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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)): I call the meeting to order.

We have two panels today. We'll start with a presentation by Christopher Smillie, senior advisor for government relations in the building and construction trades department of the AFL-CIO. We also have representatives from the Canadian Electricity Association: Francis Bradley, and Michelle Branigan.

We will be pleased to hear from you on the topic we're studying. Then there will be some questions and answers from each of the parties.

Christopher, go ahead.

Mr. Christopher Smillie (Senior Advisor, Government Relations, Building and Construction Trades Department, AFL-CIO, Canadian Office): Good afternoon, Chair, members of the committee, and fellow hostages of the committee. It's been since October 27 last year that I had the honour to appear.

Of importance in my personal life, I'm a father now and I grew a grey whisker.

Voices: Oh, oh!

Mr. Christopher Smillie: In my professional life I'm here to talk about skill shortages. Skill shortages and foreign credential recognition are interrelated, so my remarks will start where I left off in October. Some of you will recognize some of the material, but that's not a bad thing.

We're the Canadian building trades and we represent 14 international construction unions that represent more than half a million skilled trades workers in Canada, and more than three million in the U.S. We work with major and small construction contractors in Canada that do business with the same energy companies in Alberta, Newfoundland, B.C., Saskatchewan, and everywhere in between.

Canada, in our view, is entering a critical phase in our labour market, mainly due to retirements, an under-performing training system, and a projected unprecedented economic demand. There's more energy investment slated in Canada's economy than ever before, and more than the current labour force will be able to handle.

The major project management office website lists dozens and dozens of major resource projects on the horizon worth almost half a trillion dollars. My calculator wouldn't handle the zeros. Every billion dollars spent in the energy industry means about 2,000 direct and immediate jobs in construction, and 2,000 in other industries for three years. This is great news for the workforce, if as a country we plan and execute a plan properly.

It has been forecast by the Construction Sector Council, in their "Construction Looking Forward" report that was just printed about 15 days ago, that by 2018 we'll need about 200,000 new skilled trades workers. I'm going to give you a quick breakdown, as you can all read the report I'll table afterwards.

Their supply-side estimates break the annual change in the labour force into four components: retirement, mortality, new entrants, and mobility. From 2010 to 2018, construction employment is forecast to rise by 180,000 jobs. Added to these demands are replacements for retirements of 189,000, and the loss of 26,000 workers due to mortality. There are 169,000 new entrants from the Canadian population to meet these needs, leaving a recruiting effort to find 200,000 new construction workers from other industries and outside Canada. If this isn't a call to action for the committee I'm not sure what is.

Today I'll run you through five practical policy fixes we think would work for Canada. Hopefully the committee will take them into consideration.

First is support for industry groups and companies that train young Canadians in construction. Second is labour market development agreements and getting policy value for money through these development agreements. Third, incent people and employers who hire them into Red Seal apprenticeships to move through and graduate in a reasonable amount of time. Fourth, the industry needs help with workforce mobility. Fifth is access to good, reliable, real-time, industry-sourced labour market information, like the Construction Sector Council stuff, and a temporary foreign-worker program that makes sense and is practical.

I'll give you a quick background to bring you up to speed, for those who didn't hear my pitch in October. The key players that regulate the skilled trades in Canada are the Canadian Council of Directors of Apprenticeship; the Red Seal Secretariat, which is in HRSDC; and the provincial apprenticeship and licensing bodies. The key funder of provincial labour policy is the federal government.

So let's get into my first topic: support for industry groups and companies that train young Canadians. The business case for hiring an apprentice has been laid out quite clearly. I refer the committee to a study by the Canadian Apprenticeship Forum released in 2006. It concludes that every dollar spent on training returns \$1.38 to employers. So hiring and training apprentices makes money for employers. We often have difficulty placing young people, and young people face many barriers to getting hired by contractors in construction.

Community colleges are another deliverer of curriculum. Some of the training they deliver includes pre-apprenticeships to actual Red Seal trades. Both training sources deserve public and private support to address the skills shortage issue. Did you know that the building trades in Canada receive no public money, and we train 80% of Canada's construction apprentices?

- (1535)

The federal government can help by having a procurement policy that includes clauses and commercial terms for construction companies requiring a training plan and apprenticeship hiring. Shell Canada has been very successful in its approach to this situation. Perhaps the committee would consider talking to our industrial partners in this regard. It might be a neat idea to tie Minister Oliver's regulatory reform package to training a workforce for the future, so that on large energy projects Canadians are assured we're training a construction workforce for the future.

I'm not preaching socialism or tied aid like last time, just practical solutions so Canada can reap the benefits of these large-scale industrial projects. Maybe this kind of policy could help the minister's battle with the radical environmentalists as well.

My second topic is value for money and labour market development agreements, LMDAs. LMDAs are a huge opportunity for the federal government to show leadership in the skill shortage situation. These deals give the provinces money, in what is basically a fully devolved process between the federal and provincial governments. The labour market development agreements make the federal government the writer of cheques. Why not use them to shape skill shortage and training policy?

Again, I'm not talking socialism or tied aid from the federal government, but how about getting value for money in these multi-hundred-million dollar deals that the federal government signs with the provinces every five years? Let's make sure we're getting value for money and ensure that the provincial regulators are planning for their labour markets in the future. Instead of giving provincial governments carte blanche to do yet another study or another website that tells us what we already know, let's set a path and show leadership on LMDAs. It might be a good start to addressing skill shortages.

There are currently no policy objectives tied to labour market development agreements. If the federal government were serious about skill shortages, it would include these measures—and not more websites or gimmicks for a quick-fix, but hard dollars for provinces and groups that train people in identified occupations needed by industry.

Third is the need to provide incentives for people and the employers who hire them. In construction we have a problem, and by extension, in the greater economy there is an issue. We have a problem with lots of registrations in red seal trades by people who, quick as a flash, never graduate. There's a small incentive to move through years one and two with the apprenticeship incentive grant, AIG—and for that, our organizations are thankful, but there is nothing for years three or four. There is a graduation grant. In total, it's a few thousand dollars over the course of a training cycle. An average construction apprentice is making \$50,000 to \$60,000 a year. This person can make a few thousand dollars in overtime every week. The incentive grant pales in comparison to what's out there in terms of work. These folks can work forever as a second or third year apprentice and never move through the system and graduate. In construction you're limited to a ratio of apprentices to journeypersons on a work site. If you never increase your number of journeypersons, you can never grow the number of apprentices.

We need real incentives, maybe by using a time limited system in the red seal program for someone to obtain their red seal. The federal government has a vested interest in the provinces graduating more journeypersons. Maybe this is another thing that could be linked to the labour market development agreements, for example, that you must graduate a number of journeypersons per year to remain eligible for LMDA funding. Maybe hard dollars could be provided to companies that graduate apprentices and have a track record of doing so, or maybe increased tax credits could be provided to employers who graduate journeypersons, whatever the committee thinks.

Fourth is the issue of the mobility of the construction workforce. Canada still doesn't have a system to facilitate the mobility of the construction workforce. The Standing Committee on Finance—which is really tired of hearing from me on this—has probably heard it said 30 times that our industry is dying for a way to get people to where the work is, or at least that the industry is very eager to have a system to assist with the costs. Did you know that Suncor and CNRL are catching up to WestJet as Canada's second largest airline? They have fly-in and fly-out programs for our members and others, the folks who go to the oil sands, depending on who needs people the most and who's offering a fly-in and fly-out that month.

Still, there is nothing for regular commercial construction, institutional construction, and the folks who will soon be travelling from southern Ontario to the Ring of Fire, if we ever get there. The confluence of energy projects coming down the pike, so to speak, will mean that people will be travelling farther and farther for construction work. I'm not talking about moving to where the work is, like the rest of us do. In construction, folks go to work for three weeks, three months, or three years, and they're always working themselves out of a job.

• (1540)

Canada needs to incent people to get on the plane and in the pickup truck. Canada needs to help defray the costs of travel to work sites. We propose a sensible tax credit. You spend \$3,000 to get to work and you get a 15% tax credit, or something similar.

