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CANADA

LABOUR SHORTAGES AND SOLUTIONS IN THE GTHA CONSTRUCTION INDUSTRY

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

Bryan May, Chair

**MAY 2019
42nd PARLIAMENT, 1st SESSION**

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**Bryan May
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NOTICE TO READER

Reports from committee presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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**THE STANDING COMMITTEE ON
HUMAN RESOURCES, SKILLS AND SOCIAL
DEVELOPMENT AND THE STATUS OF
PERSONS WITH DISABILITIES**

has the honour to present its

SEVENTEENTH REPORT

Pursuant to the Order of Reference of Monday, November 19, 2018, the Committee has studied M-190, Labour Shortages of the Greater Toronto and Hamilton Area, and has agreed to report the following:

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PREFACE

Private Members' Motion 190 (M-190) sponsored by Peter Fonseca (Member of Parliament for Mississauga East – Cooksville) asked that the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA or the committee) study labour shortages in the construction industry, placing particular emphasis on the Greater Toronto and Hamilton Area (GTHA). For this study, M-190 asked that the committee consider aspects such as the following:

- the challenges associated with a lack of skilled workers in the construction industry;
- possible recommendations on how to increase construction skill development in the region; and
- an analysis of the Atlantic Immigration Pilot initiative as a model to address the skilled worker need in the GTHA.¹

In response to M-190, on 29 January 2019, the committee agreed to undertake a study on labour shortages in the GTHA construction industry over the course of three meetings. According to the motion adopted in committee, one meeting would be dedicated to hearing from departmental officials from Employment and Social Development Canada (ESDC) and Immigration, Refugees and Citizenship Canada (IRCC) as well as from the sponsor of M-190, while two additional meetings would be reserved for hearing from other witnesses on aspects related to M-190, including:

- labour shortages in the GTHA;
- labour shortages in the construction industry, including shortages of skilled workers;
- the challenges associated with the lack of labour for the construction industry, and associated industries, and their impact on Canadians;

1 House of Commons, *Debates*, 1st Session, 42nd Parliament, 3 October 2018, p. 22216.

- how to decrease any shortages of workers, including through the use of other models and initiatives like the Atlantic Immigration Pilot, and other models worth exploring; and
- how government programs, including funding for training and skilled labour, and retraining for other employees, can support current and future employees, as well as their industries.²

At this time, the committee also agreed to report its findings and recommendations on the M-190 study to the House of Commons.³

2 House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA), [*Minutes of Proceedings*](#), 29 January 2019.

3 Ibid.

SUMMARY

Labour shortages occur when the demand for labour exceeds the existing supply of qualified workers. During the course of the three-meeting study based on M-190, the committee learned that, despite the existence of a wide array of supports for apprentices, tradespeople and industry employers, more needs to be done to address the shortage of labour in the construction industry, particularly in the GTHA.

Labour shortages in this region, the committee heard, are driven in great part by a retiring workforce and a growing demand in the construction industry. Other factors affecting the supply of workers include lack of awareness about the skilled trades as a viable career option, difficulties accessing existing supports, as well as economic barriers to labour mobility.

The committee learned that the solutions to addressing labour shortages are not simple and will require a multi-faceted approach along with the collaboration of various levels of government and industry stakeholders. Promising solutions advanced by witnesses touched upon matters related to greater awareness of the issue; skills training; and financial support for apprentices, tradespeople and industry employers. Witnesses also recommended increasing the recruitment of groups underrepresented in the construction industry (such as women, Indigenous people and new Canadians) through initiatives such as community benefit agreements and immigration programming.

Overall, the committee advanced eight recommendations with the objective of addressing the current challenges that are leading to labour shortages in the construction industry, particularly in the GTHA, and to build upon promising solutions advanced by the various witnesses who appeared before the committee. These recommendations are not only relevant to addressing labour shortages in the GTHA construction industry but could serve to alleviate the shortage of workers in other regions and industries in Canada.

LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That Employment and Social Development Canada work with Statistics Canada, along with provincial and territorial governments, to ensure that labour market data provide a more complete picture of current labour supply and forecast future labour market demand in the construction industry. This includes:

- accurate, timely and relevant labour market information at the regional and local levels;
- the impact of informal and undocumented labour; and
- a better understanding of areas in which labour market reports may be inconsistent with what is reported by both construction industry and labour stakeholders..... 46

Recommendation 2

That Employment and Social Development Canada work with provincial and territorial governments, along with construction industry and labour stakeholders, to ensure that the national awareness campaign to promote the skilled trades be designed and implemented with a view to:

- attracting a greater number of new entrants to the construction industry;
- increasing apprenticeship completion rates and ensuring the success of tradespeople by promoting available supports;
- building upon industry solutions that have proven successful at raising awareness in the skilled trades as viable career options; and
- placing emphasis on those regions in Canada facing labour shortages.

Further, that at the end of the two-year awareness and promotional campaign, a review of this initiative be conducted, in collaboration with stakeholders, to assess its level of success and evaluate the need for continued investment in this regard. 47

Recommendation 3

That Employment and Social Development Canada examine emerging and persistent skills gaps in the skilled trades, and develop accurate forecasts, to better inform the development and the review of pre-apprenticeship and apprenticeship programming..... 47

Recommendation 4

That Employment and Social Development Canada, as it develops an Apprenticeship Strategy, review existing financial supports in consultation with apprentices, tradespeople, as well as construction industry employers and labour stakeholders, to evaluate their effectiveness and explore new, innovative ways to offset the costs associated with training, hiring and working in the skilled trades while at the same time increasing the labour mobility of skilled tradespeople. 48

Recommendation 5

That Employment and Social Development Canada examine ways to promote labour mobility within Canada to ensure that tradespeople who are Canadians or permanent residents have the first opportunity to fill labour shortages, and work with provinces and territories to remove barriers. 48

Recommendation 6

That Employment and Social Development Canada, in partnership with provincial and territorial governments, along with construction industry and labour stakeholders, continue to customize apprenticeship and pre-apprenticeship supports to the specific needs of equity seeking groups, with the objective of improving the training and the recruitment of people that are underrepresented in the skilled trades and in the construction industry in particular..... 49

Recommendation 7

That Employment and Social Development Canada work with federal departments and agencies to explore options to promote community benefit agreements on publicly funded projects, with the objective of increasing the training and the recruitment of underrepresented groups in the skilled trades, while staying committed to an open, fair and transparent procurement process and obtaining the best possible value for Canadian taxpayers, and without making it more difficult for small and medium-sized enterprises to access federal procurement opportunities..... 49

Recommendation 8

That Immigration, Refugees and Citizenship Canada examine ways to better respond to the labour market needs of the construction industry, including:

- **working with the Government of Ontario, along with construction industry and labour stakeholders, to review existing economic immigration programs and make any necessary reforms to ensure the needs of the sector are met;**

- **working with relevant partners and stakeholders to examine challenges, opportunities and potential solutions with regards to the segment of the construction industry workforce that has precarious or no immigration status; and**

- **working with Employment and Social Development Canada to review the Temporary Foreign Worker Program, and make any necessary reforms, with the goal of better responding to the labour market needs of the construction industry, while ensuring that Canadians and permanent residents get the first opportunity to fill labour shortages and while protecting the health and safety of all workers in Canada. 50**



LABOUR SHORTAGES AND SOLUTIONS IN THE GTHA CONSTRUCTION INDUSTRY

INTRODUCTION

The homes we live in, the businesses where we work, our hospitals, schools, roads, bridges, underground sewers and pipes, all of those places are built by construction workers. It's hard to work, as temperatures on a work site can be as much as 30° below or 30° above. In many cases, it's back-breaking work for the men and women who build up our cities, towns and villages. Brick by brick, block by block and stone by stone, these mid-level skilled construction trades—bricklayers, form workers, framers and carpenters—are the backbone of the construction industry, and they're in short supply across the country.¹

During the course of three meetings that spanned from February to March 2019, the committee heard from a total of 18 witnesses on the topic of M-190, including the sponsor of the motion, Member of Parliament Peter Fonseca, as well as senior departmental officials and stakeholders from the construction industry (such as business advocates and employee representatives). The committee learned that labour shortages are a reality in the construction industry, particularly in the GTHA, and that these shortages are forecasted to worsen over the next decade as the Ontario workforce ages and sector demand increases. The committee was also told that labour shortages can have wide ranging consequences, and that more needs to be done by different levels of government to close the gap between the growing labour demand and the available supply of workers.

