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Chair

Mr. Bryan May

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

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• (1100)

[English]

The Chair (Mr. Bryan May (Cambridge, Lib.)): Good morning, everyone.

Pursuant to the order of reference of Friday, November 2, 2018, the committee is resuming its study of motion M-190, labour shortages of the greater Toronto and Hamilton area.

Today we are pleased that the committee will be hearing from three different witnesses.

From the Canadian Federation of Independent Business, we have Monique Moreau, Vice-President for National Affairs; and Emilie Hayes, Policy Analyst, National Affairs. From the Ontario Construction Secretariat, we have Robert Bronk, Chief Executive Officer. From the Toronto Community Benefits Network we have Rosemarie Powell, Executive Director.

Welcome to all of you. Each of you will have seven minutes for opening remarks. If you are going over time, I will wave. Don't panic; just try to wrap up your comments.

Starting us off this morning, from the Canadian Federation of Independent Business, is Monique Moreau.

Ms. Monique Moreau (Vice-President, National Affairs, Canadian Federation of Independent Business): Thank you very much, Mr. Chair.

Thank you for the opportunity to be here today. You should have a slide deck in front of you. I'd like to walk you through it over the next few minutes.

As I know some members are aware, CFIB is a not-for-profit, non-partisan organization representing more than 110,000 small businesses across Canada. Our members collectively employ more than 1.25 million Canadians. Small businesses across Canada account for \$75 billion, or nearly half of GDP. They represent all sectors of the economy and can be found in every region of the country.

As you may be aware, CFIB takes direction solely from our members through a variety of surveys. That makes us a bit different from other organizations. We know that business owners are often too busy to attend round tables or AGMs, so we go directly to them for feedback through our survey process and through our field force

of approximately 220 district managers, who knock on the door of approximately 4,000 small businesses a week. This provides us with an opportunity to understand the realities of running a small business at a grassroots level.

As I mentioned, we are a survey and research-based organization. The data I'm presenting to you today is not necessarily focused on the greater Toronto area, but we know that the experiences of business owners across the country, which I will share with you today, can be readily attributed to the experiences of those business owners.

The first piece of research I'd like to share with you is on slide 3. This data is from our Help Wanted report from the third quarter of 2018, which evaluates small business vacancies across the country. This shows that vacancy rates for small businesses are at all-time high, with approximately 430,000 jobs currently unfilled across the country. The vacancies are highest in the construction industry and for services, including personal services—mechanics, plumbers, electricians, hairdressers, etc. This will likely be increasingly a concern as the baby boomer generation retires over the next five to 10 years. Note that in the construction industry alone, 250,000 workers are set to retire in the next 10 years.

I will let members know that while this data is from quarter three, on Monday we will have new data from the fourth quarter of 2018 coming out. I just couldn't share it with you before then, unfortunately.

As you might expect, given those job vacancy numbers, many business owners have had difficulty hiring the employees they need. As you can see from slide 4, 78% of respondents said they've had trouble finding employees, while an additional 36% have had trouble retaining staff. Past research has shown that employers have the most trouble filling positions that require on-the-job training.

In addition to finding the employees, small business owners face many challenges when actually proceeding through the hiring process. As you can see from slide 5, nearly three-quarters, or approximately 70%, have difficulty hiring due to a lack of candidates in their geographic area, while over half have indicated that candidates are underqualified for their businesses' needs. Nearly half have also indicated that candidates for the jobs they are trying to fill have unrealistic expectations with respect to wages, benefits, vacation time, etc.

To address some of these challenges and improve their odds of hiring the right candidate, many business owners are doing what they can to attract and retain employees. As you'll see on slide 6, 60% of small employers have increased salaries and/or benefits to attract candidates, nearly 80% have improved salaries and benefits for the employees they already have, and 64% have increased training opportunities for these employees.

Part of the reason small employers in particular invest so much in their employees, especially ones who've already been hired, is the cost of training new employees. Once they have found an employee who's the right fit for their business, many small employers will turn to training them to improve their productivity within the business. As you can see from slide 7, new hires with no experience, often young people getting their first job, cost the most to train, approximately \$4,200. A new hire with some experience still requires a significant investment on behalf of the business owner, around \$2,800. As the cost of hiring increases, many employers may hire fewer young workers or may choose to hire more experienced employees rather than youth with little to no job experience.

While I know that this is not the focus of this particular study, it is our view that, as a result, youth could lose out on valuable opportunities to gain work experience, or might be forced to delay getting their first job, meaning that employment rates of youth between the ages of 15 to 18 will remain low. We do think this is a significant solution to the potential problems you've been discussing today, so I will detail that a bit further.

As I mentioned, one solution to the shortage of skilled workers is to invest in youth. We recently completed a report on youth employment. We discovered through surveying over 6,000 members that more emphasis is needed on matching the skills needed by most employers with those that young people have when they enter the job market.

•(1105)

On slide 8, you can see that the most important skills and attributes employers are looking for are general motivation and attitude, communication skills, professionalism, basic literacy, problem-solving and flexibility. Specific industry knowledge, previous work experience and educational attainment are less important to an employer. As you saw in the previous slide, many small employers can and do hire young people, despite the cost to their business.

One way to better prepare young people for the job market is to improve the connection between educational institutions, students and small employers. Community colleges are consistently rated highest by SMEs, as you can see on slide 9, as colleges are connected with the business community and involve the small business community in the creation of their syllabus. In community colleges, instructors often tend to have related on-the-job experience that they can then share with students.

University and high school students are at the bottom of the list in terms of job readiness, which is problematic. High schools should be teaching job readiness skills, as youth often get their first jobs in high school.

Government can also play a role. As you'll see on slide 10, small businesses identified the best ways government can help their businesses hire the workers they need: decrease red tape associated with the hiring process; decrease the costs associated with hiring new employees, either by reducing payroll taxes or by implementing tax breaks for hiring or training; and, provide tax assistance to help them invest in their businesses, such as the accelerated investment initiative.

To conclude, our recommendations are as follows.

We recommend that government consider reducing red tape associated with hiring and training. This can be, for example, records of employment, the LMIA application process for bringing in temporary foreign workers and reporting requirements to access government programs.

We're also suggesting that you consider implementing measures to reduce the cost of hiring and training in the form of perhaps an EI training credit for small business or an EI holiday for youth hiring.

We're suggesting as well that you emphasize and promote the skilled trades as a viable career option among youth and those looking to retrain, and better communicate with small business owners on the government programs that may be able to help offset the costs of hiring and training.

I will conclude on this note. I'm happy to answer questions you may have.

•(1110)

[*Translation*]

I can also answer your questions in French.

[*English*]

The Chair: Thank you very much.

Now, from the Ontario Construction Secretariat, we have Mr. Robert Bronk, Chief Executive Officer.

Mr. Robert Bronk (Chief Executive Officer, Ontario Construction Secretariat): Thank you, Mr. Chair.

Thank you to the committee for inviting me to speak today.

Today I would like to explain what the Ontario Construction Secretariat has seen regarding the skills shortages in the greater Toronto-Hamilton area, and some of the challenges associated with them.

For the sake of speed, I'm only going to use two acronyms. Ontario Construction Secretariat is going to be OCS, and the greater Toronto-Hamilton area is going to be the GTHA. They're both mouthfuls.

I will conclude with recommendations on how to increase the construction skills development in this region.

The OCS was formed in 1993 to represent the collective interests of the unionized construction industry in Ontario's industrial, commercial and institutional construction sector. The OCS is a non-partisan, joint labour-management organization that works with 25 unionized construction trades and their contracting partners. We represent over 100,000 union members and 5,000 union contractors who actively train the skilled construction workforce.

The OCS believes that the skills gap in the construction skilled trades in the GTHA is nuanced and multi-faceted. In a 2018 survey of contractors, we found that among the variety of challenges that contractors are experiencing, recruiting skilled workers was their biggest concern. We will be presenting the results of the 2019 survey of contractors in early March, and will share that report in our written submission.

BuildForce Canada also reinforces this point, citing that as major project requirements approach an anticipated plateau in 2020, keeping pace with rising employment demands across most of the province's regions will remain a challenge for the industry. Although other areas will face skills shortages, the GTHA will be the epicentre of labour market issues, given the size of the construction market and the number of significant major projects currently on the books.

I would like to address the challenges associated with the lack of skilled workers in the industry. Skilled workers are the backbone of this country. Building the Canada of tomorrow requires a focused effort to attract, train and retain a skilled construction workforce. Without sufficient workers, projects are delayed and costs increase.

A number of systemic challenges are associated with future-proofing the construction industry's skilled workers, including an overall lack of awareness of the skilled construction trades, navigating through the complex apprenticeship system and pathway, economic barriers for training, a lack of labour mobility and apprenticeship completion rates. Each of these challenges has complex roots and is not easily solved.

It is important to understand that each trade is distinct in its overall requirements and the number of skilled workers in the labour market. Although the skills gap is an issue facing the vast majority of the construction trades, a one-size-fits-all approach will be less than effective.

For the purposes of my presentation, I'd like to primarily focus on the lack of awareness of careers in the skilled trades, the complexity of the apprenticeship system and the barriers associated with labour mobility.

I'd like to speak about some recommendations of how to increase skills development in this region.

The stigma associated with the skilled trades is central to the ongoing challenge of attracting workers to the construction industry. To better understand the extent of this issue, in 2017 the Government of Ontario undertook a province-wide engagement with more than 1,000 stakeholders in the apprenticeship community. During this consultation the most common recommendation was that there was a definite need to improve the perceived value of careers in the skilled trades and that earlier outreach to elementary and secondary schools is needed. Much has been done, but there still is a need for more.

The OCS started the Future Building expo in 2001, specifically to address this need. This is an annual three-day interactive event co-funded with the Ontario government. Future Building has brought a hands-on trade experience to over 200,000 youth to introduce them to and stimulate their interest in the construction industry's skilled trades. This generally gets moved around the province. It's not in the same place every year.

What we have seen, and my staff has witnessed first-hand, is that young career seekers and the general public do not understand the diversity of jobs and the opportunity in the skilled trades.

I digress for a second. How many people know what a glazier or a millwright or a boilermaker does? How do you research a career option when you don't know that the option even exists?

• (1115)

Returning to Future Building, this event also shows us that hands-on experience in the trades works. Our annual Future Building survey of students and teachers showed that 57% of the students who came to Future Building 2018 are now more likely to consider pursuing a career in the construction trade.

Our goal is also to showcase the trades to influencers. Of the teachers who attended Future Building 2018, 81% were more likely to encourage students to pursue a career in the construction trade after attending it.

Unfortunately, 2019 is the last year of our three-year funding agreement with the Province of Ontario, and we are in the process of looking for new federal and provincial partnerships. We would be happy to showcase our event in the GTHA as we have in the past. I would also like to extend an invitation to everyone here to come out to Future Building in Ottawa. It's going to be held at the EY Centre on May 14 to 16. I'll send that information later.