The revenue back to the GoC in the form of productivity and income tax paid would be tremendous. Ask any construction company or any large energy company if they would be in favour of defraying the cost of travel for securing a workforce. The answer would be yes. The draw on employment insurance would go down, as people would be working, and employers could reduce the costs of bringing in a workforce from abroad.

Our proposals and those of our partners in the oil patch, my friends at CAPP, have been shuffled to the bottom of the priority list by subsequent Ministers of Finance. Hopefully—and I'm hopeful—the current one can be encourage to assist.

Canada can help the skills shortage problem by properly incenting individuals to go to work. My penultimate solution is labour market information. In order to address the skills shortage problem in Canada, we need to make sure our labour market information is top-notch.

Recently, the Construction Sector Council lost certainty around core funding for labour market information. Does this make sense at a time when industry needs to know more about who, what, where, when, and why in real time? Why are we cutting industry-driven labour market information potential? Government and industry have spent millions setting up the LMI system at our sector councils.

I wrote this: "What is the deal with the cuts?" I wasn't supposed to say that.

This is not a case of good money going after bad money in the sector councils. Talk to the energy players. Talk to PCL. Talk to EllisDon. They all use this information, and it's a big deal to us.

Lastly, I know that discussion of the TFW program has been popular on this committee. Our organizations have been working for a while to give the temporary foreign worker program—which gives us skilled trades from the United States—front of the line status. The committee can refer to my testimony in October of last year. I talked about this at length. What a no-brainer. The Government of Alberta, the Department of State in the United States, and the White House are ready, and we still await news and action from the federal government on this one.

We have—

The Chair: If I may, I'll get you to bring it to a rapid conclusion pretty quickly, if you could, as we're running a bit late.

Mr. Christopher Smillie: Yes, sir. I have 30 seconds left.

It's a no-brainer to look at a system to give front of the line access to U.S. workers.

Before I conclude, I'll note that I had a large number of my members on the Hill yesterday talking about Bill C-377. Maybe they met with you.

The bill is something that's distracting, annoying, and plainly punitive to the building trades. The money we will spend complying with this legislation will take away from our training ability and our ability to promote careers amongst young people. It means a compliance officer instead of a training officer at every local union hall—plain and simple.

The members of this committee can vote no or ask cabinet to kill the bill and continue to be partners with us. I can assure you that we'll be training fewer people in your communities to go to work for Canada if we have to comply with the legislation.

Thanks very much. I look forward to your questions and comments.

• (1545)

The Chair: Thank you, Mr. Smillie.

I allowed you to go forward with that last comment. It's not directly related to our study, but I thought you might want to put that on the record, so I didn't interrupt.

Mr. Bradley, go ahead.

Mr. Francis Bradley (Vice-President, Policy Development, Canadian Electricity Association): Thank you very much.

I'm Francis Bradley, a vice-president at the Canadian Electricity Association.

[*Translation*]

The Canadian Electricity Association is the national voice in matters of electricity in Canada. Across the country, our members provide day-to-day electricity production, transportation and distribution services to industrial, commercial, residential and institutional clients. All industry stakeholders are represented within our association: vertically integrated public utility companies, energy dealers, manufacturers and suppliers of equipment, technology and services. They see to a reliable electricity system.

[*English*]

The renewal of Canada's electricity infrastructure is the number one priority of the electricity sector and of our association.

[*Translation*]

Most of Canada's electrical power grid was built over 25 years ago to serve a population of 20 million inhabitants. And yet today, that population consists of over 34 million people whose lifestyles are increasingly dependent on electric devices.

[*English*]

A recent Conference Board of Canada report projects that an investment of \$347.5 billion from 2011 to 2030 is required to meet electricity demand and to power Canada's future. The labour requirements to accommodate this investment in electricity infrastructure will exert additional pressure on an already tight labour market. The electricity industry will not be able to rely on recruitment from other sectors, as these will be facing similar labour challenges. Competing industries such as the oil sands can bid up compensation, whereas utility compensation is capped by regulation.

In response to the HR challenges faced by our members, and in collaboration with HRSDC, the Canadian Electricity Association undertook a labour market study in 2004, which led to the launch of the Electricity Sector Council in 2005 under HRSDC's sector council. My colleague, Michelle Branigan, will talk a little bit about what the recent LMI studies have found.

Ms. Michelle Branigan (Member, Canadian Electricity Association): Good afternoon, Mr. Chairman, honourable members, ladies and gentlemen. Thank you for the opportunity to speak here today.

I'm the executive director of the Electricity Sector Council, whose mission is to strengthen the ability of the Canadian electricity industry to meet current and future workforce needs for a highly skilled, safety-focused, diverse, and productive workforce. The ESC is one of the few industry organizations without an advocacy mandate, and our efforts to be inclusive and objective in serving the broader needs of the sector is considered to be one of our key strengths. We provide human resource and workplace development support to workers employed by the electricity and renewable energy industries, and related co-generation, energy efficiency, and manufacturing and service consulting industries.

The Electricity Sector Council has taken a leadership role in the development of strong, credible labour market research. An extremely high participation rate in our LMI data research lends weight and credibility to the data produced. Currently, the electricity sector employs over 108,000 people, the majority of them highly skilled workers. Our most recent labour market information research published this January reports that employers in the electricity sector will have to recruit over 45,000 new workers—almost 48% of the current workforce—by 2016. The report shows that baby boomers comprise 36% of the existing electricity sector workforce. By 2016, all but the youngest boomers will have reached age 58 and likely have the 30 years of experience needed to qualify for a full pension.

We do have a notably lower average age of retirement. It's 58 versus 61 for the overall economy, and 66% of staff do retire once they are eligible. In fact, 25.4% of current power system operators are expected to retire in 2016, and almost 20% of supervisors of electricians and electrical power line workers are expected to retire at the same time.

In addition to the need for replacement workers for pending retirements, new human capital is required to support the transformation of the system as new technologies are integrated into the grid. Advances in technology are also changing the skill profiles of employees.

The available workforce will not meet these labour requirements, and employers need to look for and attract new recruits. There needs to be an increasing focus on targeting under-represented groups such as immigrants, women, and aboriginal people. Francis referred to the massive infrastructure requirements of the industry. We cannot replace the main infrastructure for the system without making an equal investment in human resources. Human resource investment should be seen as equivalent to capital investment and not as a cost.

Thank you.

• (1550)

[*Translation*]

Mr. Francis Bradley: As you can see, many issues relate principally to new demographics, the emergence of a new generation and the transformation of Canada's grid.

We understand that you cannot resolve all these issues with a wave of a magic wand.

[*English*]

But there is one issue I'd like to bring to your attention that could be considered low-hanging fruit, so to speak, and one that, with your help, could be addressed with relative ease.

As you're likely aware, the National Occupational Classification, or the NOC, is the primary and nationally accepted federal government resource for information on Canada's labour market. A joint initiative between the HRSDC and Statistics Canada, it organizes over 40,000 job titles into 500 occupational groups and descriptions.

[*Translation*]

Based on the current classification, electricity sector occupational titles can be found in several groups and subgroups of the occupational structure.

A relatively simple administrative adjustment, consisting of bringing together the electricity sector professions under the NOC's "electricity sector" grouping, would be very useful for our members and, above all, for qualified persons seeking employment in our sector.

[*English*]

Mr. Chair, in conclusion, thank you for the invitation to appear today and for the opportunity to speak to the challenges faced by Canada's electricity sector in regard to skilled worker shortages. We look forward to your questions.

The Chair: Thank you.

Thank you for that presentation. We will certainly make note of that concern of yours.

We'll start the first round of questioning with Mr. Cleary.

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

Thank you to the witnesses.

Mr. Smillie, I want to take you up on a couple points that you made. You talked about the mobility of the construction workforce, more specifically how to get people where the work is. That's a very good question. I'm having that problem in my home province of Newfoundland and Labrador, in terms of how to get people to jobs in remote areas.

I have a specific question about a private member's bill, Bill C-201, which is before the House of Commons. Are you familiar with it?

Mr. Christopher Smillie: I have to say that if you could give me a brief description, I might become familiar with it.

Mr. Ryan Cleary: I'm the same way when you give me a number.

Mr. Christopher Smillie: Except the one I'm angry about—I know that one.

Mr. Ryan Cleary: Bill C-201 gives an income tax credit to building and construction trades workers for travel and accommodation if they're working more than 80 kilometres away from home.