The present report has been divided into four chapters. The first chapter provides a brief overview of the state of labour demand in Canada, with emphasis on the construction industry in Ontario and the GTHA, while the second chapter outlines the main federal government supports for apprentices, tradespeople and industry employers. In addition, chapters three and four summarize witness testimony with respect to the main factors

1 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 February 2019, 1105 (Peter Fonseca, Member of Parliament for Mississauga East – Cooksville).



that are affecting the labour supply in the construction industry in Canada and especially in the GTHA, along with promising solutions. The final part of the report presents the findings and recommendations from the committee.

The committee is deeply appreciative of the insights and personal experiences of those who participated in the study. It would therefore like to thank all witnesses for their assistance in understanding the nature of labour shortages in the construction industry, particularly in the GTHA, and for sharing with committee members their perspectives.

CHAPTER 1: THE STATE OF LABOUR DEMAND

The construction industry is a large employer in Canada and its work includes both building new structures as well as renovating existing ones. Often, the industry is considered in terms of two sectors: residential and non-residential (which includes industrial, commercial and institutional buildings). According to the representative from the Canadian Home Builders' Association appearing before the committee, small businesses are predominant in the construction industry, with about 81% of construction firms employing fewer than 10 workers.²

Many different types of workers participate in the industry, including engineers, administrators, equipment operators, general labourers and tradespeople (such as plumbers, carpenters and electricians). Most of these tradespeople were trained for their work through apprenticeships. For many, work often comes in the form of contracts, as their work is tied to projects and not a particular firm.

During the study, the committee learned that, in the GTHA and southern Ontario, demand in the non-residential sector is being driven by major nuclear refurbishment projects and large public transportation infrastructure projects. In the residential sector, the pace of new homebuilding is forecasted to slow due to restricted affordability and land availability pressures, but population growth is expected to sustain high levels of demand for mid- and high-rise residential buildings in urban centres.³

Published data on labour demand in the construction industry in the GTHA is limited, but a general picture of the situation can be pieced together by combining labour data about the region in general, the construction industry in general, and about construction professions in Toronto. The data generally suggest that there is not a labour shortage in the construction industry in the GTHA, and that its labour supply issues are not unlike those of other regions and industries. This contrasts with what various industry stakeholders told the committee, many of whom described either an acute or projected shortage of workers. This discrepancy may be caused by a variety of factors which make it difficult to gain a complete understanding of the construction labour market.

2 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 March 2019 (Kevin Lee, Chief Executive Officer, Canadian Home Builders' Association).

3 BuildForce Canada, *Construction & Maintenance Looking Forward: Ontario*, January 2019. See also Written submission from BuildForce Canada, 19 March 2019, p. 12.