One of the best ways that more skilled workers can enter the GTHA labour market is to increase apprenticeship levels across the area. In recent years there has been much done to encourage individuals to enter into the apprenticeship system. The continued promotion of supports available for apprentices, such as the apprenticeship completion grants and the Canadian apprenticeship loan system, are vital for those deciding to enter into the skilled trades.

Increased supports can also come from existing EI payments available to those attending the in-class portion of their apprenticeship. When an apprentice is in an official program, part of it is on the job, and then they generally have three eight-week blocks in class. When they go in class, they're eligible for EI. The problem is that, in many cases, the EI payments are delayed and frequently don't arrive until after the eight weeks. During those whole two months, they're not getting anything when they're used to getting paid every Friday. There have been problems with EI payment delivery for years.

This obviously is a challenge to those who live in the GTHA because of the high cost of living. An increase in these payments when apprentices are entering block training would dramatically alleviate the financial hardships that many apprentices experience when they attend their training centres. We recommend the government review the use of these programs and continue to promote them in the GTHA.

Many unions also stress that workers themselves require more support. This is especially important, as some skilled trade workers travel up to 200 kilometres a day, round trip, just to get to the sites in downtown Toronto and downtown Hamilton. While some trades have travel provisions negotiated that provide financial compensation for travel, a better understanding of costs and restrictions on the labour force will provide effective solutions. Many of these costs are unique to the construction skilled trades as workers do not have conventional working situations.

Construction is project-based employment. This means a worker can be dispatched to many different locations throughout the year. It is not the same office address every day; it can be all over the place. Ideas such as allowing workers to claim mileage and parking costs as tax deductions would significantly reduce costs associated with transportation and thus increase the labour pool and labour mobility. Consultants, salespeople, accountants and lawyers are allowed to deduct their travel expenses and parking. This would be welcomed in the construction industry as well. It would also be an advantage for non-union tradespeople, who do not always have the same level of support that those in a unionized environment have.

Research is the foundation of the OCS. As I conclude my remarks, I want to provide you with a summary of some of our current studies. The OCS is in the process of working on a demographic and diversity study. Our apprenticeship longitudinal study is in its fifth year. We are doing an updated study of union investment and training and an update on the underground economy. We are more than happy to provide these reports to the committee and assist with any research requests relating to labour markets in Ontario.

Thank you again for allowing me to make this presentation on this important issue.

• (1120)

The Chair: Thank you very much.

Next we have, from Toronto Community Benefits Network, Rosemarie Powell, Executive Director.

The next 10 minutes are all yours.

Ms. Rosemarie Powell (Executive Director, Toronto Community Benefits Network): Thank you, Mr. Chair.

Thank you, committee, for inviting me here to speak. It's a real pleasure.

I represent the Toronto Community Benefits Network. We are a 99-member organization and growing, a coalition of community organizations, grassroots groups and social enterprises, unions, construction trades training centres and workforce development agencies. Nine of the largest union training centres are members of the TCBN.

We negotiate community benefits agreements into major infrastructure projects, and together as a coalition and with our partners and key stakeholders we are making collective impact.

In the fall of 2017, TCBN undertook a labour market analysis, funded by the Ontario government, to identify strategies to address the workforce development needs of employers and employees in sectors supporting access of under-represented groups to trades and jobs and to procurement opportunities in the construction industry.

Our analysis included both secondary and primary research. First, an environmental scan and document review were undertaken to ground the research and to learn about the trends and opportunities, challenges and best practices and contextual information to interpret the needs of the industry in this area.

The construction industry, as you know, is booming, fuelled in large part by hundreds of billions of dollars of investment of taxpayer dollars into infrastructure projects over the next 10 to 12 years. The industry is one of the largest employers in Canada. Within the unionized construction sector, it provides well-paying jobs with benefits and pensions.

The sector has been described by researchers as one of the most complex and problematic arenas within which to manage people. The structure of construction workplaces, outsourcing, subcontracting, and start-up of flexible firms, leads to the employment relationship's being characterized by separation, conflict, informality and reluctance to embrace change. Structural and cultural impediments to equality, diversity and inclusion and work-life balance exist in the sector, leading to discriminatory cultures, outmoded procurement processes and informal networks.

Once the environmental scan was conducted, TCBN conducted further research.

All lines of evidence throughout TCBN's consultation process confirmed that indeed there is a skills gap in the construction industry. This skills gap was identified at all levels of the industry, from entry-level positions as apprentices to project management experience.

We have seven recommendations from that research, which I have also attached to the paper I presented to you.

There is an untapped labour pool of people from diverse communities that have been historically overlooked in the construction industry who could meet this need. Toronto is 51% visible minorities; Ontario is 32%; Canada is 22%, up from 11% in 1996—doubled in the last 20 years.

In our society, women make up at least 50% of the possible labour market. This reality, though, is not reflected in the industry. The Government of Ontario, in its report on the need to modernize the apprenticeship system, identified that of those registered with the Ontario College of Trades, only 4.4% are women, 1.9% aboriginals and 1.2% racialized apprentices.

Our research built upon TCBN's work during the past two years in supporting the implementation of the community benefits framework for the Eglinton Crosstown construction project.

Community Benefits is proving to be a process to intentionally address the issues of under-representation in the trades. Community Benefits requires the contractor of a project, especially when they're funded by taxpayer dollars, to source from the local labour pool.

• (1125)

The Eglinton Crosstown LRT project runs through many of Toronto's low-income and priority neighbourhoods, and the project has an aspirational goal to hire apprentices and journeypersons from historically disadvantaged groups to perform 10% of all trade or craft working hours on the project. This was negotiated with our Community Benefits coalition.

The partners at the table with the Metrolinx Community Benefits working group have designed and are implementing outreach, support and monitoring mechanisms to track the progress of community members along the pathway and to identify and address challenges that arise. In working through the challenges of building up such a system, TCBN and its partners now recognize that all sectors involved need greater awareness of their strategic roles as well as knowledge, skills and resources to fulfill what is essentially a workforce development strategy for the construction sector.

The Eglinton Crosstown project is starting to show good outcomes, with more than 100 apprentices hired to date and 150 professional, administrative and technical workers hired. It hasn't reached the 10% goal that we had anticipated, but we have more time and we're developing processes. This is what the community benefits process allows us to do.

We celebrate the achievement of each individual. We are proud to tell the story of Ahmed, a young Somali resident of the Mount Dennis community who took an interest in learning a trade after hearing about Community Benefits. He connected with Chris, from Carpenters' Local 27, who saw mentorship as a key to the success of an apprentice such as Ahmed.

Now in his third term, Ahmed is the first of 100 apprentices who have been hired on the Eglinton Crosstown project through the Community Benefits program. Soon, Ahmed will be a mentor in TCBN's NextGen Builders program. He's going to be a journey-person. This program was developed in partnership with the LiUNA African American Canadian Caucus. We are achieving collective impact by working with the industry.

Interestingly, as a newcomer to Canada, Ahmed did not qualify for Ontario Works and could not access many of the supports available through federal, provincial or municipal bodies to access employment services or pre-apprenticeship training. His experience entering the trades was unnecessarily chaotic and harsh.

This example demonstrates the need for government to reduce the artificial eligibility requirements and burdens that are inherent in the current system for newcomers to seek employment.

Just as important, Canada has already invested in welcoming generations of immigrants to our country. Many of these first- and second-generation immigrants, many of them citizens now, continue to be under-represented and marginalized in the labour market. We need to address that situation.

In conclusion, TCBN supports this study on labour shortages to identify the gaps that contractors are facing sourcing skilled trades from the local labour pool. We would add that this study must include an equity, diversity and gender lens.

Further, we recommend that a diversity panel be established, led by senior provincial leaders and subject matter experts in construction, workforce development, diversity and inclusion, and by stakeholders with lived experience. It is so important to meet with those folks who are dealing with the issues on the ground.

The panel's long-term goal would be to ensure that all construction workplaces engaged in publicly funded projects have the knowledge, skill systems and resources in place and are operationalizing diversity and inclusion practices that match or exceed local and global best practices in construction or other workplaces.

The study would build on Canada's leadership with the invest in Canada infrastructure program, of which I'm sure you're all aware, which is a good start for the federal government to develop standards that the industry can buy into and begin to innovate in so as to accelerate systemic change.

The program sets out the criteria for reporting of the community employment benefits achieved by implicated infrastructure projects receiving funding under the program stream.

The next opportunity that is coming up is for the government to pass Bill C-344 at the Senate. If passed, this would require contractors to report on community benefits to the local community. As such, contractors of federal infrastructure projects would be required to engage early with the local labour pool and prioritize the hiring of under-represented groups. Industry leaders in diversity and inclusion are also cautioning that true inclusion requires steps and processes that take time and persistence.

•(1130)

With the bill passed, the next step would be to invest more strategically in training and educating newcomers and under-represented populations about the opportunities and the process to access these opportunities. Investment is required for more pre-apprenticeship programs.

This is an opportunity for under-represented groups to get their foot in, because they have no prior experience and access in the industry. They don't have a mom, a dad, a brother or an uncle in the industry. That's right now how the industry recruits for members.

Let's demystify something. There is demand from under-represented groups to access jobs and opportunities in the industry. TCBN alone has over 600 people in our database who have expressed an interest in the jobs and opportunities created through Community Benefits. Our partners from the vast network of employment services agencies in Toronto will also confirm that they have waiting lists.

Most historically under-represented groups in the trades are experiencing high levels of unemployment in their local communities, sometimes double or triple the national average. We look at that at TCBN and we see this as a massive opportunity: untapped labour that you can call on. We need the opportunities to be opened up for them.

Canada had no problem more than 80 years ago in figuring out how to rapidly attract women into non-traditional jobs when the Second World War presented a labour shortage in male-dominated occupations. The period required to develop and implement the strategy was approximately five years, and that was during wartime. Within the construction industry, we have 10 to 12 years.

We know the investment is there. Here is our opportunity to take that leadership by providing the appropriate incentives and supports to attract our women, racialized and immigrant workforce into the trades.

Thank you.

The Chair: Thank you very much.

Up first with questions, we have MP Barlow, please.

Mr. John Barlow (Foothills, CPC): Thank you very much, Mr. Chair.

I appreciate everybody being here. You've given us some very good food for thought. I appreciate when witnesses come with some recommendations, as well, for us to address some of the issues we're facing.

Mr. Bronk, you mentioned a couple of things that caught my attention.

One was that you were mentioning obstacles for those interested in the skilled trades in accessing the apprenticeship programs that are available. That caught my attention. I know when we were in government, we did a study which showed that I think more than 50% of people who go through apprenticeship programs don't finish for one reason or another. We brought in the apprenticeship loan

program to try to address that. There are other programs as well: the apprenticeship grant, the completion grant.

