specifically it's not related to the study.

Mr. Ryan Cleary: Maybe you should have brought that up with the witnesses before they gave their presentations.

The Chair: I could, but I didn't. I'm bringing it up with you, who's delving into that, and you've had your opportunity. I think you should now adapt and you should do it quickly.

Mr. Ryan Cleary: Gotcha.

Okay, let's get back to....

Ryan, I've got a question for you. When you talked about barriers to recruitment, you listed three different things: negative perceptions, nature, and location. Can you elaborate on negative perceptions?

Mr. Ryan Montpellier: Yes. We've done a number of focus groups with youth across the country, gauging their perception of the mining industry. I would suggest that their perception is still quite dated in their views. They still view the industry as being a dark, dirty, dangerous sector. I don't think they have an accurate picture of what the modern mining industry is today. So part of our role is to communicate what the modern mining industry is all about, and that's part of what MAC's role is as well, to let people know what a modern mining career is today.

• (1705)

Mr. Ryan Cleary: I'm going to move quickly to my last question, and it's about location. The problem we have in Labrador in various locations is the fact that they're not fly-in operations, they're permanent operations, but in a lot of communities there's a zero vacancy rate. There's no place to live. Of these three barriers to recruitment, would that be number one? You may even have the people out there with the skills and the trades, but there's nowhere for them to stay.

Mr. Ryan Montpellier: Part of it is housing. Part of it is also willingness to leave a large urban centre and move to a northern city in Canada that does not have the same infrastructure, the same support systems you would see in some of the more urban centres. So it's a challenge. If we were building mines in close proximity to cities, we would probably have a much easier time recruiting people.

I don't know if it's housing in particular, because there are easy ways around that, such as building temporary housing while the housing bubble catches up, but there are a number of factors that are creating this challenge.

The Chair: You still have 30 seconds or so.

Mr. Ryan Cleary: You also mentioned nature, but what did you mean exactly? Can you elaborate on that?

Mr. Ryan Montpellier: It's the type of work.

We're not trying to sell the mining industry as being for everyone. The industry does offer a number of different occupations. Some of those occupations involve work underground, and that work is not for everyone. Not many people grew up saying "When I grow up, I want to be a miner."

Trying to communicate what the modern mining industry is today and what skill sets are required to work in that sector is a challenge.

The Chair: Thank you. Your time is up.

Mr. Butt, go ahead for five minutes.

Mr. Brad Butt (Mississauga—Streetsville, CPC): Thank you very much, Mr. Chair.

Thank you, gentlemen, for coming.

My first confession off the top is that I am no expert in the mining industry. I don't think there are any mining jobs in Mississauga—Streetsville, but I could be wrong.

I'm learning as we go, too.

An hon. member: The streets are paved with gold, though.

Mr. Brad Butt: That's because of Hazel McCallion, but that's another story.

I'm learning today too.

I'm one of those people who probably have that perception of mining as a bunch of guys going down in a hole and picking away and doing their bit. I want to ask you about how the industry has evolved, and whether with computerization, diagnostics, and all the kinds of very sophisticated equipment probably being used now in 21st century mining in Canada recruitment of qualified individuals is tougher because it's not just a case of a bunch of guys going a thousand feet below the earth in a mine and doing their bit. Do they really need a skill set now that includes significant computerization abilities and the ability to work very sophisticated pieces of equipment? Are you doing anything in particular so that if you do have a fairly skilled individual who doesn't have quite that skill level they could work for one of the companies in the mining industry to bring that level up to the point where they'd have the level of skill set needed to be a good employee within that sector?

Mr. Paul Hébert: That level of sophistication of the industry is kind of a double-edged sword.

Once people understand that we are quite sophisticated and technologically advanced, it adds a cool factor. There is a lot of very advanced technology. There are things like remote mining, in which you have equipment operated from the surface or at a great distance so that you're far removed from the risk. There are very advanced geo-scientific techniques. We have a lot of PhDs and master's grads working in the mining sector.

That's appealing, but it also poses a challenge, because there is not necessarily a surplus of those people around, particularly those with mining expertise.

In the past it was easy to tap into the general labour pool and provide a minimum amount of training. It was more a brawny sort of endeavour.

It is working in our favour when we can get the word out. It also means that in the post-secondary system, mining-related programs and programs for mining engineering tend to be among the most expensive to operate. The faculties are not huge. They're expensive to run. They're expensive to scale up. So there are challenges there.

There are also opportunities in terms of transitioning workers from other sectors. Other sectors have also evolved technologically, and people from them would be sort of 75% or 80% of the way there and would require only some top-up training. The mining industry has had some success in reaching out to laid-off forestry workers and topping off their skills and getting them to work. That's a great example, because they tend to be located in the same areas.

Getting back to the mobility challenge, even in areas that are economically depressed and that have high unemployment, if they

are larger urban centres that are better served, we find it very challenging to get people to agree to relocate to a more remote community, even with the promise of employment and training.