JOB VACANCIES IN CANADA

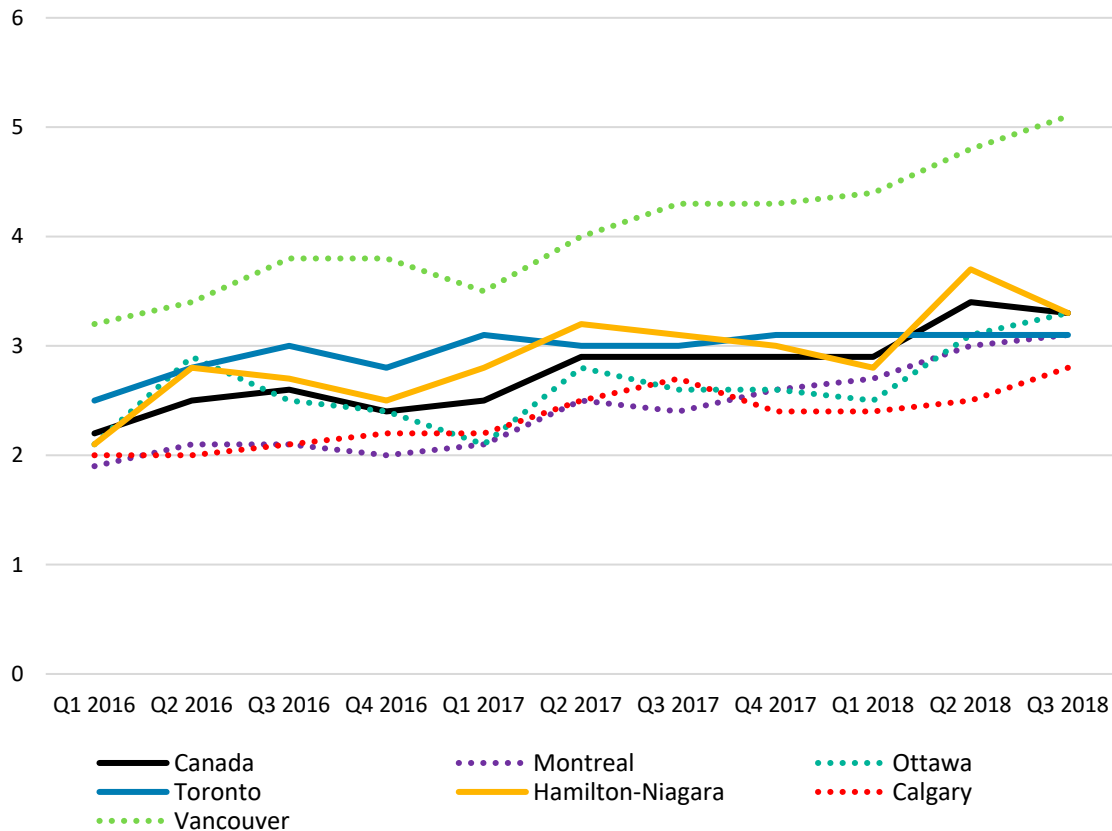
The job vacancy rate measures the proportion of all jobs that need to be filled. Between the first quarter of 2016 and the third quarter of 2018, there has been a general increase in the number of job vacancies in Canada.⁴ This trend has been particularly strong in Quebec, Ontario and British Columbia.

This trend also holds in Canada's largest urban economic regions, where the job vacancy rate has gradually increased since 2016. As Figure 1 shows, the job vacancy rate in the Toronto and Hamilton regions is similar to other urban regions, and to Canada as whole.⁵ The Vancouver region has a job vacancy rate that is markedly higher than other large urban regions.

4 Statistics Canada, [Job vacancies, third quarter 2018](#), 9 January 2019.

5 Because economic data is not collected for the GTHA as a region, both Toronto (which includes Toronto, Peel, York, Durham, and part of Halton) and Hamilton-Niagara (Hamilton, Niagara, Haldimand-Norfolk, Brant and the remainder of Halton) are included even though Hamilton-Niagara includes areas outside the GTHA.

**Figure 1 – Job Vacancy Rate Expressed as a Percentage from 2016 to 2018
in Selected Large Economic Regions of Canada**



Source: Figure prepared by the authors using data obtained from Statistics Canada, [“Table 14-10-0325-01: Job vacancies, payroll employees, job vacancy rate, and average offered hourly wage by provinces and territories, quarterly, unadjusted for seasonality,”](#) accessed 21 March 2019.

During her appearance before the committee, a representative from the Canadian Federation of Independent Business (CFIB) described vacancy rates for small businesses as being at an “all-time high,” with approximately 430,000 jobs currently unfulfilled across the country. These vacancies, she noted, are highest in the construction and service industries.⁶ Data released by CFIB subsequent to their appearance before the committee revealed a slight easing in Canada’s private sector job vacancy rate (409,300 vacant jobs) during the fourth quarter of 2018.⁷

6 HUMA, *Evidence*, 1st Session, 42nd Parliament, 21 February 2019 (Monique Moreau, Vice-President, National Affairs, Canadian Federation of Independent Business).