What's happening so that people out there are not understanding that those programs are available? Is there something that we need to be doing to try to raise awareness about those programs? What would be your recommendation there?

Mr. Robert Bronk: That is an issue.

In my previous role, I was the training director for the painters union, and I worked directly with apprentices. It's lack of awareness. They're not aware of the loan program. They're not aware of the completion grant. I would tell them that they were leaving money on the table.

Because it goes by calendar years, they forget. What happens is that when they're finished, let's say their first year apprenticeship—12 months—and they've done the first block, we submit something to MTCU. MTCU has to send them a letter, and then they send that letter to the federal government in order to get that money.

The problem is that many workers move around a lot. When they get the letter, they forget about it. The address is wrong. They forget to do it. I would be interested in seeing and comparing how many people were eligible to get these completion grants and how many actually did it. There's a bit of a disconnect in terms of the federal government and provincial government. They're not taking advantage of it. They're not aware of it.

Those are things that happen when they've completed the program. The problem is that they need that support while they're going to school—

•(1135)

Mr. John Barlow: Right.

Mr. Robert Bronk: —and not after they're finished.

They are good programs. Anecdotally speaking, if you talk to employers, they probably have no clue that they're entitled to \$1,000 if one of their apprentices writes their C of Q. I'd be curious to see what the uptake is on that, as well.

The problem is awareness.

Mr. John Barlow: Yes.

Mr. Robert Bronk: It's the awareness of the different trade possibilities. There are 24 different trades; people know five of them. They know plumbers, electricians, carpenters, painters, but they don't know all the others.

Mr. John Barlow: Yes.

Mr. Robert Bronk: Also, teachers don't know them; guidance counsellors don't know them and parents don't know them.

How do you direct someone to look at this? Some of them are very high-paying, six-figure jobs, with a good pension and highly in demand.

When you look at crane operators, there are over 100 cranes in the city of Toronto right now. Seattle is second in North America at 60. You get over \$100,000 being a crane operator. That's a good-paying job.

Mr. John Barlow: It used to be like that in Calgary, not long ago.

Some hon. members: Oh, oh!

Mr. Robert Bronk: Again, it's awareness, and then sometimes it's just complexities, a bit of bureaucracy. There are so many steps to get the completion grants and to get the loans that they just get lost.

Mr. John Barlow: It would be interesting to track down, and maybe we can track down, the numbers of those who have actually accessed—

Mr. Robert Bronk:—yes, how many potentially could have had it and how many did.

Mr. John Barlow: I appreciate that.

The other point I was going to ask you about, and I think most of you touched on it, is that I think there's no question that we've undervalued these career options. I mentioned the other day that I have a composite high school in my riding. It has been very successful with programs such as Skills Canada, for example, but they're actually thinking of closing the entire composite part of the high school, which is incredible. We had a group of students who started a robotics program in the school, and Skills Canada.... They made it to the worlds and had no support to go to the worlds, despite having global companies waiting to hire them once they were there to compete.

I'm not familiar with the Future Building program, but I found a quote of yours that I thought was interesting: "People think that...you get into the trades you're stuck with a hammer and a drill for the next 30 years, but that's actually not the case."

What are we missing here in terms of promoting these programs? I think you touched on it. It's not just at high school. We need to be talking about these at the elementary level, so that teachers and guidance counsellors understand the potential careers that are available and the wages that go with them.

I guess we have to work with the provinces on this, but are there some programs or initiatives we could be undertaking to highlight them at that level as well?

Mr. Robert Bronk: In events such Future Building—and I'm tooting my own horn, obviously—what happens is that we have approximately 20 of the unions come in, they have a hands-on booth, and the kids come in and get to try what that trade involves.

Virtual reality has become a big training tool. They can weld using a virtual welder. They can paint—spray paint, not brush and roll. They can go on a Genie. They have the virtual reality and are up on a Genie and are working. These training tools help real apprentices learn via virtual reality. It's safer and better. It's just like pilots. They train in virtual reality and are then much more apt to do well in the real world. We expose them to the tools this trade uses.

We have younger apprentices there who are obviously closer to their age. They ask, "What did you do? What were your challenges? Why do you like doing this?" There's a lot of interaction. Those are the kinds of things that really resonate and change people's attitudes. We take surveys of people coming in and we take them when they exit, and there's a dramatic change. They'll say, "Oh, I didn't know that."

Kids nowadays love all the cool electronics and cool high-tech stuff. Well, let me tell you, if you see what the ROM did with the

glass and the high-tech equipment.... The total stations are about \$15,000. Guys have to train and use that equipment to build stuff now. It's not the old hammer and drill; it has become high tech, and you're not getting muddy all of the time.

That was my quote: You don't have to have a hammer and drill for the next 30 years.

Once you become a journeyperson, you can become a contractor. You can take some courses in project management and estimating and start your own company, or you can work for another company and be an estimator, or....

You don't have to be on the job site for the next 40 years. You can be, if you want, but there are many different job branches that come out of the skilled trades, and once you have your journeyperson, your C of Q, you can go on to bigger and better things.

• (1140)

Mr. John Barlow: They just don't know it.

Mr. Robert Bronk: They don't know and parents don't know. They think Johnny or Jane is going to be hammering in the wintertime for the next 40 years and think, "No, you can't do that." They don't see that they can possibly become the boss and start their own company.

The Chair: Thank you very much.

Next we have MP Long, please.

Mr. Wayne Long (Saint John—Rothesay, Lib.): Thank you, Mr. Chair.

Good morning, colleagues. Good morning to our witnesses. Those were great presentations.

I'm going to give most of my time to the parliamentary secretary, Mr. Vaughan, but before I do, Mr. Bronk, I have one quick question for you.

With respect to trades, do you see resistance at times in particular trades to apprenticeship training?

I'm from Saint John—Rothesay, which is a very industrial riding. One issue I see at times is that there's a resistance to taking apprentices, because some of the trades are concerned they'll take their jobs, which is almost the reverse of the case.

Do you see that up here at all?

Mr. Robert Bronk: You're saying that older workers don't want to see—

Mr. Wayne Long: Yes.

Mr. Robert Bronk: You know what? That's really a short-sighted vision, because the reality is if you're getting new workers in, they're contributing to your pension fund.

Mr. Wayne Long: But do you see that?

Mr. Robert Bronk: Very little. Very little.

Mr. Wayne Long: Thank you.

I'll give the rest of my time to Mr. Vaughan.

Mr. Adam Vaughan (Spadina—Fort York, Lib.): I'm going to follow up on that line of questioning, because local benefits agreements have been an extraordinarily important tool to tackle youth unemployment in Toronto. In the riding I represent, we have a job site, the Alexandra Park revitalization, that's rebuilding a community of 600 public housing units, and almost 70 young people have been enrolled into the trades at one point along the way.

The biggest complaint we hear is that while union leadership is very strong on apprenticeship and very strong on local benefits agreements, when the young people are on the job site, the rank and file consider it babysitting, and young people are sometimes subjected to some pretty tough behaviour on the part of the rank and file. How do you make sure the rank and file move with the union leadership on this, which has been very strong, to make sure that the workplace is a secure and safe place for diverse, especially young diverse, enrollees?

Ms. Rosemarie Powell: In addition to the consultation that we did, we also, through funding from the Ontario government, underwent a process of research and development to look into the issues that under-represented groups are facing, not only in terms of getting access to the trades, but also once they're in, in terms of their experience and whether they feel welcome, as if they're in a place where they can actually learn, grow and thrive. In that research, we did get a lot of negative feedback about their experience and about some of the very same issues that you raised.

One thing came back as a really important solution to help address that. Obviously, it's a community, a labour and industry partnership, so we're always trying to find solutions together to how we can address the issue. Mentoring came up as a big need, and that's why we developed the NextGen Builders program, for black youth especially. Now we're expanding it to support women. By the way, that's with federal funding, so thank you very much. This is about journeypersons supporting an under-represented worker and welcoming them and having a structured way—

Mr. Adam Vaughan: You referenced that it's easy to support your brother's kid; it's much tougher to support someone down the street and around the corner.

Ms. Rosemarie Powell: Absolutely, and we've been working with the unions to do that. We just got started. We have 35 mentees in the program and we have over 25 mentors, journeypersons from the different unions, who've already expressed interest and registered for the program, and we expect it to grow.

Mr. Adam Vaughan: I would assume local benefits agreements are critical to making sure that support is centred around communities that are experiencing work opportunities.

Ms. Rosemarie Powell: Absolutely.

Mr. Adam Vaughan: In terms of the unions, you've done great work as a group, but one of the things we heard from the member for Hamilton was that some of the unions aren't experiencing shortages of labour or personnel and others are experiencing extraordinary ones. In light of the fact that it requires a significant amount of time to get highly skilled tradespeople into the process—apprenticeship alone is not going to meet the needs quickly, and over the short term it's not going to meet the needs quickly—how critical is it for us to reassess our immigration strategies to prioritize, and prioritize in real time, bringing in people with those highly skilled trades and settling

them in to the workforce as citizens and permanent residents? How critical is that to making sure the immediate short-term needs of the labour shortages are addressed?

• (1145)

Mr. Robert Bronk: That is a complicated issue. Our experience has been that there aren't a lot of skilled tradespeople immigrating to Canada. Most of the immigration is not coming from countries where they have a formalized apprenticeship program. We're not getting immigrants from Germany, where they have probably a more advanced apprenticeship program than we do in Canada. We're not getting waves of immigration from Germany or countries that have this. A lot of the immigration is coming from countries where the education levels are lower than those in Canada, so I'm not too sure that is a solution. There might be immigrants who want to come and enter the construction trades as an occupation, but I don't think there are a whole lot of skilled tradespeople who are waiting to come to Canada.

Mr. Adam Vaughan: But would it be easier to graduate people who have construction experience into the process than it would be to start from a standstill?

Mr. Robert Bronk: Definitely.

Mr. Adam Vaughan: If you, for example, targeted welding, there are different categories of welders, obviously, so bringing in people with basic welding experience and graduating them up would be a lot easier than trying to find people who have no welding experience whatsoever.

Mr. Robert Bronk: That's exactly right. It is complicated. With immigration there are a lot of cultural things too. Depending on the country they're coming from, in many cases construction is the lowest of the low occupations, where you're general labour and you have no education and that's what you do. When people come to Canada and they say they don't want their kids in construction, they don't realize that to be an electrician, you have to have your grade 12 physics, your grade 12 math and you have to be university level in high school. They don't see that. There are some cultural things. The parents aren't aware that you can't be—excuse me—the dummy of the class. It's not, “You should go into carpentry; you're not academically—”

Mr. Adam Vaughan: They should go into politics.

Voices: Oh, oh!

Mr. Robert Bronk: Yes.

Ms. Rosemarie Powell: Could I add one little thing to that?

A voice: Yes, please.

Ms. Rosemarie Powell: Thank you very much.

