



Canadian Ferry Association

**Written Submission to the House of Common's Standing Committee on
Transport, Infrastructure and Communities Study**

Anticipated Labour Shortages in the Canadian Transportation Sector

Oct 2022



ABOUT THE CANADIAN FERRY ASSOCIATION

The Canadian Ferry Association (CFA) is the national voice of the ferry industry in Canada. Our members adhere to the highest professional and operational standards and promote the safe delivery of ferry services across Canada.

CFA is a member-based organization representing Canadian ferry owners, operators, and industry stakeholders across the country. CFA has more than 90 members, with our owner/operator members accounting for nearly all major ferry routes in Canada.

Ferries are an integral part of Canada's transportation system, connecting communities from Coast to Coast to Coast. Ferry operators transport over 60 million passengers and 23 million vehicles annually. Billions of dollars of goods, from groceries to fuel, are transported by ferries to remote communities across our vast country. The sector employs, directly and indirectly, tens of thousands of people.



LIST OF RECOMMENDATIONS

Recommendation 1: The government should fast track international reciprocal agreements, prioritizing agreements with key origin countries.

Recommendation 2: The government should consider recognizing international marine officer and engineering licenses and certifications of IMO compliant origin countries.

Recommendation 3: The government should expediate the processes (work permits, PR, Certificates of Equivalency) that enable internationally certified on-board personnel to assume equivalent roles in Canada.

Recommendation 4: The government should provide Transport Canada with more resources as it updates its marine personnel regulations, examines amendments to the *Canada Shipping Act*, and other consequential legislation and regulations.

Recommendation 5: While maintain safe crewing levels, Transport Canada should consider the chronic labour shortages plaguing the marine transportation sector when considering amendments to the minimum safe manning requirements and the marine personnel regulations.

Recommendation 6: The government should enable and support marine training institutions as they seek to deliver virtual training for portions of the curriculum. This recommendation follows the request by the Canadian Association of Marine Training Institutions (CAMTI) to Transport Canada in June 2022.

Recommendation 7: The government should amend the *Canada Shipping Act, 2001*, to enable foreign students to train at marine training institutions.

Recommendation 8: In partnership with the marine sector, including ferries, the government should consider dedicated support for training and recruitment of the next generation of seafarers, particularly women, Indigenous peoples, and equity deserving groups.

Recommendation 9: The government should consider modifications to the Employment Insurance rules to better accommodate training for current employees.

Recommendation 10: The government should include the ferry sector in the collection and reporting of labour force data to better understand the nature of the sector's labour force trends.



BACKGROUND

Key facts:

- 200,000 Canadians work on ships, in ports and provide marine-related logistic services
- **43 per cent of the marine transportation workforce is expected to retire in the next ten years**
 - 25 per cent of SIU members, the union that represents most unlicensed mariners in Canada, are expected to retire in the next five years
 - Less than 13 per cent of SIU members are under the age of 30
 - Rates of retirement for senior level positions are higher
- There were more than 1,200 job vacancies in 2020 onboard commercial vessels and ferries in 2020
- **Over the next ten years Transport Canada projects that 19,000 new seafarers will need to be hired**

The entire marine sector, including the ferry sector, is grappling with chronic shortages of certified personnel. The situation is now at a critical level for many ferry operators around the country. The sector's ability to provide reliable transportation services to communities from Coast to Coast to Coast is being hampered by persistent and growing shortages of certified on-board personnel.

While there are job vacancies throughout the sector the most critical shortages are for certified deck officers (NOC Codes 2273), engineering officers (NOC Codes 2274) and boat and cable ferry operators (NOC Codes 7533).

According to Transport Canada there were more than 1,200 job vacancies in 2020 for certified on-board personnel across the marine sector. Transport Canada estimates 19,000 new seafarer positions will need to be filled in the next ten years to replace the approximately 43 per cent of the marine workforce that is expected to retire over this period. Our own estimates indicate that over 55 per cent of the senior positions aboard ferries are occupied by individuals who are eligible to retire within the next three years.

For passenger and crew safety there are strict regulatory requirements prescribing how many crew members and what their respective certifications must be to safely operate a ferry vessel. If these requirements are not met, the vessel does not sail.



Unfortunately, in recent years there has been an increase in cancelled trips due to an insufficient staff complement which COVID-19 has not helped. As the on-board workforce continues to dwindle over the near-term, it will become increasingly difficult to meet today's high service reliability rates¹. Moreover, ferry operators will face significant challenges meeting growing customer demand for more service offerings.

Ferry dependent communities will be most impacted by the sector's reduced reliability and capacity to keep pace with demand for ferry services. Delayed or cancelled trips negatively impact residents of these communities who rely on ferries to connect them to medical, educational, and other services. Moreover, the local economy and local supply chains are heavily reliant on ferry services for the efficient movement of goods. In more extreme cases delayed or cancelled trips can result in shortages of fresh food or fuel, or the spoilage of agricultural or aquacultural products. On the other hand, if ferry operators are unable to provide the level of service a growing community needs, this may hinder their economic development.

The COVID-19 pandemic has only intensified the chronic labour shortages that have plagued the ferry sector for some time. The situation is now critical due to an unprecedented number of retirements and some departures due to the pandemic. Workplace closures and reduced operations, increased rates of absenteeism due to health and safety protocols, and, subsequently, increased pressures on healthy staff to maintain normal operations, have put strain on the ferry sector workforce. Disruptions to typical immigration patterns and shifts within the broader labour market have further complicated the marine workforce development landscape.