7 See CFIB, [Help Wanted Private sector job vacancies, Q4 2018](#), February 2019.



LABOUR SUPPLY AND DEMAND IN THE CONSTRUCTION INDUSTRY IN CANADA

Nationally, in 2017, the construction industry had a job vacancy rate of 1.6%, which was similar to the vacancy rate across all industrial sectors (1.7%).⁸ Construction industry data at the provincial level, however, is not reliable enough to be published by Statistics Canada for most provinces, including Ontario.⁹

The Canadian Occupational Projection System (COPS), administered by ESDC, projects future trends in the numbers of job openings and job seekers in different occupations and industries at the national level. For the projection period 2017-2026, the COPS analysis suggests that almost all jobs, in all sectors, will have an “approximate balance” between labour supply and demand. Most jobs in construction were projected to be in approximate balance in this period. In some professions, such as plasterers, drywall installers, pipefitters, glaziers and general labourers and trades helpers, ESDC projected a surplus of workers relative to the number of jobs available. No construction-related job was projected to have a labour shortage in the near future.¹⁰

These projections are in contrast to what some stakeholders, including employers, report. A ManpowerGroup report has suggested that the five job types that are currently the hardest to fill in Canada are skilled trade workers, sales representatives, drivers, engineers, and technicians. Many of these jobs are needed in the construction industry.¹¹ For its part, the Business Development Bank of Canada indicates that businesses in the construction industry are experiencing greater difficulty in hiring than in most other sectors, but less difficulty than in manufacturing and retail trade (Table 1).

8 Industrial sector does not include agriculture, fishing and trapping, private household services, religious organizations and the military personnel of the defence services, federal, provincial and territorial public administration, as well as unclassified businesses. These numbers differ from the vacancy rates stated above for this reason.

9 See Statistics Canada, [Table: 14-10-0225-01:Job vacancies, labour demand and job vacancy rate, annual](#), 21 March 2019.

10 Employment and Social Development Canada, [Imbalances Between Labour Demand and Supply \(2017–2026\)](#), October 2017

11 ManpowerGroup, [Solving the Talent Shortage: Build, Buy, Borrow and Bridge](#), 2018.

Table 1 – Proportion of Canadian Firms that Have Experienced Difficulty Hiring Between June 2017 and May 2018, by Sector

Sector	Proportion with Difficulty Hiring
Manufacturing	56%
Retail trade	54%
Construction	48%
Other	40%
Health care	37%
Professional services	31%
Finance, insurance, real estate	28%
All sectors	39%

Source: Table prepared by the authors using data obtained from Business Development Bank of Canada, [Labour Shortage: Here to Stay](#), September 2018.

CONSTRUCTION JOBS IN THE GREATER TORONTO AND HAMILTON AREA

In a report funded by the Sectoral Initiatives Program of ESDC, BuildForce Canada, an industry-led organization that provides labour market information about the sector, described the state of various construction occupations in different regions of the country, including the GTA.¹²

According to this report, about 170,000 workers in the GTA were employed in construction in 2018. As Table 2 shows, minor variations in employment numbers in residential and non-residential construction are expected in the future. BuildForce notes that “the largest near-term increases [in employment] are for trades and occupations concentrated in engineering construction (nuclear refurbishment and transit systems) with specialized skills and qualifications.”

¹² See BuildForce Canada, [Construction & Maintenance Looking Forward: Ontario](#), January 2019.



Table 2 – Construction Employment in the Greater Toronto Area

	Employment (2018)	Projected Short-Term Employment Changes (5-Year)
Residential	96,000	-6,800
Non-residential	72,000	+5,800

Source: BuildForce Canada, [Construction & Maintenance Looking Forward: Ontario](#), January 2019.

The report also considered the demand for and supply of labour in the GTA. From 2020 onward, for the residential construction sector, it states that:

- The availability of workers meeting employer qualifications in the local market may be limited by large projects, plant shutdowns or other short-term increases in demand.
- Employers may need to compete to attract needed workers.
- Established patterns of recruiting and mobility are sufficient to meet job requirements.¹³

The projections for 2019 and 2020 are different for non-residential construction. In this sector, the labour market conditions for most professions is described as follows:

- Workers meeting employer qualifications are generally not available in local markets to meet any increase.
- Employers will need to compete to attract additional workers.
- Recruiting and mobility may extend beyond traditional sources and practices.¹⁴

13 BuildForce Canada, [Construction & Maintenance Looking Forward: Ontario](#), January 2019, pp. 5 and 14. Of the 27 occupations analyzed between 2020 and 2028, only construction managers deviated slightly from this constant state. This is projected to occur in 2023, 2026 and 2027. In 2019, labour supply was more than adequate in most professions, with only crane operators, elevator constructors and mechanics, glaziers and ironworkers temporarily being in greater demand than their long-term projections.