Notice in my presentation that I said 1.2% of racialized people are registered in the Ontario College of Trades. The term there is “registered”.

There's a whole heap of people right here in Toronto and Hamilton who are actually working in the underground, doing construction work. They are experienced workers. We have a lot of small businesses. There is a whole heap of subcontracting that happens within the industry. There are a lot of minority subcontractors and contractors who could, if they knew about tapping into the benefits of becoming unionized contractors, or the benefits of registering their apprentices with the Ontario College of Trades.... We could tap into a more skilled labour pool right here and now with the people we currently have in our local communities.

Mr. Adam Vaughan: The other issue we found is that we had, on a public housing work site, which is under CUPE's governance.... A social enterprise started within the neighbourhood to switch out high-volume water toilets for low-flush toilets.

Ms. Rosemarie Powell: You're talking about Building Up.

Mr. Adam Vaughan: They were chased off the construction site by a CUPE local because it was taking the place of.... They were saying it was taking the work away from a unionized workforce and that they were cutting wages, effectively, by providing this entry-level position.

How do we make sure that we protect union work but at the same time create pathways to participation when you have the very people who are arguing for social justice arguing against it when it appears on the job site?

Mr. Robert Bronk: I'm curious as to why CUPE would be involved in this because they're not a construction union. They're a public service union. They shouldn't be doing that work to begin with.

The Chair: I have to cut you off, I'm afraid. We're way over time.

Mr. Duvall, please.

Mr. Scott Duvall (Hamilton Mountain, NDP): Thank you to all the witnesses for coming here.

One of the things, Mr. Bronk, that you mentioned was about European countries and not many skilled people. I understand from the regional manager of the carpenters union, from western Ontario, that the carpenters union has visited places such as Scotland, Portugal, Italy, Ireland and many European countries with skilled tradespeople who are willing to come to Canada. They want to immigrate to Canada. They want to be here.

• (1150)

Mr. Robert Bronk: Right.

Mr. Scott Duvall: Unfortunately, to immigrate permanently to Canada, under our current federal laws we don't offer that option.

Many of them would like to come over, immigrate or bring their families over after a year or so because it's a hardship.

Do you believe we should be looking at changing the law to allow this to happen?

Mr. Robert Bronk: To be frank, I think we need to look at programs like community benefit agreements first, and look after.... There's a whole labour pool we haven't tapped that is just starting to get tapped into.

Yes, I think that would be a partial solution, but I think there's a big block of Canadian citizens who would like to get into the middle class with these highly skilled, well-paid jobs.

To answer your question, I think we should investigate this option as well as look at people who are already skilled and allowing them to come to Canada.

Mr. Scott Duvall: This leads me to my next question.

My understanding is that we do have a lot of skilled labour that's not being used because of some companies not paying a fair wage. There's a difference in wages.

If you look even at apprenticeship training, union has a higher percentage of completion rates than that of non-union, because of the big gap. You can pay anywhere from \$19 to \$44, in some regions. Where are you going to get a skilled electrician who is going to work for \$19 an hour? That's not going to happen.

Mr. Robert Bronk: There's a difference between the compulsory trades, like electricians, and the voluntary—I don't like the word "voluntary"—the non-compulsory trades. In the non-compulsory trades, I can buy a pair of white pants and get my van, go to Home Depot, get a paintbrush and I'm a painter.

If you never go to a training centre and never become a registered apprentice, are you actually a skilled tradesperson? You're not actually working on that path like you are in college or university to get that degree or diploma, that journeyman's status. Your skill level is going to increase with the more experience you have, but at the end of the day, is that really skilled trades? You're not taking the whole scope of work. If you're with a contractor who only does this little bit of work, that's all you know. You're not a journeyman, because you don't have the whole scope of work. Is that really a skilled tradesperson? You're employed in the trades, but are you a skilled tradesperson?

I would argue that the union sector has pushed more of this training on its members. I have a few numbers here. There are \$40 million a year invested in Ontario in specialized apprenticeship and health and safety training. That's in addition to the money the provincial government gives for apprenticeship training. The unions have invested heavily into skills and health and safety training. It's difficult for a non-union contractor to get all of that training, because they're a one-off. The unions have created over 95 unionized training centres across Ontario. So it's easier, and more used, for union skilled workers to get their skills, as well as their health and safety training, which is really important. We want everyone to go home safe.

Mr. Scott Duvall: I absolutely agree.

On another issue you've brought up, which I hear is very critical, we have a lot of skilled tradespeople who might be made idle because there's no work in that region. You have [*Inaudible—Editor*]

Mr. Robert Bronk: Yes, labour mobility.

Mr. Scott Duvall: —in Toronto, where the demand is bigger. Those people could be offered jobs where it's needed in Toronto, but they are not allowed to claim expenses. If they're clearing \$1,000 a week and they're spending 50% of those wages on expenses, what's their incentive to...?

Mr. Robert Bronk: There's the higher cost of living. You're not seeing waves of people from Alberta coming to Ontario, like when the economy crashed in Alberta. The cost of living is so high that they can't afford to move to Ontario.

Mr. Scott Duvall: Right.

Do you feel that there should be some type of incentive where they could write off some of their...?

Mr. Robert Bronk: That was part of my proposal. Accountants, lawyers and salespeople can do that. People who live in Barrie are working in downtown Toronto.

Sometimes it costs \$30 a day to park your truck. You have to bring your tools, hard hat...you can't hop on the TTC.

Mr. Scott Duvall: Do you feel that's a critical issue that we should be looking at?

Mr. Robert Bronk: That would help labour mobility, for sure.

• (1155)

Mr. Scott Duvall: Thank you.

The Chair: Up next, we have MP Sangha, please.

Mr. Ramesh Sangha (Brampton Centre, Lib.): Thank you, Mr. Chair.

Thank you, everyone, for coming today and giving us this good, valuable information.

I'm from Brampton Centre, which is just at the outskirts of the GTA. We have a very great labour shortage problem in Brampton. In my riding of Brampton Centre businesses are flourishing; the construction industry is flourishing all over, but labour shortage is a big problem.

Constituents have come to me. One is Didar Singh, from ASCO. He and his colleagues came to my office and wanted to know how they can survive in the business, because of the labour shortage and non-retention of labour. They're not able to retain people. Skilled people come. They stay for a few months, and then get jobs with more income and move away. They're not able to retain them. They have told me stories that they're losing business. They're hiring people who are not experts or trained. They don't do the jobs properly. Their jobs are being turned back. It's a very vexing problem at this time.

There's a gap. You have not discussed the gap. Rosemarie Powell has discussed the community benefit agreement of Bill C-344. That's my bill.

Ms. Rosemarie Powell: That's right.

Mr. Ramesh Sangha: I know that it will be coming up very shortly. When it becomes a law, it will be for only the federal infrastructure investment. At this time, this juncture, we are facing a big problem regarding the shortage of manpower. How do you think that gap can be filled?

Mr. Robert Bronk: I have a couple of suggestions that I didn't actually talk about.

The federal government has offered the loan program as well as the completion grants, but the federal government also controls a lot of money in construction. If they had procurement language not just for the big infrastructure projects but for having, for the sake of an example, minimum apprenticeship levels.... Let's say it's at 10%, so that whoever bids on this job has to have a plan to hire 10% apprentices.

A lot of times in the voluntary trades, apprentices drop out because they don't get enough work hours. They might get only 1,500 work hours, not 2,000 hours. It's not so much that they didn't like the job; it's that they have bills to pay and the cost of living in Toronto is very high.

The federal government, the provincial government and the city control a lot of money when it comes to construction procurement. If there were this language in that criteria to win that job, that would create a pipeline of apprentices getting hired. Contractors would have to hire 10% apprentices. That pipeline would be fed and people would move up. They would get their hours and they wouldn't drop out. They would complete their apprenticeships and become journeypersons, and you would have a success.

Mr. Ramesh Sangha: You raised the question of people coming from foreign countries as temporary foreign workers and not having good qualifications, such that they cannot be put directly into a job. They have to get the training. Do you think there should be any changes to the immigration set-up so that they can start immediately or so the skilled people can be selected from foreign countries and brought here?

Mr. Robert Bronk: The big issue is safety and language. If it's a new construction site and you have all these trades at work and they don't know what each other is doing, safety is a huge issue. If they can't speak English and comprehend, it becomes a problem. Let me give you an example.

The Ministry of Labour in Ontario has a number of regulations with respect to equipment. A lot of construction trades use scissor lifts and Genie lifts. They use swing stages. In order to operate that equipment, you have to pass a written exam as well as a practical exam. If your comprehension is not there, you're not going to be able to get trained properly so that you can use that equipment. How can you be dispatched and work until your language skills are such that you can pass? You're not allowed to operate that equipment until you have that record of training, that ticket.

Health and safety are really important. If there are gaps in language and you can't get that training.... Rosemarie alluded to the underground economy. A lot of times, the underground economy is taking these people and putting them to work, and they're getting killed. I don't need to talk about some major front page accidents. A lot of times the people were not from Canada, couldn't speak English and weren't aware of their right to refuse dangerous work. They were sent to do a job that was the only work they could get and they died.

That's what happens when you send out people who are not trained properly. Never mind the skilled trades training. It's about the health and safety training. If they can't get that training and pass those tests or use that equipment, bad things happen.

• (1200)

Mr. Ramesh Sangha: Thank you very much.

The Chair: Bobby Morrissey, please.

Mr. Robert Morrissey (Egmont, Lib.): Thank you, Chair.

What's been interesting about this study is that not much new has been presented relating to how we train for skill shortages within basic labour components. Part of the reason the motion was moved is that we have a looming labour gap in specific trades, and the suite of programs that this country offers, both provincially and federally, has not addressed that. For years, I've heard guidance counsellors in our schools not educating young people about the value of trades. I have a composite high school in my area, but the composite part is closing because there are just no students going in.

This will have an economic impact on our ability to carry out significant capital infrastructure projects. There are both sides of immigration coming in. You referenced that we don't get a lot of immigration from countries that have highly sophisticated trade programs, so then we're depending on immigrants from countries where they are not trained.

Is there an area where we should be doing more to address this and to bring in people from countries that do not have those levels? From a programming side, how do we address that side of it to avoid the issue you referred to as the accident occurring because they were not trained and there was a language barrier?

Mr. Robert Bronk: There are laws in place already.

Mr. Robert Morrissey: The laws are there—

Mr. Robert Bronk: The laws are there. I still think there's a huge awareness issue within Canadian society right now. You say they're closing down in Ontario. A number of years ago all the shop programs were shut down, so kids were not even taking shops anymore, which has a long-term affect as well.

I still think an awareness campaign.... For example in Germany, they do not differentiate between the trades, colleges and universities. They're all have equal status and look how successful they are.

Mr. Robert Morrissey: Germany was pointed out as reference model country 10 years ago.

Mr. Robert Bronk: Yes, but everyone nods their heads and nothing happens.