The sector has faced persistent challenges recruiting domestically despite ongoing efforts. Although each operator has their own unique circumstances, in general the nature of the sector poses some significant obstacles to hiring and retaining personnel (i.e., seasonal, long hours, no possibility of remote work, etc.). With a tightening domestic labour market and shifting demographics, the ferry sector must compete with other sectors experiencing labour shortages for the same pool of in-demand workers.

A significant focus of domestic recruitment efforts has been on recruiting more women, Indigenous people, and members of equity deserving groups. While the ferry sector has a larger percentage of their workforce that identify as a member of one of the above groups than the rest of the marine sector, much more work needs to be done on this front. For the future of the sector, it is imperative that more people from diverse backgrounds can see themselves thriving in many of the rewarding careers the sector has to offer.



DETAILED RECOMMENDATIONS

International Recruitment

Part of the seafarer labour shortage can be dealt with by attracting an internationally qualified workforce. We would like to commend Transport Canada for signing agreements with countries such as Norway, France, Georgia, and Ukraine to recognize the credentials of their mariners under the International Convention of Standards of Training, Certification and Watchkeeping for Seafarers (STCW).

However, more of these agreements need to be signed, particularly with key labour origin countries such as the Philippines, Indonesia, Morocco etc.

Recommendation 1: The government should fast track international reciprocal agreements, prioritizing agreements with key labour origin countries.

In the same line, the government should explore whether to recognize international marine officer and engineering licenses and certifications of International Maritime Organization (IMO) compliant origin countries. This would enable the sector to recruit more broadly.

Recommendation 2: The government should consider recognizing international marine officer and engineering licenses and certifications of IMO compliant origin countries.

To support greater international recruitment, processes to grant work permits, Permanent Residency (PR), and Certificates of Equivalency should be expediated. CFA members have supported applicants for PR, which is required to work aboard vessels, only to have those applicants drop out because they received similar status in other countries more quickly. Delays in the immigration process or in the recognition of credentials creates a disadvantage for Canadian employers in the ferry sector who are competing with other jurisdictions for talent.

Recommendation 3: The government should expediate the processes (work permits, PR, Certificates of Equivalency) that enable internationally certified on-board personnel to assume equivalent roles in Canada.

Transport Canada's Internal Capacity



The *Canada Shipping Act* was written in 2001. While it has occasionally been amended, the pace of legislative and regulatory change is not keeping up with changes in the sector.

We recognize the outstanding work done by Transport Canada officials during the pandemic. They quickly delivered regulations and programs that supported the entire marine sector. However, Transport Canada is short-staffed and over-worked. This predates the pandemic and results in delays that affect the sector's capacity to adapt to change. We believe there should be an increase in staffing within the marine personnel and regulatory departments.

Recommendation 4: The government should provide Transport Canada with more resources as it updates its marine personnel regulations, examines amendments to the *Canada Shipping Act*, and other consequential legislation and regulations.

Modernizing Crewing Requirements

Some of the regulations governing the crewing of ferries are decades old. Since then knowledge, technology and training has evolved. Transport Canada should engage in a meaningful and transparent consultation with all partners including employers and unions to review and modernize these regulations.

Recommendation 5: While maintain safe crewing levels, Transport Canada should consider the chronic labour shortages plaguing the marine transportation sector when considering amendments to the minimum safe manning requirements and the marine personnel regulations.

Training

Technology has changed the way we deliver education from virtual reality to videoconferencing. While some courses for a variety of professions are permitted to be provided remotely, this is not the case for marine training. As a federally regulated sector any changes to training must be approved by Transport Canada.

CFA first proposed these changes in 2018, and since then others such as the Canadian Association of Marine Training Institutions (CAMTI) have echoed the call. We suggest that the government prioritize resolving this issue quickly.

Recommendation 6: The government should enable and support marine training institutions as they seek to deliver virtual training for portions of the curriculum. This recommendation follows the request by the Canadian Association of Marine Training Institutions (CAMTI) to Transport Canada in June 2022.



International students are an important source of future workers for Canada. However, the Canada Shipping Act prevents training institutions from recruiting international students.

Recommendation 7: The government should amend the *Canada Shipping Act, 2001*, to enable international students to train at marine training institutions.

As far back as 2013 the federal government has supported employers and training institutions as they attempt to recruit individuals for “careers in high demand”. However, we are not aware of any such program in operation currently for the ferry sector at a time when there is urgent need.

Attracting a more diverse workforce is essential for the sector as it seeks to revitalize an aging and dwindling workforce. Attracting more women, Indigenous people, and those who identify as a member of an equity deserving group is a top priority for the sector. However, despite sustained recruitment efforts, insufficient progress at diversifying the workforce as been made.

Recommendation 8: In partnership with the marine sector, including ferries, the government should consider dedicated support for training and recruitment of the next generation of seafarers, particularly women, Indigenous peoples, and equity deserving groups.

Workers and employers in Canada are fortunate to be served by a robust Employment Insurance program that supports training. However, some provisions act as a disincentive for employees to undergo training. For some ferry operations on-board personnel are seasonal workers. These workers may require training during the ferry season which prevents them from accruing insurable hours during that time. If these workers are unable to accrue enough insurable hours, they may experience reduced (or even no) EI benefits once the ferry season is concluded.

Recommendation 9: The government should consider modifications to the Employment Insurance rules to better accommodate training for current employees.



Data

CFA recognizes that it is not sufficient to just state there are labour shortages throughout the sector by providing anecdotal evidence. Proper data collection is required to better understand the reality and to develop policies and programs to better solve the issue. As the ferry sector is a crucial part of Canada's transportation infrastructure, we believe that the government should collect and report on labour force data for the sector.

Recommendation 10: The government should include the ferry sector in the collection and reporting of labour force data to better understand the nature of the sector's labour force trends.