Mr. Christopher Smillie: Oh, yes....

Mr. Ryan Cleary: That means that's a good one?

Mr. Christopher Smillie: Sorry, the number seems to change each session. I apologize.

It's a private members' bill that's been kicking around, Chris Charlton's bill. It addresses construction's issue specifically.

Mr. Ryan Cleary: How far will that go in addressing mobility issues?

Mr. Christopher Smillie: It will go far. It's a non-partisan bill that addresses the issue somewhat. It's an attempt to address the concentration of workers or areas where there are workers. Let's say that you have available insulators in Toronto, because there isn't a lot of high-rise building going on there right now, but they need to go to where you as an employer live. They need to go to work for Vale to insulate some of those smokestacks. It does address some of that.

It sounds like a planted question, but it really wasn't. It really is something that we've been asking for in the building trades for, I guess, 30 years. But I'm only 34, so I can't speak to all of it.

That's the issue we've been trying to work on with the Minister of Finance.

•(1555)

Mr. Ryan Cleary: Okay, I want to move this right along to the Red Seal program. You made some comments about that program, and you mentioned a time limit on it. I have two questions on that: what kind of time limit are you thinking of and what is the average length of time it takes right now to get that Red Seal? Those are two questions.

Mr. Christopher Smillie: I'll answer your second one first. The time it's taking to get the Red Seal on average is twice the intended length, with it usually taking eight to ten years before someone does the final exam. They're getting their ticket, because first you get your provincial ticket, and then you challenge the Red Seal after that. Generally it's taking about eight years for people to move through.

The kind of time limit is something to be determined. It should be reasonable but also prevent stagnation in the system. In industry, we want to figure out a way to move people through in a way that makes sense for industry, and also in a way that makes sense for the nice people at the Red Seal.

We advocate to our members that they progress as quickly as possible; but to be honest, there's no real incentive for them to do so. It's a tough one.

Mr. Ryan Cleary: On average it's eight years right now.

Mr. Christopher Smillie: Yes.

Mr. Ryan Cleary: Should it take four years?

Mr. Christopher Smillie: It depends on the length of the apprenticeship program, but in construction it's usually three or four years, so it should be three, four, or five years, I would say.

Mr. Ryan Cleary: You don't have any advice on how to do that, how to cut that time down?

Mr. Christopher Smillie: Well, there are issues in industry with.... All of the apprenticeships are monitored and maintained by a joint apprenticeship council, so you would have employers and the labour providers monitoring the system, but it's not very formalized. I think industry needs incentives to move people through. The joint apprenticeship committee between employers and labour providers tends to be pretty informal. I think those need to be beefed up and maybe there's some public policy way that we can figure out how to do that.

Mr. Ryan Cleary: Can you elaborate on the incentives? What kind of incentives do you envision?

Mr. Christopher Smillie: I talked about it in my pitch. I think—

The Chair: Your time is up.

Mr. Ryan Cleary: Oh, I'm sorry.

The Chair: That's okay. Go ahead then, Mr. Smillie.

Mr. Christopher Smillie: I think we need hard dollars for companies and people who move through the system. People are staying as second- or third-year apprentices because they're making good money and in third and fourth year there is no apprenticeship incentive grant to keep going. There is a graduation grant of \$1,000, but a guy can make that in a couple of days with overtime. So there is absolutely a role for public policy to play.

Mr. Ryan Cleary: Thank you very much.

Sorry, Chair.

The Chair: Mr. Butt, for five minutes. We're into the five-minute round.

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

Thank you, witnesses, for being here.

I'm hoping I can share my time between the two organizations, but I am going to start with Mr. Smillie.

I understand that back in September your organization hosted a forum in Ottawa on the looming skilled worker shortage in Canada, entitled "Oilsands—Labour Dead end or Skilled Trades Super Highway?" Can you share some of the conclusions that emerged from that forum with regard to skill shortages and the experiences you had with the participants there?

Mr. Christopher Smillie: Sure. The policy outcomes that we discussed at that forum were the meat and potatoes of my presentation. It was decided that in order to move forward a four-pronged fix was really needed. It included talking about the permanent and temporary immigration system; about labour market development agreements; about making sure that the training system is strong; and about making sure there is good communication in industry, as well as some sort of oversight of the training system, with some sort of incentives for folks to move through it.

Mr. Brad Butt: Is the issue that we do have enough of these skilled people across the country, that they're in different provinces and communities but not where the jobs are? Or do we have a problem with just not having people either today or in the future? I know you've done some actuarial work and that you've talked about retirement, etc. So are we having a problem today and in the future as well, that we simply don't have enough trained skilled workers today for all of the jobs that are available across the country?

• (1600)

Mr. Christopher Smillie: Today, I would say that the construction labour market is at 95% capacity. Six months from now it'll be at 110% capacity. So really, we don't have enough people today. Even if we could get everybody to where the work was, it still wouldn't be enough. With the confluence of energy investment we're getting in Canada, the demand side of the equation is huge. Combined with that is the folks who are getting older, meaning those in their 50s and 60s who are going to leave. Who then will do the work?

During the 1980s and 1990s it was difficult for a young person to get into the trades because of the economic conditions. So here we are 20 years later where we have a situation in which there are hardly any young people moving through the system. It's a serious problem today and I would say that my colleagues on the panel here would probably agree that the members they represent are experiencing it today and that it will be worse down the road.

Mr. Brad Butt: Well, that's a good segue into asking the Canadian Electricity Association the same kind of thing. Do you see it as an overall problem today, with the mobility issue being of primary concern? Or are we having shortages right now within the companies you're representing, in the specific highly skilled jobs that need to be done for your companies to be successful? Is it that we simply do not have enough home-grown skilled talent right now to do those jobs, regardless of where these are across the country?

Mr. Francis Bradley: Yes. I assume that you want me to elaborate. Yes, currently there is—

Mr. Brad Butt: Sometimes “yes” is simply a good answer, but I want you to elaborate.

Mr. Francis Bradley: Clearly, we're looking at challenges in the immediate future, that is, in the short- and medium-terms—and of course there are some long-term challenges as well. And there are some very specific job classifications where the problems are particularly acute.

Perhaps Michelle, who has been doing the work on the labour market studies through the Electricity Sector Council, can give you a sense of what those are.

Mr. Brad Butt: Go ahead.

Ms. Michelle Branigan: Particularly in our industry it's important to note that the majority of our workers are extremely high-skilled workers with post-secondary education. When difficulties arise—as we're seeing right now, as three companies have called me in the last two weeks from right across the country because of the extreme difficulty they are having in hiring employees in specific occupations—we can't just slot people in who are ready and fully competent to achieve that role. That becomes not only a productivity issue but also a safety issue within our industry. So it's extremely important to be able to build out.

In our industry, on average, employers tell us that it takes about four years to someone to achieve for full competency within the role. If you look at nuclear operators, you're looking at up to a 10-year window. So when you have a huge cohort rapidly moving toward retirement, combined with the expansion needs of the industry at the same time, we are really running into a very major issue right now.

Mr. Brad Butt: I have a really quick question that can be answered really quickly.

What percentage would you say, of the jobs that you're filling today in both of your categories—just a percentage number—would be filled through temporary foreign workers? Is it a high percentage, a low percentage, or a very small part, or are you relying on them more and more because there isn't the domestic trained labour force to fill those jobs?

Ms. Michelle Branigan: In electricity, our numbers of temporary foreign workers are quite low: we're looking at about 12%, versus a 19% average within other industries.

Definitely there's a lot of room for us to look into that area, and we're already seeing companies going overseas and trying to get workers as well to come in. There are difficulties around the recognition of different qualifications that we need to look at. This becomes an issue that we're looking to address.

Mr. Christopher Smillie: I have a number. The construction workforce has 1.5 million people in it in Canada, and last year, in the 15 specific trades that we represent, 5,400 temporary foreign workers were brought in. So it's very low.

Mr. Brad Butt: Okay. Thank you.

The Chair: Thank you.

Now we'll move to Madame Boutin-Sweet.

[*Translation*]

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

On this issue, I will try to link a number of points.