Mr. Robert Morrissey: Yes.

Mr. Robert Bronk: The problem is that there are some best practices, but they need to be adopted.

Mr. Robert Morrissey: You made one good recommendation. Obviously, with regard to mobility within our own country, I hear all the time from skilled...asking why should they go. They can't claim.... They get a standard employment deduction—I think it's \$1,000—on taxes generally across the board, but you don't have it.

This committee will end up doing a report that's focused on the GTA, but it exists in all pockets across the country.

• (1205)

Mr. Robert Bronk: Yes.

Mr. Robert Morrissey: It's going to have to be a blended approach of continuing to focus on the value of skilled trades within our own population. We'll have to do better because we've heard this story before and it hasn't been addressed.

Part of it is the recruitment of people to this country to grow the population to deal with that. How do we better prepare to have them successfully integrate into the construction environment now?

Mr. Robert Bronk: There are pre-apprenticeship programs. The unions are already doing this. There are programs in place. There's ESL. There's a lot of this already taking place, but it needs to be scaled up. That's one of the issues.

Also, I still think that the awareness issue in high schools is just not there. It's still not there. Parents in Toronto, they want their kids to go to U of T or George Brown. They think, "Oh my goodness, you want to be an electrician?"

Skills Ontario or Skills Canada had a really cool ad. They had a Mercedes and the licence plate said "Doctor", and then they had an Aston Martin and it said "Lawyer", and then they had another high-end car and it said "Plumber".

When you look at how much tuition a person pays to get all those things.... I think the cut-off point is at 50 years old. If you start off in the trades as a plumber, "you're earning while you're learning". That's the phrase. You're making money while you're an apprentice. It takes, I don't know, 30 years or so before the lawyer and the doctor catch up because you can make that much money in a skilled trade. It's the perception that it's not equal.

Mr. Robert Morrissey: I agree.

I want to follow up on a question raised by my colleague, Mr. Long, because I've had a number of young people who were in the apprenticeship program. They were in the plumbing trade. They told me that the contractor wouldn't hire them back because the plumbing company was saying, "Well, you'll get your red seal, then you'll leave, start a company on your own and compete with us."

Mr. Robert Bronk: That's very short-sighted.

Mr. Robert Morrissey: It is occurring.

Mr. Robert Bronk: Yes, I know. You're going to have people like that everywhere, in every industry, across the board. That's very short-sighted.

The Chair: I agree.

MP Barlow, please.

Mr. Robert Bronk: There was a phrase I used to have in on my email footer. It was something about those who are afraid to train their workers because they'll lose them. I'm paraphrasing it, but if you don't want to train your workers and you're afraid you're going to lose them, then guess what? They might stay. If you keep them, then they're untrained. Yes, there's always the risk that you're going to train people and they'll leave, but the problem is that they might stay.

The Chair: Thank you.

MP Barlow, please.

Mr. John Barlow: Thank you very much, Mr. Chair.

I'm going to split my time with Mr. Diotte.

I just have a couple of quick questions for our friends from CFIB. I appreciate your being here.

I wasn't planning on asking the first one, but with all due respect to my colleague, Mr. Sangha, I'm concerned that we're going down this path of the community benefits program in Bill C-344, as if that is somehow going to address labour shortages. Our concern with that bill is that it is nothing more than additional red tape and costs for SMEs. There's a lot of ambiguity in the bill. The minister may request this. There's no definition of what "community benefits" mean. I think this is virtue signalling again, by a government that is not paying attention to the economic impact this will have on SMEs.

I'm just curious. Have you done any work with your members on the the impact a community benefits program would have on your members?

Ms. Monique Moreau: Thanks for the opportunity.

No, we have not, in Ontario, but we did poll our members on a similarly designed bill in B.C. There was very little support, for the reasons you mentioned. Adding layers of paperwork to securing contractors or in the situation where an SME becomes a sub, as Rosemarie mentioned, which is very common.... They're still required to comply and provide the paperwork, and it becomes problematic.

Mr. John Barlow: Yes, it's commendable. I don't think there's enough detail in this bill to ensure there won't be additional costs.

Contrary to my colleague Mr. Long's comments the other day, we made some significant changes to the temporary foreign worker program in 2014. Maybe we went a little too far on the restrictions. You were talking about the red tape and obstacles to accessing the temporary foreign worker program, specifically with the LMIA. I hear all the time that it's taking longer and longer to navigate through the system. A lot of them have just given up; it takes too long is too costly.

We've talked about something like a trusted-employer program for those who have been in the system for five years with no problems. They have been audited and everything's been clear.

• (1210)

Ms. Monique Moreau: Yes.

Mr. John Barlow: Have you had conversations along that line? What would you do to make the LMIA program more streamlined or easier to access?

Ms. Monique Moreau: Certainly. It's problematic for a couple of reasons. Firstly, the cost went up significantly in 2014 and is now \$1,000 for a small business. If you're applying for three, four or five positions, that becomes significant.

You have to remember that a small percentage of our membership does rely on the program. It's about 10%, but for those who do, it is critical to their business. The delays you mentioned end up causing business owners to miss a season, for example. I'm thinking of beekeepers in Saskatchewan who were waiting.... I think the most recent complaint we've had is that members are waiting nine to 12 months for the approval of their LMIA. This particular bee farm—I'm probably going to use the wrong terminology—was waiting for beekeepers, and they didn't arrive, so they essentially missed their honey collection season that summer.

With hot-air-balloon operators, for example, codes are not keeping up with how job definitions are changing. This has seemingly improved, but we're hearing too that business owners don't understand why their applications were rejected. They get vague letters saying, "You were rejected." Is it because you didn't put the postal code on your application? Is it because your evidence of trying to hire Canadians wasn't sufficient? It doesn't necessarily clarify the reasons for the business member, who's now out \$1,000, a significant amount of money for a small business owner.

Our perspective on that has been to improve the LMIA—certainly the cost, and to perhaps consider refunding business owners if they don't get a successful application. It shouldn't be an earnings process for the federal government.

Mr. John Barlow: A revenue generator?

Ms. Monique Moreau: Thank you. It shouldn't be a revenue generator.

Secondly, there has to be something done with the time frame, or perhaps there's a short response time so that within two weeks you hear that yes, your application is complete; yes, you have all the elements; and now you're into perhaps the six-month backlog. I think even having some feedback looped to the business owner about where their application is in the process—yes, you're close, or no, you're not—will allow them to then make alternative arrangements within their business.

Lastly, we're big advocates of something called the "introduction to Canada visa", which is something we have suggested. Once a business has gone through the process and the steps of bringing that individual into the country, it works very hard to settle them into the community, to make sure they're feeling supported by doing the language training and some of the other things my co-witnesses have mentioned today. But then then they leave. We think that's a lost opportunity. We would encourage putting them on a path to permanent residency once they've been in the country and are proven to be embedded in the community. Allow them to change employers certainly, if they will, but they shouldn't necessarily be kicked out of the country.

Lastly, we're also big advocates of an employee's bill of rights. That's part of a report I can share with the committee if there's interest.

Mr. John Barlow: I'll pass my time on to Kerry.

The Chair: He's given you a whole minute.

Mr. Kerry Diotte (Edmonton Griesbach, CPC): Very quickly, I think we've all been in Ubers and cabs and so forth and end up talking to people who have come recently to Canada and are highly skilled. They could be plumbers, electricians, doctors, and they can't get certified to work in Canada.

Mr. Bronk, is there a quick solution to that or something you could offer?

Mr. Robert Bronk: There is something in place. It's called an "equivalency assessment" that the Ontario College of Trades does. You can present your training and they will review it, and then they will deem you to have your so-called certificate of apprenticeship, your C of A. They won't make you go through the whole apprenticeship again. That then allows you to write the C of Q, which is a certificate of qualification. That enables you to become a journeyperson in Ontario, and if it's a red seal trade it's recognized across Canada. That exam is Canadian-specific. Our building codes, etc., are Canadian-specific, so even though that person might have been qualified in his or her country, they still need to know what the building code is. They can expedite that process and apply for an equivalency exemption so they don't have to go back for three eight-week blocks and prove their work hours. They can do that process.

The Chair: We have MP Hogg next, please.

Mr. Gordie Hogg (South Surrey—White Rock, Lib.): Thank you. I will be sharing my time with the ever brilliant and prescient parliamentary secretary Cuzner.

Some hon members: Oh, oh!

Mr. Gordie Hogg: A number of the issues that have been talked about here are certainly present in metro Vancouver as well, and we've seen a number of examples of people trying to respond to those things. Affordability seems to be the pre-eminent issue we're hearing about or getting feedback on, to the effect, "We can't afford to live here", despite the fact, as has been pointed out, there are great salaries coming out of the trades in particular. We're also seeing a number of tradespeople living outside of the metro area who are now being compensated for travel. They're saying that they're not going to take a job there unless...and they're in a strong negotiating position with that. That's changing the labour force a bit as well.

With respect to the SMEs, do you have any data or metrics with respect to the number of people who are actually going into part-time as opposed to full-time work, with an expectation that there aren't as many benefits associated with the latter? Is that something you've confronted? We've heard anecdotally this is happening.

• (1215)

Mr. Robert Bronk: Are you asking me?

Mr. Gordie Hogg: No, I wasn't. I was going to ask Monique.

Mr. Robert Bronk: Sorry, I wasn't sure who you were asking.

Mr. Gordie Hogg: You can answer it, too, if you wish.

Sorry, but with respect to the SMEs....

Ms. Monique Moreau: Are you asking whether there are more part-time jobs offered at the SMEs?

Mr. Gordie Hogg: Some employers are saying they want to go with part-time jobs rather than offering full-time positions because part-time jobs don't have as many benefits, and therefore they can—

Ms. Monique Moreau: Oh, I see. It's just to save on the costs.

Mr. Gordie Hogg: Is that anything that you're—

Ms. Monique Moreau: A labour shortage is a labour shortage. Most of our employers are looking for full-time, long-term employees to come and fill those labour gaps. In our experience, contractual or part-time work really is only starting to make headway, if you will, in areas like IT and consulting, where it's still prevalent. But by hiring two part-time workers to avoid having to pay benefits instead of hiring one full-time worker, they're doubling their training costs and ultimately doubling their payroll and red tape. Many of our business owners are happy to get one solid employee, to keep them, to train them and to do what they can to tenure them into their organization.

Mr. Gordie Hogg: Thank you.

The Chair: Mr. Cuzner.

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

I have a couple of minutes?

The Chair: You have three.

Mr. Rodger Cuzner: This has been very helpful, so I want to thank all three presenters today.

I think we realized that we want to fill jobs. We want to make sure that Canadians get first crack at those jobs, that we're not suppressing Canadian wages, and that that has to be the essence of this. We want to make sure that new Canadians are covered under the same health and safety protections that our own workers have, but we have to provide employers with the people they need to be competitive.