• (1710)

Mr. Ryan Montpellier: If I can just add, the skill set is changing in the industry. The use of technology may be creating some barriers to attracting or recruiting people, but it's also opening up potential new sources of labour. When I graduated from high school, you needed to bench-press 180 pounds for the mining industry to give you a job. People would send you on—

Mr. Brad Butt: I would have been out.

Mr. Ryan Montpellier: They would give you conditional letters of offer. You would have to go to a gym and you would have to demonstrate that you could lift that amount of weight before they would even look at you.

That has changed. The industry now is being more open to women, people with disabilities, and other segments of the population that would allow for other sources of labour. That wasn't always the case. The use of tele-mining, robotics.... The days of operating a jackleg are not completely gone, but they're certainly becoming few and far between.

The Chair: Thank you for that, Mr. Butt.

We'll conclude with Mr. Cuzner, for five minutes.

Mr. Rodger Cuzner: There's a great story about the guy who came in and got interviewed for the coal mines.

We had an opportunity to go down to the Miners' Museum coal mine when we were in Cape Breton. The young guy who came in and went through the interview was a big, strapping lad. After he left the room, the boys were talking, and they said, "I'm hearing that he's bad for the drinking and fighting." The foreman said, "That'll be two less things we'll have to teach him."

But we did have an opportunity to go underground in a coal mine in Glace Bay.

First of all, for the most part, is the industry 100% unionized, is it 75% unionized? What's the breakdown now with unionized and non-union?

Mr. Ryan Montpellier: It's about 25% today.

Mr. Rodger Cuzner: Is that right?

Mr. Ryan Montpellier: Yes.

Mr. Rodger Cuzner: Would they be UMW guys, or would they be...? There are not a whole lot of trades—IBEW or international...?

Mr. Ryan Montpellier: There's certainly some of that, but it's mostly steelworkers, and communications, energy, and paperworkers, and CAW—Canadian Auto Workers. Then there are some very specific trade unions in Quebec as well.

Mr. Paul Hébert: There are a few sites here and there. UMWA, the United Mine Workers of America, are still around, but yes, it's the steelworkers, CAW, and CEP.

Mr. Ryan Montpellier: They're the three big ones.

Mr. Rodger Cuzner: Yes. United Mine Workers are not so much now.

When we looked at trades development, it wasn't uncommon to hire a barefaced miner—somebody to work in the pit—and then put him into an industrial apprenticeship program. He wouldn't be ready to write a Red Seal ticket for electrical, but he'd learn the electrical trade as it applies to what's required within a mine.

Does any of that go on within the industry now, or is that back some time ago?

Mr. Ryan Montpellier: No, that still happens. What we're trying to do is create a national recognition program for miners. Up until very recently there was none of that, nothing existed. There was no recognition whatsoever. If your employer or the mine closed, you left with nothing—no ticket, no paper.

Part of the work of the council is to create the first pan-Canadian certification program to allow an individual who wants to stay as a miner to still feel valued in the occupation and not feel like they need to move to a skilled trade and work to become an electrician or a millwright. To be honest, we're the first country to do this. We have interest now from about a half-dozen other countries that are looking to implement a certification program for miners, diamond drillers, and mineral process operators in their respective countries.

• (1715)

Mr. Rodger Cuzner: Is that right? A mechanic in the mine sometimes morphs into a pipefitter. As a machinist, he may be able to machine parts or small tool and die. That's interesting that you guys are moving.... Where is that now in the genesis?

Mr. Ryan Montpellier: We have been at it starting with the development of standards. We ran a pilot for the certification program in 2010. We started certifying workers in 2011. We now have about 15 mining companies that are certifying workers. We're doing about 20 certified miners per month now. We're hoping to increase that. We're about 250 miners certified today.

Mr. Rodger Cuzner: Is this more of a Canadian thing?

Mr. Ryan Montpellier: It's the Canadian mining certification program, built by—

Mr. Rodger Cuzner: Are we seeing it in other jurisdictions?

Mr. Ryan Montpellier: No, but we have other jurisdictions coming to us looking to implement it in South Africa, South America, and most recently Australia.

Mr. Rodger Cuzner: Great.

The Chair: Excellent.

Thank you for appearing before this committee and giving us some suggestions.

We will now move to consideration of a notice of motion. Notice was provided to the committee some time ago, so the timing of the notice is sufficient.

Do you want to read the motion, or just move it as circulated here?

Go ahead.

Ms. Chris Charlton: I think the clerk has circulated the motion. I just want to say a couple of words, if you don't mind, to kick off the conversation.

The Chair: Are you going to move the motion that was filed with the clerk?

Ms. Chris Charlton: Yes.

The Chair: Do you have a point?

Ms. Kellie Leitch: I'd like to move that we go in camera, please.

The Chair: Ms. Charlton.

Ms. Chris Charlton: I'd like a recorded vote, please.

The Chair: Okay.

(Motion agreed to: yeas 6; nays 5)

[*Proceedings continue in camera*]

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