Firstly, part of the committee recently toured the East: Newfoundland, Nova-Scotia and Montreal. We met with groups on the occupational shortage study we are now carrying out. Time and time again, we heard the expression “grow locally”, the idea being to train people locally to meet local needs.

Secondly, as we know, the unemployment rate is much higher for aboriginal Canadians than for the general population.

Thirdly, a labour force is needed in the North, in various sectors. Generally speaking, people are needed in the construction sector.

It so happens an ex-colleague of mine brought up the Aboriginal Skills and Employment Partnership. I would like to know if you have already heard of it.

•(1605)

[English]

Mr. Christopher Smillie: I don't know that program specifically, but I am aware of several initiatives, mainly in northern Alberta at the oil sands, where there's a large concentration of this kind of work. Basically, there is a consortium of construction companies that are focused completely on hiring aboriginal Canadians from local communities. It really is a poster child for the practice.

[Translation]

Ms. Marjolaine Boutin-Sweet: The program I refer to is somewhat similar, but brings together the federal government in the form of Human Resources and Skills Development Canada, the provincial Minister of Education and aboriginal groups such as the Quebec-based VTC for Aboriginals in Construction Trades. The program focused on the large-scale development projects and was for aboriginal Canadians living in these regions. It worked well from April 1st, 2008 through March 31st, 2012, but came to an end on March 31st 2012. I have here some 2012 statistics. People received training in a number of construction trades.

Here is what is set forth regarding training offered to aboriginal Canadians: 182 pursued a vocational diploma; 305 received health and safety training; 112 took courses in general industry knowledge; and 149 received training in Attikamek life skills. Indeed, several nations were affected. Unfortunately, this program has just come to an end.

Do you think this program, or a similar one, should be rebuilt? Is this sort of program still needed?

[English]

Mr. Francis Bradley: I'm not familiar with the specific program itself; it clearly is something more directly related to the construction trades. But we have seen similar programming, specifically in the electricity area, and some work that Michelle's organization has done, particularly with respect to aboriginal people.

Ms. Michelle Branigan: Yes, this is a huge issue for us. We're averaging about 2.2% of aboriginal workers within the electricity sector, which is extremely low.

We've just completed a three-year project funded by Human Resources and Skills Development Canada looking at recruitment and retention of aboriginal people in the industry. It had two pillars. One was to help the actual employers to be able to do that, with tools for recruitment and cultural awareness and how to bring people into the business.

But we also looked at increasing the awareness of aboriginal peoples of the sheer number of occupations and opportunities available in the sector. This is extremely important, particularly as a lot of the infrastructure build takes place in rural and remote regions. It gives an opportunity for us to engage the aboriginal workforce and not have them have to leave where they live. Many times, having to leave their homes, etc., is an absolute barrier for them.

As part of this, we developed two pilot projects.

One was a pre-orientation trades program, which we did in conjunction with an aboriginal organization and one of our employers in Newfoundland. We put a number of aboriginal youth

through the process of identifying whether they liked those four specific occupations.

We also have conducted six aboriginal youth camps, and we're committed to doing a lot more of those. They're focused on 10-to-13-year-olds, because it's extremely important to catch them at an earlier age, before they start dropping the math and science, subjects they need to have as they go into our industry. This gives them hands-on exposure to the industry.

The camps are usually a week long. We bring in mentors from the industry to talk about the positions, and the participants get an opportunity to learn what occupations are out there and at the same time to focus in on the need to maintain their schooling.

•(1610)

The Chair: Your time is up. We'll move to the next questioner.

Mr. Mayes.

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

Thank you to the witnesses for being here today.

Mr. Smillie, the last time you were here, I did hear you. I discussed with some of my colleagues and my government mobility across our borders with the U.S. I also was in the U.S. talking with some congressmen about this. They were quite interested and weren't aware of it.

There are border negotiations going on. In part they concern the mobility of labour across our borders. An area in which your organization could help is in pushing on the other side of the border. I think we're doing our part as a government here in Canada. We may not be seeing enough support among those we're talking with.

That's just one observation.

I agree with your comment that there's not enough being done; we have a big problem here. But there have been some great successes, and we've heard so in this committee, in training of aboriginals in the mining sector in Saskatchewan and in the diamond mining in the Northwest Territories.

There have been some great successes with good policy. It's not just a website by the department; there have been some good things done by the government on the need for skills training. But it is such a monumental challenge that we're facing that we have to look at better and more innovative ways.

I mentioned a couple of days ago to our witnesses that the average age of workers who are entering apprenticeships is 26. We need to get people before age 26. One of the innovative things happening in my constituency in the Okanagan involves the Okanagan College's Salmon Arm campus. The trades association and the school district are working together, taking students out of grade 12 and putting them on a project. They build a house right from the foundation. They do the plumbing; they do the electrical; they get a little bit of everything. This has been going on for 10 years. The first ones to complete the first year got their first year of apprenticeship, but also they had six offers of jobs in Vancouver—and I live in the Okanagan. So it's a great program.

My question to you is: is your organization working with those institutions to try to capture the students? One thing we find is that the biggest challenge is that the education system is painting a picture suggesting that you have to go to university to be successful in life. I'm a certified journeyman carpenter, and I can tell you—not that I've done a lot of it—that it's a very rewarding area to work in. In certain situations it can be very lucrative, too.

Mr. Christopher Smillie: Thank you for your question. I didn't mean to be critical about the Canada-U.S. thing. We're still waiting, and I understand.

In terms of your question, we do work with local high schools across Canada. It's an issue, however. When I went through high school, there were no shop classes. Those are all gone.

There's been a change in the way that some provinces deliver high school curricula. In Oakville, Ontario, where I grew up, it was out of the system. We can go to the high schools and talk, but there is no practical stuff for the kids to do, and so your example is a great one, where a community organization or a community college is doing that sooner.

In Germany, for example—I think I talked about this in October—they have a decision-making process whereby you're either going to university or you're going to learn a trade. It's very regimented. As a result, they have a very successful system: there's a big supply of skilled workers. So it's really about our country, which goes to your comment about everyone having to go to university.

We're getting folks getting apprenticeships after they go to university. That's fine. There's nothing wrong with that, but we need to get to them sooner—I would say even before high school. We should be introducing folks to this in elementary school. This is not something the committee controls, but provincial governments have the jurisdiction over this sort of thing. This is what I'm talking about when I say the federal government has a role in determining some of these policies rather than just being the writer of cheques in LMDAs.

These LMDAs can be used to address some of these practical things. Now, it's not as easy as I make it out to be, but these are some of the things I'm trying to get across, including that we should be doing it sooner.

• (1615)

The Chair: Thank you for that.

Thank you, Mr. Mayes.

Does either of you, Mr. Bradley or Ms. Branigan, have any comments on that?

Ms. Michelle Branigan: I would agree wholeheartedly. I think we absolutely need to be getting to them at a younger age. It's extremely important. A lot of the sector councils, the Electricity Sector Council included, have worked with the Toronto District School Board over the last number of years, and developed curricula where they partner with schools and bring in companies to talk to the students about the jobs.

You may be familiar with the high school majors who get credit for studying curricula that focus on a specific industry, whether that be energy, with electricity incorporated into it, or construction or policing, etc. That is being added to the application form. If they then go to college, their application will get pushed to the top of the pile.

We would like to see that fantastic initiative in Ontario moved across the country.

The Chair: Mr. Bradley, any comments? No? Okay.

We'll move then to Mr. Cuzner for a round of five minutes.

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

Thanks for being here today.

I'm going to ask each group about apprenticeships. If I can throw out two questions, you guys could then respond.

There are two hurdles. We're seeing young people taking training courses, but they're not completing their apprenticeships. The success rate is abysmal. I would think that if they get into your industry, their chance for success would be far greater.

I'm going to ask you to comment about how many apprentices your organizations bring in over a period of time. What are the success rates there? Are they beyond the norm?

Mr. Smillie, the other question is about the lack of mobility. Red Seal does a really good job for the journeyman, but many of the young people who take training in some communities don't get any recognition of their credentials when they go to other provinces. What's your organization doing to help with that mobility?

Michelle, or Francis, you might want to comment.

Mr. Francis Bradley: Yes, I'll comment in terms of the context, and then Michelle can go into some of the specifics.