It's about finding a Canadian, training a Canadian, or creating a Canadian.

Of the 350,000 new Canadians, 100,000 come to Ontario and 60,000 come to Toronto. What are your members doing to engage those people?

I'll ask CFIB first.

Ms. Monique Moreau: The youth are adapting to using online job boards. Before, we talked about knowing someone's—

Mr. Rodger Cuzner: But specifically to those 60,000 new Canadians.

Ms. Monique Moreau: A question about immigrants is timely. Just yesterday, I met with In-TAC, the International Talent Acquisition Centre. They deal with tens of thousands of new immigrants to Canada. We are pitching a pilot, essentially, where we approach them and the pipeline of new immigrants. They have to have those individuals consider entrepreneurship as a career.

The description they gave me yesterday was that they come in through our immigration system as a skilled worker, but they also are a hidden investor. Many of them were successful entrepreneurs in their home countries, so they come into a business to potentially fill those labour needs of a small business, but then will potentially also move on into the Canadian economy as entrepreneurs.

We're trying to get at both of them.

Mr. Rodger Cuzner: How many of your members in the GTA would know about the services provided by Rosemarie's group?

Ms. Monique Moreau: I don't have data on that. I could try, but if I had to wager, I would say it's probably low.

Mr. Rodger Cuzner: Being an amateur Matchmaker.com kind of guy, you would think there would be a flow of information between.... You guys do such an exceptional job of reaching out to your membership, you would think that flow would include making these people aware.

We talk about communicating some of the programs and opportunities out there; it's everybody's responsibility to do that.

Robert, you brought up some great points too. Do you know how many of your members use the apprenticeship incentive grant?

• (1220)

Mr. Robert Bronk: No.

Mr. Rodger Cuzner: No, you don't. Or the incentive grant for women?

The data Rosemarie has shared of the number of women in the trades is embarrassing. It is. We can all agree on that regardless of.... It's four point some per cent for women and 1.9% for indigenous.... If those programs are out there, we have to do a better job of getting that information to those employers.

Mr. Robert Bronk: I'm part of Rosemarie's organization. We had a meeting yesterday. Our organization is also partnering with.... A number of different trades are outreaching.

When I was with the painters training centre, the Ontario Industrial and Finishing Skills Centre, we used to do a pre-apprenticeship program in partnership with the YWCA. That's been ongoing. We would put 20 women each year into pre-apprenticeship for the painting trade. It's gone to 40 now. A number of pre-

apprenticeship programs are targeting primarily women right now. Any kind of a racial...is not going on.

Mr. Rodger Cuzner: No.

Mr. Robert Bronk: A lot of trades are recognizing the value of having that market.

I'd like to answer your earlier question about how we are getting to these communities. I know a number of unions are hiring people. Let's say I know Ivan Dawns; he's Jamaican. They wanted to get into the Jamaican community. You hire a business agent who's Jamaican and he recruits. Then it becomes this guy's brother, cousin—that opens that door. Or they wanted to get into the Turkish community. They hired a guy who was Turkish. They speak the language; he was born there; he was a new immigrant; he was a tradesperson. That's how you get into those communities.

Mr. Rodger Cuzner: That's how the country's built.

Mr. Robert Bronk: Yes, that's how you get into those communities.

Mr. Rodger Cuzner: Do I have another couple of minutes?

The Chair: No, sorry, sir. We can come back. We have lots of time.

MP Falk, please, you have five minutes.

Mrs. Rosemarie Falk (Battlefords—Lloydminster, CPC): Thank you all for being here today.

I always find this kind of conversation about the trades interesting. I would be really interested to know how it differs regionally across Canada. I was born and raised in Saskatchewan. The small city I was born in was basically built on the trades. We are an oil and agriculture community, as is my whole riding.

I am a power engineer. I have my fourth class steam ticket. I don't know if this is a family thing, but I was always taught to get a trade first and then go to university. You get your ticket first. No one can take your ticket away. Go to university, find out you can't get a job and then you've got.... Seriously. That's how it was talked about in school.

I always have a ticket, which gives me this knowledge. Power engineering is electrical, plumbing, instrumentation, turbines, generators and boilers—I have an understanding.

Mr. Robert Bronk: I have a job for you in Toronto if you want.

Mrs. Rosemarie Falk: It's interesting to me because that's how I was taught by my parents and school. It was encouraged in school as well.

We're talking about the education component of teaching our children that this is something they can do. If parents aren't on board anyway, is that a successful way of trying to get children into the trades?

This kind of happened to me, except it was the reverse. My father was a power engineer and I ended up marrying a power engineer. If it wasn't for me going to school and taking classes.... I will agree that you need to be smart for math, physics, chemistry and all of that. You actually have to be able to...especially when you get into electrical or that kind of stuff.

How do we educate parents?

Mr. Robert Bronk: Can I answer that question? I am from Winnipeg, so I am originally a westerner, too.

My parents and my extended family were all immigrants who came in the fifties. Most of them went into the trades. Growing up, most of my friends' fathers were in the trades. It's a different culture. We're talking now of the greater Toronto and Hamilton area; we're not talking about the rest of Canada.

You raise a very valid point. The problem is that parents aren't encouraging their sons and daughters to get into the trades because they really don't understand how good they are.

• (1225)

Mrs. Rosemarie Falk: How do we change that at the parental level?

Mr. Robert Bronk: We do get some parents at our event, Future Building. We don't get very many, but we do get some. We actually had a mother who was dragging her son there, who had finished high school and was not working anywhere. She dragged him in and took him to all the different trades and asked which one he wanted to do because he needed to get to work. He was sleeping in the basement.

Mrs. Rosemarie Falk: Yes. That is how it is where I am from. This is what I mean—that it's regionally different across Canada.

Mr. Robert Bronk: It is different. Coming from Winnipeg.... I have lived in Ontario now for more than half of my life, and the culture is different in the greater Toronto and Hamilton area.

Mrs. Rosemarie Falk: Yes.

Mr. Robert Bronk: The problem is that parents do not understand how high tech the jobs have become. They don't understand my career path. You can start your own business. You can become a contractor. There are a lot of contractors making really good money.

They don't see that path. They see the university path or the college path.

Mrs. Rosemarie Falk: Yes.

Mr. Robert Bronk: To your point, it would be great if some of the students got their journey ticket, then went back to George Brown, learned about accounting and all the business, and then started their own business.

Mrs. Rosemarie Falk: Yes.

Mr. Robert Bronk: There is so much work going on, but they are not aware of that. They are not connecting those dots. I think it's an awareness.

I don't think it's a dead end. If more parents are seeing that.... I have four kids. One of my son's best friends who studied political science—I'm not slamming political science—couldn't get a job for two years. My son took a four-year program in construction management and got hired right out of school. He's been on the same job for four years. Some of his buddies who took arts degrees are now going back to George Brown and taking construction stuff because they are getting jobs that way and are not graduating with \$20,000 in debt.

Mrs. Rosemarie Falk: Right.

Mr. Robert Bronk: That whole debt thing is now resonating with a lot of people where, hey, in those four years you could be making a lot of money, you have your journeyman ticket and you have no student loans.

Mrs. Rosemarie Falk: Even when our economy was doing better—I'm right on the border—Alberta's politics and economy very much influenced Saskatchewan.

It was interesting to see kids, 15 and 14 years old, sweeping up a shop, and the owner would say, "Oh, you're interested in doing this? Okay, well, let's apprentice you." I literally graduated with kids who were in their second year. They were graduating high school and had their second year already in a trade.

Mr. Robert Bronk: There's the OYAP program in Ontario that starts in Grade 12.

Mrs. Rosemarie Falk: Yes.

This is where I'm struggling a little bit with this, because I see this across Canada. I actually see this as a bigger cultural issue. How do we break that bubble? You don't need to be white collar; blue collar is fine.

The Chair: Thank you.

That's time.

Mrs. Rosemarie Falk: Okay.

Thank you.

The Chair: Mr. Duvall, you have three minutes, please.

Mr. Scott Duvall: Thank you.

To Ms. Moreau, when I was looking at your presentation, I thought it was very good. Thank you.

You're saying that small-time businesses are having trouble attracting people or cannot get enough labour. Some high officials in the Hamilton area have told me—and this is their exact statement—that it's not that we have a shortage of available labour but rather a shortage of employers willing to pay a decent wage.

Do you agree with that?

Ms. Monique Moreau: For some reason, this one sticks. I don't know why because it's just the small suppliers who have to bear the brunt of that.

I did share the stats about the number of our employers looking to increase their wages and benefits and the work that they're doing to keep existing employees because of the investments that they make. Part of it is because there's a disconnect in the amount of money a small employer, in particular, pays to train someone. Often, they're training the person on the job who's never worked before. That isn't the case necessarily for big businesses. This is just how it works. Small businesses are the training ground for the Canadian economy. They sink a lot of their funds into training those individuals, and then they leave.

We've had many business owners tell us they understand that's the path and that's what's happening. Other countries recognize that sacrifice the small businesses made. In France, if a big business poaches a smaller person's employee, it gives a sort of finder's fee equivalent. There are other things we can do. If this is where we're going to focus this issue—that the wages are the problem and it's those small businesses that just aren't coughing it up—let's find other ways to liberate their cash. Maybe that's increasing training credits and recognizing that on-the-job training. Small businesses in Canada spend \$14 billion a year doing on-the-job training. Some of that is formal and some of that's informal; \$9 billion is informal.

You can't apply for a government program because you don't get a certificate after having someone off your line for two weeks training a new person. Around the Canada job grant, and when there were other initiatives a few years ago, we worked closely with officials to try to design some way to recognize those initiatives. It's just ephemeral, and government doesn't want to fund that. That's a problem. If the issue is going to be wages, then let's free up more money for small business owners on top of the 60% who have already increased the benefits and salaries of their employees and the 80% who have increased them for existing employees on top of that.

• (1230)

Mr. Scott Duvall: When I was a steelworker in the factories, you could go into a lot of jobs when they wanted semi-skilled workers.

Ms. Monique Moreau: Sure.

Mr. Scott Duvall: But the companies or whoever you were employed with, all they wanted you to do was monkey see, monkey do. They didn't want to fully train you for whatever that position was. Then they were stuck. As the older people went out, they didn't bother training the younger generation for that scope of the job. Then they say, well, they're short of skilled people. They can't have it both ways. They either have to fulfill their obligation of training the people or just stagnate by saying, okay, they've got a body there and that's all they need.

Do you agree?

Ms. Monique Moreau: Certainly.

I have to say that's not feedback that we often get from business owners, especially as periods of tight labour markets start to increase, as they are right now.

We're seeing two things happen. One is that they can't find a body that they would train, or they have the wrong skill set; they've had someone else leave and now they have employees within their organization but they can't move them over because they don't have the skills they need, so they're still trying to fill that gap.