As I mentioned earlier, while we're facing a very significant infrastructure build over the next 20 years, in the order of \$300 billion, we as an industry built up our infrastructure a generation ago. So, many of the companies saw a significant reduction in their workforce from the early 1990s for a period of about a decade and a half.

We went through a period when there were very few, and, in some companies, no, apprentices moving forward, one, because of the infrastructure build they're looking at, and two, because of the generational change in staff. Apprenticeships are now probably one of the top if not the top issue for people in human resources within the companies. That's a significant change from where we were a decade ago, but it's a reflection of the infrastructure challenge we're facing.

• (1620)

Mr. Rodger Cuzner: Would this have happened over the last four or five or ten years?

Mr. Francis Bradley: I would say that it's really within the last 10 years that in many regions we've hit the wall in terms of our built infrastructure. One of the other pieces we could get into, if we have the time, is all these predictions about what the future's going to look like and what infrastructure build we need to put in place. They're all based on a business-as-usual case. As we all know, business will not be as usual on a go-forward basis. We're looking at a future that's going to be characterized by electric vehicles and smart grids and so on. Not only do we have a challenge in terms of renewing today's workforce, we know that tomorrow's workforce is going to have to be even more skilled than the one we have today.

Mr. Rodger Cuzner: That's in terms of the apprenticeships.

Mr. Francis Bradley: It's also in terms of the success rate.

Ms. Michelle Branigan: I agree with you. There has been a lag in completions of apprenticeships. We are seeing that. In a lot of situations, what we're hearing from our employers is that as a result, they are taking them out of the apprenticeship stream they're in to do specialized work. If they can go to an organization that is desperately seeking apprentices, they will actually take them out, and they will make more money, because they will go where the money is. They end up staying with that company and working in a specialized trade. But they don't actually finish their official apprenticeships for maybe six, eight, or 10 years at a time.

I have some statistics. Actually, this is from the Registered Apprenticeship Information System. We looked at the figures. These are the latest figures available. We looked at 2008. We looked at some of the skilled trades in our industry. Registrations were over 69,000, and completions were 5,670. That's a huge gap.

Mr. Rodger Cuzner: We're getting them to the water, but....

Ms. Michelle Branigan: I know.

As Francis had mentioned, the skills requirements of employees now are drastically different. If you look at a system operator who manages the flow of power back and forth through the grid, now we have electricity coming in from solar panels, for example, from small business and homeowners. There's a very different skill set required to manage that ebb and flow, back and forth, than there traditionally was in the past. That has a huge impact on both the training needs of those who are coming through at the moment and on those people who are expected to replace those retirees in the next few years.

The Chair: Thank you, Mr. Cuzner. Your time is up.

You wish to make a comment, Mr. Smillie. Take your time.

Mr. Christopher Smillie: Actually, I have a success story, and it is getting better. The Red Seal people, and actually the provincial

jurisdictions and the licensing boards, are getting better at recognizing hours worked in other provinces. It is actually getting better. Some of our locals in Windsor, where there is high unemployment, have been training to Alberta standards. Those folks can go to Alberta and work, and their hours count towards their status in Ontario and they can go forward. It's not perfect, and not every province has an equivalency agreement for training hours. But for most certified trades for which both provinces require a licence in both trades, it's actually working. You can work in Alberta if you're from Newfoundland, and it goes toward your licensed trade back east. It's getting better. It's not perfect. It's approved on a sort of case-by-case basis.

Mr. Rodger Cuzner: It is bilateral.

Mr. Christopher Smillie: It is bilateral between the provinces.

It is working. It's a success.

The Chair: It's certainly a good precedent for others to look at and improve.

Mr. Rodger Cuzner: Mr. Bradley was telling us about the future. Anywhere in that future do the Leafs win a cup?

Some hon. members: Oh, oh!

Mr. Francis Bradley: I'm afraid to say, sir.

The Chair: Take your time.

Mr. Francis Bradley: I'm afraid to say that I'm born and bred in Montreal.

Some hon. Members: Oh, oh!

The Chair: All right, we'll bring it back to order.

Mr. Shory, go ahead.

Mr. Devinder Shory (Calgary Northeast, CPC): Thank you, Mr. Chair. Thank you, witnesses, for being here today.

Mr. Smillie, your organization represents more than 450,000 tradespeople all across Canada. In your presentation, you made a comment that there will be plenty of jobs if we execute a plan as a country. Can you elaborate on what you mean by that?

Mr. Christopher Smillie: What I'm saying is that we have all this planned investment in our country. There's almost \$1 trillion in planned energy projects out there ready to happen. And if we have a strategy in place—I hesitate to say an energy policy or strategy—and are looking at a policy around these energy projects or some sort of strategy, it's important to couple a workforce strategy with that plan or road map. I said that in the natural resources committee. And they agreed wholeheartedly that there should be an understanding when we're planning energy projects and the natural evolution of those projects to look at the workforce to build them. So there's this immense opportunity before Canada with these projects, if we can make sure we get the right people on the job at the right time.

I saw Mike from the Canadian Construction Association. We don't want these projects to be halted because there's no one available to build them. We don't want the market to make that choice, so we want to make sure we have the groundwork set so that everybody in the industry can move forward.

•(1625)

Mr. Devinder Shory: I am talking about energy power. I'm from Alberta, which is a leader in that field, at least. The issue here is that we have a huge shortage in Alberta. You also commented that the temporary foreign worker program is practical and makes sense. But now I have an issue. In Canada, in some places we have double-digit unemployment and in some places we are looking for workers, specifically in Alberta, for example. In my view EI is available for the people who lose their jobs and who are unable to find, I would say, other suitable jobs, but it is not for the people who, though they basically qualify for it, don't want to work.

How do you move those people who are looking for jobs to the place where the jobs are available? What are your suggestions on that?

Mr. Christopher Smillie: When you're a construction company in a market that can't find people, you do everything you can to find folks. When you can't do it in that local market, usually you have to advertise and you look to other places in Canada first. When you can't satisfy that, then you're able to go overseas to the country of your choice. At the end of the day, we don't live in a country where you're forced to go to work, where, if you're out of work in Nova Scotia, you have to get on a plane and go and work somewhere else. If people are choosing not to go to work and to collect EI instead, there's not too much we can do about that. We have a market economy.

But if you're a company and you're searching for workers and you do your due diligence, you have to do what you have to do. If you have a contract with Suncor, Syncrude, or CNRL to build their upgrader, and you need 4,000 workers to do it, and that local labour market can only supply you with 3,600, well, you'd better start looking around to find those other 400. So you can start looking in other places in Canada, or you can look in the U.S., or you can go anywhere in the world. But money waits for no one. These companies are all working in a market economy, so it's a huge scramble. We're trying to find a system that makes sense.

I don't know if I answered your question.

Mr. Devinder Shory: Ms. Branigan, I have a question for you. You made a comment that employers need to attract under-represented groups, like immigrants, aboriginal groups, etc. This government is working with the businesses to identify how to meet their needs for skilled labour when facing labour shortages. What are your suggestions? I want you to comment on what the employer should do and what actions they should take so they can attract all of these groups?

Ms. Michelle Branigan: So that they're engaging those groups...? It's such a potential supply and it links to your question about their sometimes having to go outside the country when we already do have a good pool here of untapped labour.

Some of the companies that we work with are doing absolutely fantastic work, whether towards aboriginal recruitment or looking at engaging women in the workforce. There are a lot of good practices out there that we have been capturing and where they've been sharing. We're trying to do that across the country. There are a lot of things that do not need to be replicated; we do not need to reinvent the wheel. I know that some companies out west, for example, have

set targets for the aboriginal composition of their workforce—and high targets of 15%, for example. They have reached and exceeded those targets, and have done that with very specific programs internally.

So there are a lot of good practices out there. What we need to do is to ensure that we're getting those practices right out across the country among other employers.

•(1630)

The Chair: Thank you.

Mr. Shory, your time is up.

I would like to thank the presenters for their suggestions and some of their ideas, which we'll certainly take into account.

We'll suspend for about 10 minutes and then start the next panel.

•(1630)

(Pause)

•(1640)

The Chair: We will call the meeting to order.

On behalf of the Canadian Construction Association, we have Michael Atkinson, the president. We heard from one of your organizations here earlier. In addition, from Skills Canada, we have Shaun Thorson, the chief executive officer.

You will present and then there'll be questions and answers. We'll have to break a little early today, because there will be bells summoning us to a vote at 5:15.

Go ahead and present, Mr. Atkinson.

Mr. Michael Atkinson (President, Canadian Construction Association): Mr. Chair, the Canadian Construction Association would like to thank you for the opportunity to present here today.

Our organization represents the non-residential sector of the construction industry, so we build everything except single-family dwellings. We build Canada's infrastructure.

Our industry employs close to 1.3 million Canadians. We're one of the largest, if not the largest, industrial employers in the country. One out of every 16 working Canadians earns a living in the construction industry. Construction accounts for about 6% of Canada's GDP, amounting to more than \$150 billion worth of economic activity annually.

About 90% to 95% of the construction firms active in the construction industry are small businesses by anybody's definition. The vast majority of these businesses are Canadian-owned and family businesses.

We have what amounts to a perfect storm challenging our industry. It has to do with labour supply and skills supply. There are two major factors. First, we have unprecedented high demand for construction services, and this is projected to go on for a full decade if not two decades. The *Global Construction 2020* report published in March 2011 by Oxford Economics predicts that Canada's construction market will be the fifth largest in the world by 2020, behind only China, the U.S., India, and Japan. And there are some economists who believe we are going to surpass Japan.

To give you an idea of what that means in output, by 2013 total construction investment in Canada will likely surpass \$300 billion, which is double 2004's total in less than 10 years. Projects are becoming larger and more complex. Because of the high demand coming from the resource sector, there is more work in remote areas, where there isn't always the infrastructure to support that kind of development.

To give you some idea of what I'm talking about, the magazine *ReNew Canada* released its 100 top infrastructure projects in Canada. For the first time, the top 30 of those 100 projects were individually valued at \$1 billion or more. The top 61 of those infrastructure projects are valued at over \$500,000.

The other part of the perfect storm is what's happening with our demographics. We have an aging workforce. Like most industries in Canada, we're trying to recruit from an ever-shrinking labour pool due to Canada's low fertility rate. Canada's fertility rate is about 1.58, and 2.1 is what the international economists say you need to replace your population on an ongoing basis. Canada's at 1.58; the United States is at 2.06, almost at replacement; and Mexico's at 2.3.

Last year was the first year that the baby boomers started turning 65. It just about threw me off my chair to learn that for the next decade more than 1,000 Canadians are expected to retire or reach retirement age every day for the next 10 years. The equivalent stat in the United States is 10,000 people a day.

The Construction Sector Council, in their latest labour market information report, says that our industry is going to need to attract some 319,000 new workers by 2020 just to keep up with demand and to replace those who are going to retire. It projects that about 163,000 of that 319,000 we can get domestically. Domestically, in the trades they're tracking, we'll find some coming through the apprenticeship system, some coming through the training system, and some from immigration. But the other 156,000 are going to have to come from outside the industry or outside Canada.

• (1645)

Now, this is not an overnight problem. We've been aware that we were facing this tidal wave for some 10 years or so, and we have taken many measures, primarily on a local, regional, and provincial basis, on a number of fronts, to try to attract more people from under-represented groups in our industry: women, first nations, and aboriginal people. Youth has been a huge focus of our marketing in that area.

Labour mobility is another aspect that we felt had to be addressed by looking at apprenticeships and basically the ability to try to provide more incentives to have people go to where the jobs are. Obviously, immigration is a key part of that. So there is no one magic bullet; there is no one magic pill here. As an industry, we focused on four or five different growth areas as a means to try to increase and enhance our future labour pool.

Now, we get to the question of the day: how can government assist or help in that area? Frankly, to a great degree, this committee has the answers. Your very comprehensive report issued in April 2008 called "Employability in Canada: Preparing for the Future" contained a number of excellent recommendations. In fact, many of those recommendations have since been put into place by

governments. We would applaud a number of the measures that were recognized in that report.

I know I'm getting close to my time, so I'm going to wrap up, but I'll give you some quick examples.

One of them is providing incentives to have people who are either on EI or simply unemployed go from one region to another where the work is. One of the things that our industry has been calling for, and, indeed, this committee recommended, was to provide either some tax incentives through the Income Tax Act or some support for relocation expenses through the EI system for workers relocating on a temporary basis.

And as I said earlier, a lot of projects that we will be doing in the future in the resource sector are going to be in very remote areas, and we're going to need a workforce for a temporary time in that area. Unfortunately, right now there is not a support network to limit or mitigate the expenses incurred by workers going into areas on a temporary basis, when they still have a principal residence to maintain at home. So that's one area where we think there could be some assistance.

The second one is apprenticeship, which I heard being discussed earlier today. The apprenticeship job creation tax credit is a great initiative, as is the incentive grant. Unfortunately, the apprenticeship job creation tax credit, as recognized by the earlier report by this committee, is restricted to Red Seal trades. Moreover, it has been gutted by Canada Revenue Agency, because it made a ruling almost as soon as this initiative came out that said that if you take the tax credit as an employer, you've got to add it back into taxable income the subsequent year. I had a number of contractor members who were absolutely elated when it was first announced, who indeed engaged a number of first- and second-year apprentices, which the tax credit addresses, only to find out that it wasn't the tax incentive they thought it was. That's truly unfortunate because I think it was a good step in the right direction.

On the immigration front, a number of good announcements and initiatives have been made or put into place recently, and there's probably some more work we can do on that area.

Mr. Chair, I think I'm going to stop there and allow some of the further discussion to come up during the questioning, but I will also say that we certainly supported the work of the committee back in 2008 and a number of the recommendations in your report of that year. We would certainly encourage your resurrecting some of the recommendations that have not been acted on.

• (1650)

The Chair: Thank you. Thank you for that presentation and suggestions.

Mr. Thorson, go ahead.

Mr. Shaun Thorson (Chief Executive Officer, Skills Canada): I want to begin by thanking you, Mr. Chair, and the committee, for the opportunity for our organization to present. It's the first time we've had this opportunity, so it's very much appreciated.

You've heard a lot about the statistics, the problems, the shortages, the growing demands, the projects that are upcoming, and the need for workers. I'm here to present the view from a youth perspective, if I can, to try to give you an idea of some of the barriers that we see they're facing. We really see that as one of the first steps in trying to address the skills gap and skills shortage. Unfortunately, I think we're still battling negative perceptions of skilled trades. Mothers and fathers, and even peers to a certain extent, still hold the view that there are not valuable careers available in the skilled trades and technology areas.

Just to provide you with a little background on our organization, we are a national organization with offices in all 10 provinces and three territories. We're governed by a voluntary board of directors. Our mission is to encourage and support a coordinated Canadian approach to promoting skilled trades and technologies to youth. What we're really about are interactive sensory experiences providing youth not just the opportunity to take away a piece of paper telling them about specific careers, but they actually get to try them.

We do that through a number of different activities, including skills clubs and camps, cardboard boat races at the junior high and elementary level, young women's conferences, and activities focused on some of those underrepresented groups. But the activity that we're most well-known for is competitions, where we bring youth from across the country together to participate in regional, provincial, national, and international competitions. It gives those young people a real perspective on what's involved in skilled trades and technology careers.

We believe that what we need to do is to reach students at a young age. We need to provide information and an activity so that they can really understand what's involved in skilled trades and technology careers. In our competitions each year, we have more than 100,000 students participate, starting at the school level. We have about 600 competitors at the national level.

The more important piece, along with those students who are participating as competitors, is that we also have try-a-trade and technology competitions. Visitors to those competitions, which are set up in a convention centre style, find these very conducive to media and public participation. I just flew back last night from Edmonton, where we were hosting the national competition at the EXPO Centre. We had over 200,000 square feet of floor space in the centre, offering more than 40 different trades room for participation. We also had visiting schools from around Edmonton and province there. Students had the opportunity to try a trade or a technology. They could try to build a brick wall or wire a circuit board, or colour someone's hair to give them that sensory experience so they have a better understanding of what's involved in those occupations. We think that is crucial.