I think you'd be hard pressed to find small-business owners who would tell you they're unwilling to train and promote employees and invest in them after sinking all of the time and energy that they do because they're worried.... I don't know. I don't agree with the premise. I think you'll have a hard time finding business owners who are unwilling to invest in their employees.

The Chair: That's all the time. Sorry.

Actually, to that point, I'd welcome your coming out to Cambridge, Ontario; I'd introduce you to many employers who

have said to me just that. The problem they're having now is that they agree that they have to start training, but they haven't been doing it for 20 years, because there's been a glut of people they can bring from....

So I think the idea is changing—

Ms. Monique Moreau: Yes.

The Chair: —but I disagree with the comment that there aren't employers out there who haven't been at least willing to spend the time and money to train people properly.

At any rate, we're up for a second round. I believe Mr. Diotte is up first.

Mr. Kerry Diotte: This is basically for the CFIB. We've heard about work-integrated learning strategies. I've heard that there's a fear that the funds are being diverted to areas like clean tech, which is really important, obviously, but they're not being focused on certain sectors where the skills and jobs are needed immediately, such as in construction. Is this a concern that you would share?

Ms. Monique Moreau: Certainly. We're big fans of work-integrated learning if you consider it under a big, broad definition. Many of us think of work-integrated learning as co-op programs and apprenticeships, for example. We'd make sure that the on-the-job training I've been describing is recognized as an investment.

Certainly we agree with you that clean tech and some of the other more focused areas are important, and will be critical to the Canadian economy, but they will probably not serve the needs of small businesses. There will be some in that; we do have very innovative businesses who are members of ours. Those exist in the Canadian economy, certainly. But if you're trying to grab a broad swath of the small business economy and the small business community, then that is probably not the best way.

• (1235)

Mr. Kerry Diotte: This next one is for all the panellists. We've heard some really good ideas and suggestions. What would be the number one solution to this right off the top, to really solve the problem ASAP?

I'll maybe start with you, Ms. Powell.

Ms. Rosemarie Powell: I would suggest that supporting more pre-apprenticeship training programs would be highly essential, as would ensuring that everyone has access to the pre-apprenticeship training programs regardless of eligibility criteria. If you want to get skilled workers into the program, forget the concept that you must be on Ontario Works in order to participate in a pre-apprenticeship program. For the most part, it's the only way for many women and under-represented groups in the construction industry to get their first foot in the door, to get the exposure and the supports they need.

To get into the apprenticeship with the union, there are certain things that are required. You need to have your high school transcript. For people who are newcomers and who had their high school education back home, how do you make sure it's easy for them to be able to access that documentation and translate it if they need to? Within a pre-apprenticeship program or the Employment Ontario system, those kinds of documentation issues are dealt with. They can receive the supports they need in order to be able to process whatever documentation and to be able to prepare for the test. You have to pass your English test again, and your math test, and your mechanical aptitude test. Where else are you going to get the industry language you need in order to be able to pass those? The pre-apprenticeship system is really essential. Let's eliminate all the eligibility criteria and make sure we support people financially.

To get into the union, remember, there's an eight-week training period where you're not being paid. You're learning. You have to figure out, as a person who's already poverty-stricken and who doesn't have the required resources, how you're going to live. Sometimes, if the union training centre is in Oakville and you live in Toronto, well, you now have to find a place to stay. That's not paid for. You have to figure out how you're going to feed yourself. As a newcomer and an immigrant, you're often also responsible for your family. For women, you're responsible for your family and your children. How do you make sure they're taken care of while you go through this apprenticeship training program?

So invest in pre-apprenticeships. The pre-apprenticeship system will allow the individual to receive supports, whether it be through Ontario Works or employment insurance or other types of stipends that might be provided by the federal government to support them during that eight weeks. For most pre-apprenticeship programs, they will be able to get recognition of that eight weeks with the union so that they don't have to take that additional eight weeks once they get into the union, because it's usually a partnership with the union.

Mr. Kerry Diotte: Thanks, Ms. Powell. I just want to give Mr. Bronk an opportunity to tell us the number one way we can solve this problem....

Mr. Robert Bronk: Again, I would say there's a lack of awareness, not only with high school youth, but with younger people who have finished high school. They're 23 or 24, they've bounced around a few jobs, and they don't know what their options are. There's a lack of awareness among teachers, parents and career influencers. I know this is a provincial program, but the OYAP program could be beefed up and funded. They're the people who actually work in the high schools. They're the ones who are the career experts and they are pro-construction, but a lot of schools don't have OYAP coordinators. That already exists. That could be beefed up.

Again, I'm repeating myself. I think it's a lack of awareness. There's a big group of people who just don't know what's out there. They don't know there are good jobs that could match their personalities and aptitudes, etc. It's about creating that awareness and information, something like Germany does.

Mr. Kerry Diotte: That's good stuff.

Ms. Moreau.

Ms. Monique Moreau: I would like to add a footnote to Mr. Bronk's comment.

In Nova Scotia, they've created something called the Business Education Council, which is a partnership between the provincial government and stakeholders in the business community. Their sole goal is to embed entrepreneurial skills at the primary level and in the high school curriculum. They're working closely in the community to.... I think that will also get to the problem MP Falk talked about, which is increasing parents' awareness as well. If you can start telling children about it when they're really young, that will help expose them over the 12 or so years they are in school.

That would be a footnote to the suggestion, which I would agree with if I had to split. Ours would be to better communicate with small business owners on government programs that can help offset the costs of hiring and training. As an organization, we take that responsibility seriously and arm ourselves to do that, but the government could increase its role in advertising some of the existing programs.

• (1240)

The Chair: Thank you.

Next we'll hear from MP Ruimy, please.

Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.): Thank you very much. Thank you, everybody, for being here today.

I'll be sharing my time with Mr. Cuzner.

My riding is Pitt Meadows—Maple Ridge. We're just a small city. I work a lot with a group called Pathfinders, who tap into the federal skills link training program. Every session, I go in and spend two hours with the students. There are about 25 or 30 of them, five times a year.

These are youth who have fallen through the cracks. Maybe their parents weren't able to point them in a direction. Whatever the reasons, they are there. The challenge I see is this: How do we tap into those folks? Are your organizations connected with the skills link training program and the organizations behind it? Are you going out and being proactive? I don't see organizations coming to Pathfinders. I don't see organizations coming in and saying, "Hey, you could do this. You could get this job and you could start doing this." They are lost children, so to speak. I don't see anybody really reaching out, trying to bring them in because they are lost kids.

Very quickly, I want to know whether you guys are tapping into those.

Mr. Robert Bronk: I'm so glad you asked that question.

Mr. Dan Ruimy: I was waiting the whole time to ask it.

Mr. Robert Bronk: If you're familiar with Toronto, you will know that 31 Division in the Jane and Finch area has the highest crime rate in Canada. We are working with the police and we are having an event called "Make your future". We had one event already, and we're having another in April. It's an outreach to all the high schools. They're targeting the kids who are on the cusp of dropping out—not the kids who are going to university and college and have their act together. It's the kids who are at risk of dropping out. Then they have no other option and they join a gang or whatever.

We're working with that community and with the police. It's not just the construction trades. The Armed Forces are exhibiting. The police are exhibiting. Local businesses that are hiring are exhibiting. There's going to be about a thousand kids. We want to have it twice a year.

There's another program called Hammer Heads. They recruit from high-risk neighbourhoods in Toronto. They take about 15 to 20 per block. They go to 12 union training centres. They spend a week at each one. At the end of a 24-week period, they have all the records of training for all the safety equipment. They can use the swing stage, the scissor lift, etc. They can work at heights. The unions will then say...for example, Sprinkler Fitters will say, "I need five people." The painters might say, "I need six," and they get dispatched to them.

It's highly successful. They have a retention rate of over 90% after five years. They've tracked the graduates. Guys are buying cars and houses. These are all people from those communities who were high-risk.

Mr. Dan Ruimy: Thank you.

Could you forward to the clerk a backgrounder on those two programs?

Mr. Robert Bronk: Yes, I'd be happy to.

Mr. Dan Ruimy: If we want to solve problems, that's where we need to be focusing our efforts because we have people who are begging for this.

Thank you.

I know I don't have much time left for Rodger.

The Chair: You have two-twenty.

Mr. Dan Ruimy: Two-twenty, Rodger. It's all yours.

Mr. Rodger Cuzner: Okay.

I want to follow on Scott's concern about wage suppression. I know that the official opposition had identified, in one of they S.O. 31s, wage stagnation as an issue, so I know it's one that all of parliament is seized with. If you look at the stats coming out of the States, you'll see the same thing—great employment levels, record—but wage stagnation is a huge factor.

I have just a quick example. There are 20,000 people in the seafood processing industry in Atlantic Canada. There are 400 processors. We're hearing from some that they can't find people. There are no temporary foreign workers in Newfoundland, and very few in Nova Scotia and all that. The handful of companies that are using that program are the ones that aren't paying as high a wage as the others. It is absolutely a case of wages not being high enough.

With regard to the fact that you've identified that 60% of your members have increased salaries, is there a deeper dive on that? Do you have a deeper drill-down on that information? It would be neat to see the comparison: What are the increases? What sectors? Are some sectors over others? If you have more information on that, that would be very valuable to the committee in its deliberations.

• (1245)

Ms. Monique Moreau: I certainly can provide that. We'll table that detail. We had 6,300 responses to the survey that generated that.

It was just in the second half of last year, so it's fairly current. We can even break it out by city, sector, size of business, and the rural-urban split. We'll get you that breakdown.

Mr. Rodger Cuzner: And what the types of increases were or whatever.

Ms. Monique Moreau: I don't know if we'll be able to get into that detail, but let us take that back and we can get back to you.

Mr. Rodger Cuzner: Anyway, we'd appreciate that.

Ms. Monique Moreau: Certainly.

Mr. Rodger Cuzner: With regard to the mobility stuff, companies have to do a better job. When they built Syncrude, the tradespeople out of Edmonton built it on four 10s and an eight. Guys drove up on Sunday night, but they were out of town, out of Fort McMurray, by a little after noon on Friday, so they got home for Friday and Saturday night and that sort of thing.

Do you have confidence that your businesses are doing all that they can with regard to mobility, or do you see other aspects? The tax deduction is one thing. Providing accommodation is huge. When you have 800 electricians in Alberta who are out of work and 800 carpenters in B.C. who are out of work.... These are some of the best-paying jobs in this country. What can we do to make sure that those Canadians are getting first crack at those jobs?

Mr. Robert Bronk: Wow, that's a tough one. Vancouver is like Toronto; the cost of living is just through the roof and the vacancy rates are through the floor. When Alberta was booming, there were a lot of people from the east coast, of course, flying to Alberta and working there. However, when it's booming in the GTHA, the cost of living is the thing. Say you sell your house in Calgary where the market's terrible—you might even lose money—and then you move to Toronto. How can you afford to buy something in Toronto?