You've heard already a little bit about the challenge, the aging demographic that we're battling against, and also an economy that is rich in natural resources and that will definitely have a demand for skilled trades and technology workers in mining, energy, and the construction industries.

You've heard some comments earlier. Some of our recommendations include, obviously, continued emphasis on worker mobility

through the Red Seal program. We think that is key. It is a national standard.

We would also like to see some expansion of that into apprenticeship recognition, which is happening on a bilateral basis from province to province. Again, that's extremely positive. If people are starting training and have gathered experience and have the hours, they are now moving to the jobs to try to meet that economic demand. We want to see things in place that can really support that progress. That's obviously important.

We need to clearly communicate the business case to employers about why they should train apprentices. Again, you heard earlier about the return on training investment that the Canadian Apprenticeship Forum completed a number of years ago. On average, for every dollar invested in the more than 16 trade areas they studied, \$1.37 came back in return to those companies.

• (1655)

We need to continue to deliver that message about training, and we need to develop some better career pathways for young people so they understand that if they enter into a specific trade area, become certified, get their journeyperson status, and want to progress to different elements in that industry, there are opportunities to do that. If they start as a carpenter they can become a foreman, a project manager, or an estimator. We need to clearly identify that to those young people.

We also recommend some stronger alignment between all the systems of education and training. It was mentioned earlier that we need to get to youth at a younger age, and we definitely support that. We need to provide opportunity and information to young people at a young age so they realize they can progress through the system of education to do something they want to do.

When we talk about youth we are obviously talking about underrepresented groups. We feel it is important to have specific programming focused on women and aboriginals. We think that is key. It is probably key in keeping those people in communities, especially when we're looking at rural communities, trying to provide, if not training, at least information to people in those communities so they understand what some of the opportunities available to them are with some of these projects. Many of them are in remote locations.

We need to have a system with a real connection between education and what industry is looking for. Most importantly, we need young people to understand that parents believe skilled trades are valuable careers.

We participated in a joint study with the Canadian Apprenticeship Forum back in 2006, and we asked an interesting question. We asked parents if they felt they had provided positive messages to their children about skilled trades. About 68% felt they had provided positive messages about careers in skilled trades. When we polled the parents' children, only 24% said they had received positive messages from their parents. So there's obviously a disconnect somewhere between the messages parents are sending out and what their sons and daughters are receiving. We think it's important to try to build on that.

I will close my comments there.

The Chair: Thank you very much for that presentation.

I had an opportunity to attend a competition in Edmonton. I can't recall whether it was provincial or national. It was quite remarkable to see their enthusiasm. You mentioned 40 different trades in operation and having the young people participate. Those who accompanied them and were part of the crowd watching were really something to behold.

I would certainly encourage any members of the committee, if you have an opportunity to attend a provincial or a national skills competition, to do so. It really enthralls the youth. It's certainly a good way for them to get a feel for the trades.

You're doing a good job.

We'll start with five-minute rounds.

Monsieur Lapointe, go ahead.

[*Translation*]

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

I will address you in French. Are the witnesses able to hear the simultaneous translation?

[*English*]

Mr. Michael Atkinson: Yes.

• (1700)

[*Translation*]

Mr. François Lapointe: I will address most of my questions to Mr. Thorson. Mr. Atkinson, should something come to mind, you are most welcome to intervene.

To begin with, I heartily congratulate you. If I understand correctly, every year, 100,000 young people have entered the competition. It's a wonderful initiative and it helps puts the situation in broader perspective for me.

There are a great number of dropouts amongst boys, at least in Quebec. The proportion of boys who don't make it to grade 10 is now 40% in some regions.

I'm aware that this touches on education, an area of expertise often vested in the provinces. Nevertheless, is there a way to ensure that these young people can not only easily try a trade, along the lines of what you offer, but can also easily access trade schools?

[*English*]

Mr. Shaun Thorson: Our program, especially the competition process, is focused primarily on people who are within the education system. But there are other activities available for people to participate in that are not connected to the education system. Some of the other activities I talked about—conferences hosted specifically for young women, and some of the try-a-trade activities—are open to the public. So they are not limited to people connected to the education system.

Through our organization there is the opportunity for people to participate in some of those activities.

[*Translation*]

Mr. François Lapointe: Based on what you know, should they discover they have a passion for something, is it easy for them to access training in it? I will give you a very simple example. I had an intern less than two years ago who loved handling the computing in connection with a project I was in charge of, but waited three years before enrolling in a technical trade school because it cost \$12,000. There was nothing in the private sector allowing for his learning the skill, unless he had the academic background he didn't have.

Consequently, collectively we lost a young man over a matter of \$12,000. He had to wait three years before he could complete his training. Today he is working quite nicely. He makes a salary of approximately \$35,000. Had he done this three years before, and had access to training, his productivity would not have been suspended over an amount of \$12,000. The young people you focus on, the drop-outs, do they manage to get into places where they can learn a trade? If not, do they have difficulty accessing these resources?

[*English*]

Mr. Shaun Thorson: It is not a primary focus for us. We are looking at programs like that within our provincial-territorial offices to try to address those people who are outside the system.

We are looking at trying to partner with some other organizations that have programs targeted at people who are not within the education system. That would link them to some of our activities and provide that sensory experience to encourage them to pursue some of those careers.

The Chair: Mr. Atkinson, go ahead and make your point.

Mr. Michael Atkinson: Some of our local construction associations run youth employment programs. Some people might call them pre-apprenticeship programs. If my memory is correct the one in Calgary, for example, run by the Calgary Construction Association with employers is for kids who have dropped out or have no other place to turn. It matches them with employers. To the extent that the show some potential, these employers will take them under their wing. They will sponsor them and try to get them back into trade schools to pursue particular trades. Of course, having close proximity to employers right from the get-go is great, because if the young person is successful they will probably have a first employer waiting to take them on when they graduate.

I know this is being used at the local level, not just for kids who dropped out of the system, but also in some northern communities with first nations and aboriginal youth as well.

[*Translation*]

Mr. François Lapointe: Do I have a few minutes left, Mr. Chair?

The Chair: Yes.

Mr. François Lapointe: Word has it there is a labour shortage. There is another constituency that has somewhat dropped out. These are persons whom we refer to as having weak skill sets. Sometimes they have completely given up and are no longer even qualify for unemployment insurance. Some of them are good manual labourers, but find themselves outside the system. Given the great need for a workforce, wouldn't it be smart to find a way to reach these people, and to support their transition to a trade?

•(1705)

[English]

The Chair: We will conclude with your response.

Mr. Shaun Thorson: Yes, one thing we are looking at is a program targeted around the essential skills, something that would be outside the traditional education system. So for those people outside the system who currently have a low skill level, we can provide some information and some opportunities for them to connect with employers. We can provide some networking opportunities so they can learn and acquire, at the basic level, some of those essential skills identified as important for people to find a place in the workforce, and connect them with employers. So they can build on that, and hopefully that can connect them to a worthwhile career.

The Chair: Mr. Atkinson, do you have a response? Your time is up, but if you could respond quickly....

Mr. Michael Atkinson: My quick response is, absolutely.

The Chair: Okay.

Did you want to add something?

Mr. François Lapointe: The government should take care of those

[Translation]

two priority constituencies. For the purpose of finding workers, would you agree to give priority to dropouts and unskilled workers?

[English]

Mr. Michael Atkinson: One problem we see all the time, which was also mentioned in the earlier session, is that there doesn't seem to be the streaming that used to go on. Way back when I went to high school, there was a place where people could be nurtured and introduced to the trades through shop and technical colleges, which was what I think they were called then.

In many communities today we don't have that. Frankly, it is a loss.

Mr. François Lapointe: Thank you, sir. Thank you.

The Chair: Thank you.

Mr. McColeman, go ahead for five minutes.

Mr. Phil McColeman (Brant, CPC): Thank you, witnesses, for being here.

You stole my opening remarks, in that I was going to give away my age here. When I was in elementary school in the sixties, we went to “shop” in grades 7 and 8. The males went to shop and the females went to home economics. Maybe that was something we have advanced from. Then in high school, one wing of the high school was for shops and trades.