Mr. Rodger Cuzner: I'm a Cape Bretoner, and we've been that pool of mobile labour.

Mr. Robert Bronk: Right.

Mr. Rodger Cuzner: We worked on some of the biggest projects in North America. We take a fair degree of pride in what's gone on in Fort McMurray. I spent 10 years in Fort Mac. It was a great opportunity for us, but we know that we contributed to the success of oil sands development. Now that Alberta needs help and Saskatchewan needs some help, there has to be an answer. It seems a foreign thing for Ontario companies to provide that accommodation. However, when you look at the pension plans of some of the unions and at consortiums, there has to be an opportunity there to accommodate some of those so that guys rotate and come in for a month and go home for a month—whatever it might be. A little bit of creative thinking has to go into this to solve the problem—your problem—with the help of labour from western Canada. They've been good to the rest of Canada for a long time.

The Chair: Thank you.

Mr. Rodger Cuzner: No response?

The Chair: You're well over time, sir.

Mr. Rodger Cuzner: Robert is dying to respond.

Some hon. members: Oh, oh!

The Chair: Be very brief, sir.

Mr. Robert Bronk: I wish the time had expired. That's a question. I think it's really complicated.

For senior personnel, this is happening. The senior supervisors and foremen who are key employees are being brought to Ontario and are being paid above-average wages. They're more in management or lower management. For the average worker, however, it's not happening. Guys are not being flown from other parts of Canada into Toronto.

Toronto is very competitive. The profit margins are not huge. It's very competitive, and for an employer to subsidize a worker for a long period of time.... Some of these projects go on for two or three years, if it's a hospital or LRT. This has been going on for over 10 years.

It's just not economically feasible if the worker doesn't want to participate and maybe take a pay cut or a reduction in where he lives.

• (1250)

The Chair: Thank you.

MP Duvall.

Mr. Scott Duvall: I'm okay.

The Chair: You're good?

Next we have Gordie.

Mr. Gordie Hogg: I'm turning my time over to GTHA legend Adam Vaughan.

Mr. Adam Vaughan: I appreciate that part of the reality is that the regional dynamic of the GTA—the housing costs, the transportation costs—is an impediment to the fly-in labour forces that you might see in the oil patch but don't necessarily see in the condo patch of downtown Toronto.

There is, however, a group that has arrived in Toronto that is clearly a significant part of the construction workforce, but we don't like to talk about it. It's the undocumented workers. There are significant groups of temporary foreign workers, but also of people who have been here on student visas who have just quietly seeped into the building trades. They're at every single work site you go to.

Yet if you talk about a path to citizenship for undocumented workers, you get a sort of “get to the back of the line, get out of the country” reaction, almost the same treatment as is given to dreamers in the United States. There is a rejection of the fact that if you took these people out of the construction trades right now, a city's economy would grind to a halt.

What are the unions doing, what is small business doing and what are local agreements folks doing to change the perception that undocumented workers in the construction trades need a path to citizenship? Without such a path, we are not discussing the most

important issue, I think, in the context of what's happening in Toronto.

Mr. Robert Bronk: The issue is huge in Ontario, and we are just in the process of.... The Ontario Construction Secretariat does an analysis of the underground economy every four or five years. It's significant. I don't have the numbers on the tip of my tongue, but it's around \$3 billion a year.

This is a situation of employers who are not writing T4s to their workers, so they're not paying their EI, not paying their CPP, not paying workers' comp, not paying the employee health tax, not paying HST—all those kinds of things. It's a cash-based economy. It's primarily in the residential construction. It's not as big in the ICI sector.

It's a huge problem. It creates a downward pressure on legitimate operators, because they're paying their fair share and are bidding against these operators who are paying guys cash and can undercut them because their expenses are lower. This is a huge problem.

The unions have been waving the flags—

Mr. Adam Vaughan: Do you support a path to citizenship as a way of rectifying this?

Mr. Robert Bronk: Well, some of these workers are legitimate. They're not all necessarily lacking a social insurance number.

Mr. Adam Vaughan: Yes.

Mr. Robert Bronk: I can't comment about the citizenship. I don't have any direction from my board, so I can't speak to that, but the underground economy is a huge problem that we've been waving our flags about for a long time.

Some of these operators are getting government contracts, so taxpayers are funding tax evaders. It's happening on a provincial and a federal level.

Moving that—

Mr. Adam Vaughan: Surfacing it?

Mr. Robert Bronk: —surfacing it and moving some of it to legitimate conduct will strengthen the people who are doing their fair share or paying their fair share.

Ms. Rosemarie Powell: That's exactly what I was going to say as well. We support newcomers. We want to see the opportunities open up and that we bring these small businesses into the regular economy so they get to register their apprentices officially with the Ontario College of Trades and take advantage of the tax incentives they could benefit from as a result of doing that. We definitely want to see —

Mr. Adam Vaughan: It's also an issue that their credentials aren't recognized—

Ms. Rosemarie Powell: Right.

Mr. Adam Vaughan: —and so they come in under the wire, in terms of the rules to work.

Ms. Rosemarie Powell: They have to eat.

Mr. Adam Vaughan: They have to eat, so if we could surface their participation and “credentialize” them as well as legalize them, we could build a stronger workforce and enrol them in the training programs to get the workforce we need.

Ms. Rosemarie Powell: As I said, Ahmed, the gentleman that I spoke to, was also a newcomer and wasn't eligible. He had issues with his immigration situation, but we were able to help him, and he is on a path to citizenship. He was able to secure himself and get a job in the trades. He's doing pretty well right now.

We want to see more of that kind of success story happening with those who are already here.

Mr. Adam Vaughan: The other issue you haven't spoken to and that I'd be curious to hear your remarks on is the EI changes that were made to allow for training while someone is on benefit. How important have those changes been in bridging that gap around the eight weeks they'll pay while you get credentials, and some of the other issues?

● (1255)

Mr. Robert Bronk: The changes are important, but as I mentioned, a lot of times people are not seeing their money until the ninth or tenth week when they're already back to work. That's been a problem I was trying to fix in my previous role. Sometimes it just takes so long to get it processed, and they're not getting it until their ninth or tenth week. That's the problem.

They get paid every week in construction. Every Friday is payday in construction. They are guys—I have three sons—and they think, “I'm going to put some money in the pot. I'm not going to be making as much money. I'll be getting EI,” but sometimes they don't save enough and all of a sudden they're there for eight weeks and they don't have anything coming in. They didn't save enough to pay bills during that time. EI doesn't kick in until the ninth or tenth week, and then they get a big lump sum. They've already—

Mr. Adam Vaughan: They've already gone back to work.

Mr. Robert Bronk: Yes, they've already gone back to work. That is a problem.

A lot of times, you have a hard time getting someone on the phone. Sometimes it's an online submission, and you didn't do the postal code right, or you did a code wrong and don't know why it's being delayed. Unfortunately, there's that whole bureaucracy you have to deal with, and you don't know—

Mr. Adam Vaughan: The culture is that everyone is gaming the system. Therefore, you have to check twice before you send a cheque.

In Atlantic Canada, and in parts of Quebec where we have seasonal industries, there has been a concerted effort to make the turnaround time from application to receiving.... Is it a possibility to do that in this—

The Chair: A very brief response, please.

Mr. Robert Bronk: You can apply a week or two before you actually start your training, but you can't hit “send” until you have actually physically stopped working and are at the training centre.

I don't know. I just think that if there were a help line or a process where they could see—

Mr. Adam Vaughan: Depressing.

Mr. Robert Bronk: —where their application was.... Sometimes they don't know until the fifth week that they did something wrong.

The Chair: Thank you.

We have just a few minutes left, Wayne, if you have a brief question.

Mr. Wayne Long: Thank you, Mr. Chair.

Ms. Moreau and Ms. Hayes, I was a teacher for a very short period at a community college and I recognize full well the level of input from instructors at community college, because I used to have fun saying, “This is what the textbook says,” and then I'd shut the textbook and say, “This is how it really works.” Compare that with universities. I have concerns at times that universities get people in and want to give them that piece of paper, but then the students graduate and are not really qualified.

How do we fix that? We all recognize that community colleges prepare students better, especially in trades, but what do we do to kind of up that preparedness with universities, in your opinion?

Ms. Monique Moreau: Some are coming to realize that experiential learning, if you will, has become sort of an important component, and there is some catch-up being played. The work-integrated learning is similar to that, but the reality is that you go to university for an arts education, an engineering degree or a medical degree, or you become a broke lawyer like I am, whereas I should have gone in to become an electrician. I'll be paying my student loans for many more years, unfortunately, and I did it when it was relatively cheap, almost 20 years ago.

The point is that there has to be a commitment on the part of the universities to decide they are going to take that on, but meantime we should continue to promote colleges and polytechnics and continue to make sure that those soft skills are being taught early on.

Mr. Wayne Long: Thank you very much for that.

I'm going to give Rodger the final word here.

The Chair: Be very brief, please.

Mr. Rodger Cuzner: Robert, I know you were seized with EI. To go back, it would have been about four years ago when about 600 people were cut from EI call centres, EI processing centres. The processing centre in my community was shut down, and we saw that the attrition rate in apprenticeship was a direct result of those seven, eight and nine weeks waiting for EI calls. We've gone back and invested in that. We did a full and complete EI service quality review and streamlined the process.

Do you have more current data?

● (1300)

Mr. Robert Bronk: I don't.

Mr. Rodger Cuzner: You don't.

Mr. Robert Bronk: I was speaking about that because I used to be the training director, so I lived it. That was two years ago.

Mr. Rodger Cuzner: When we did the study on apprenticeship, it came out very clearly that it was one of the aspects of apprenticeship. I remember having a full panel of apprentices one day, and every person couldn't get anything processed, and they were waiting eight to 10 weeks. Traditionally, apprentices start at a later point in their lives, so they have payments, apartments, cars and what have you.

It would be very interesting if you could get from your people what the situation is now with those reinvestments having been made.

The Chair: Thank you very much.

That brings us right to the top of the hour. Thank you very much, everybody, for being here. This is our first witness panel for this study, and it's been very interesting with a lot of information.

Thank you very much, everybody, and of course to the interpreters, to the tech folks and to the folks to the left and right of me, I appreciate it very much.

Mr. John Barlow: Mr. Chair, can I ask something before the gavel really quickly?

The Chair: Yes.

Mr. John Barlow: Is there anything on the minister's—

The Chair: Yes, thank you. It will be Tuesday.

Mr. John Barlow: This Tuesday coming up? Which ones?

The Chair: All of them.

Mr. John Barlow: Come on.

The Chair: I tried, I did.

Mr. John Barlow: How hard did you guys try? Do you know what's going to happen? They're going to give their 40 minutes of presentation, and we're going to have no time for questions.

The Chair: We'll talk. It's not going to be 40 minutes, trust me.

Thank you.

We are adjourned.

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