Today in Ontario, I think there are very few curriculum options for students to get into the trades. As we know, this is provincial jurisdiction, though I'm not trying to say there isn't federal responsibility here. This leads to my question on the extent that you can get involved in solving this on a long-term basis. You talked about the need to have it start early in an individual's life, if that person has an aptitude. Can you tell me what kinds of things you're

communicating to the Government of Ontario, the Government of British Columbia, the Government of Alberta, and so forth, across the country?

Mr. Michael Atkinson: Maybe I could start quickly. One thing that we ran into, even 7 or 8 years ago, when trying to get into the junior highs, was an initial resistance to our industry's coming in on career day to talk to kids. The attitude was: “What are you doing coming in here? All our kids are going to university.”

There was this perception that a trade was an occupation of last resort. I think that has turned around. Now, I think there are more local school boards willing to allow the industry and other groups to come in. In the old days, what used to happen in those schools was two hours of career counselling, or whatever it was, with somebody who went to university—a teacher—who would work with the kids who were going to university. As for rest of them, well, they could go and play with the computers. There wasn't the opportunity for industries like ourselves or mining or forestry to come in and make the case to kids.

You're absolutely right that this kind of information needs to be in front of the kids even in grade 6 or 7. But the guidance counsellors in particular, seven to eight years ago, were a part of the problem. We have come a long way, and it's through the efforts, quite frankly, of associations such as the Canadian Apprenticeship Forum and other industries, as well as working at the local level with the community school boards.

•(1710)

Mr. Shaun Thorson: We work with provincial governments across the country, through our provincial skills offices, through departments of education, and departments of advanced education to do just that, to go into schools and provide some complementary activities that focus on trades careers. If there's not that opportunity in the education system currently, because there are fewer shops in schools, that's the reality. We work with those partners to try to provide those opportunities so that we can bring people who are working in those industries into the school—again to provide this sensory experience by giving the young people a chance to see what it's like to be involved in those careers.

To solve this problem we need all the stakeholders involved: we need government at multiple levels, we need industry partners, we need education. That's the only way we will solve this problem, by really getting some alignment in what we're promoting to young people about the careers available. We need to make sure those are in line with the economic demands that Canada has.

Mr. Phil McColeman: It's good to hear that some progress is being made, but it's that same old thing that what goes around comes around, I suppose, in that we are now recognizing the shortfall arising from removing it all, and now have to go back and rebuild, just as Ontario has had to rebuild their medical professions and graduating doctors.

You talked as well about incentives for mobility, and I understand that. As you may know, there are programs targeted at paying tuition and extending employment insurance benefits. So if you find yourself unfortunate enough to have to be on employment insurance, there are options for individuals in a retraining sense to go back into a trade, to take a trade, to go to trade school, and to have the government pay the tuition and also then extend the benefits so you can have some income as you go along.

You're both nodding that you're aware of that program. Is that program useful and viable in generating the numbers of people you will need but who are currently unemployed?

The Chair: Your time has concluded, but we'll get a response from both witnesses.

Mr. Michael Atkinson: It helps. Whether it's a panacea or can, on its own, address the kinds of shortages we're looking at, I don't believe so. In many cases those individuals who are looking for that retraining or re-employment are middle aged. In those circumstances, because of some of the job requirements—including travelling to remote areas and, in some cases, having to be in good physical shape, etc.—it's not always a quick fix. In other words, in taking people who are in their forties or fifties and saying, we can retrain you and you can be on the job tomorrow, other factors come into play.

The Chair: Mr. Thorson, perhaps a short answer...

Mr. Shaun Thorson: I would agree with those same comments. It's not the silver bullet; it's not going to solve all the problems. It's good and will help.

But I think it even starts before that. Again, it's about connecting with those people at a younger age in those communities and providing opportunities in the community where they can start some of that base training. People talked earlier about trying to keep people within those communities, that they don't want people moving out of those communities. One way to do that is to provide some opportunities to train in the community.

The Chair: Thank you.

We'll conclude with Ms. Charlton. Go ahead.

Ms. Chris Charlton (Hamilton Mountain, NDP): Thank you very much.

I'm going to start by making a comment and an observation, more to the committee, really, than to you. We've been studying skills shortages and as a matter of course in this debate that has also evolved around the changes to EI, which you have probably been following in the media.

Government members are now saying that we have unprecedented skills shortages in this country when in fact we know that we don't. We still have labour market surpluses; we still have more people looking for jobs. We have shortages in specific areas and specific occupations, and I think as a committee we need to focus on that as opposed to pretending that there are shortages across the board.

So I was really interested—

Mr. Michael Atkinson: May I respond to that?

The Chair: Yes, sir.

Mr. Michael Atkinson: We have shortages. We would love to be able to fill all of our needs domestically, but we can't right now and it's simple math. When we have a fertility rate of 1.58, we are losing our labour pool quickly.

The other important thing to stress here is that this is not cyclical for our industry. It's not going to go away if all of a sudden demand diminishes very quickly. We have a labour shortage problem in our industry in this country—

• (1715)

Ms. Chris Charlton: Mr. Atkinson—

Mr. Michael Atkinson: Yes?

Ms. Chris Charlton: With respect, I'm not disagreeing with you.

Mr. Michael Atkinson: Okay.

Ms. Chris Charlton: In fact, I did say that we had sectoral shortages, and I certainly agree that within your sector, you do. I don't have an argument with you. I have arguments with some of the rhetoric that's coming out about nationwide labour shortages. In fact, the Bank of Canada in its current monetary policy report said there is excess supply and unused capacity, and I don't think anybody would accuse the Bank of Canada as being an NDP mouthpiece.

To your point, though, I think it is important. In fact, I think it's unfortunate that we've cut sector councils, because some of the really valuable data we've been able to get from them about skill shortages are now no longer available to us.

I was really interested in your point, Mr. Atkinson, that in your industry in particular you can predict and now know that we will have shortages for 20 years, which is a really distant horizon. To me, that represents an opportunity as well as a challenge, because as you said in response to Mr. McColeman, you can't train somebody and you can't put somebody through an apprenticeship overnight. However, if we know that 20 years out we're going to have labour shortages, we can do what you suggest, which is to get young people engaged in the trades again and change the narrative that we've been feeding kids for so long, which, as you suggest, makes the trades an occupation of last resort. Instead, we can say, "You know what? People have made a really decent living in these jobs". Those have been family sustaining jobs.

But it is about investments in training and supports for training. I think it is also, in the short term, about labour mobility. You acknowledged some of the recommendations made in the 2008 report. I wonder if you could maybe prioritize your recommendations them for the committee. If you had to say, here are five things we want the federal government to invest in, what would their order be in terms of investing to help your industry?

Mr. Michael Atkinson: First of all, there is immigration reform, and I think there have been some positive steps in that area right away. There is no question that, despite our best efforts at home, we will still need to look for foreign-trained workers—if not to do anything more than act as journeypersons to train our domestic apprentices. I think that needs to be remembered.

In the whole area of apprenticeship and its promotion, you've taken some good steps. I think there is more that can be done in that area.

The other quick one is training capacity. Up until very recently many of our colleges hadn't had their infrastructure upgraded for 40 to 45 years. I don't mean to pick on it, because it's a great college, but at a time when we need workers, Red River College in Winnipeg had a three-year wait for their carpentry course because they didn't have the space, the up-to-date infrastructure, they needed to do it.

Programs like the knowledge infrastructure program, which was run as a stimulus program, should be regular programs for encouraging and building training capacity, because there's nothing worse than turning on a bunch of youth, turning on a bunch of displaced people, turning on women and aboriginals to get into the construction industry, and when they go knocking on the training door they encounter this response: "Sorry, we can't see you for three years".

The Chair: I hear the bells ringing, so we'll maybe conclude with your comment, Mr. Thorson.

Mr. Shaun Thorson: I know I sound like a broken record on this, but I'm going to say that youth need to know at a younger age what's out there for them. That would help solve this problem. They need to know when they're in high school, and even before that in junior high, that these careers are available for them, that these careers are valuable and contribute to the Canadian economy, and that they can make a wonderful life in Canada working in these areas. That will help solve part of this problem.

The Chair: Thank you very much for your presentation. We had to shorten the proceedings, so we hope you can appreciate that.

Thank you very much.

The meeting is adjourned.

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