14 BuildForce Canada, [Construction & Maintenance Looking Forward: Ontario](#), January 2019, pp. 5 and 16.

In spite of this assessment, BuildForce identifies only a handful of professions believed to have “excess demand” between 2018 and 2020.¹⁵ In 2021 and beyond, projections for almost all jobs in non-residential construction are similar to the residential sector in that established patterns of recruiting and mobility are sufficient to meet job requirements. There are no projections of excess demand in any profession in 2021 or later.

RETIREMENT IN THE INDUSTRY

It was the view of most witnesses appearing before the committee that labour shortages in the construction industry are being driven in part by the retirement of the baby boomer generation (those born between 1946 and 1965), a situation that is only expected to worsen over the next decade.¹⁶ Buildforce Canada’s Ontario report states that over the next decade, 91,100 workers in the industry are expected to retire, representing 21.5% of Ontario’s current construction labour force. This proportion is identical to the proportion of working Canadians across all sectors aged 55 or older.¹⁷

Buildforce Canada has estimated that, provincially, the construction industry can expect 77,800 new workers under the age of 30 to be drawn from local populations over the next decade. When expected growth to the industry is also considered, Buildforce Canada suggests that an additional 26,100 workers will need to enter the industry from other sources over the next decade in order to meet demand.¹⁸ Bill Ferreira of BuildForce Canada indicated that those additional workers will need to be recruited from outside the regional, provincial or national workforce or simply from other industries.¹⁹ The GTHA is expected to experience this potential gap similarly to the rest of Ontario.

15 The professions with excess demand are carpenters (2018), crane operators (2018), pipefitters (2019 and 2020), boilermakers (2020) and electricians (2020). Each of these professions is projected to return to regular demand by 2021.

16 See, for example, HUMA, *Evidence*, 1st Session, 42nd Parliament, 21 February 2019 (Monique Moreau, Vice-President, National Affairs, Canadian Federation of Independent Business); and *Evidence*, 19 March 2019 (Bill Ferreira, Executive Director, Ottawa Office, BuildForce Canada).

17 Statistics Canada, *Labour force characteristics by sex and detailed age group, annual (x1000)*, 3 April 2019.

18 BuildForce Canada, *Construction & Maintenance Looking Forward: Ontario*, January 2019, p. 1.
For the national figures, please refer to the following source: BuildForce Canada, *Construction & Maintenance Looking Forward: National Summary*.

19 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 March 2019 (Bill Ferreira, Executive Director, Ottawa Office, BuildForce Canada).

CHAPTER 2: MAIN FEDERAL GOVERNMENT SUPPORTS FOR APPRENTICES, TRADESPEOPLE AND INDUSTRY EMPLOYERS

While education, skills development and employment are typically matters falling under provincial jurisdiction, the federal government is involved in these areas in a number of important ways, as briefly outlined below. Initiatives related to education, skills development and employment that are targeted at apprentices and tradespeople, along with incentives for industry employers, can play an important role in addressing labour shortages in the construction industry. Notably, initiatives such as these make it possible for individuals, especially those from groups that are underrepresented in the labour market or that face specific barriers (such as women, Indigenous persons and new Canadians), to attend pre-apprenticeship and/or apprenticeship programming, obtain the skills they need to secure a job, as well as obtain and retain employment.

THE APPRENTICESHIP SYSTEM

An apprenticeship is a post-secondary pathway leading to certification in a skilled trade, with more than 300 skilled trades occupations recognized across Canada in four main sectors (construction, manufacturing, motive power and service). Approximately 80% of an apprentice's time is spent doing on-the-job training with a certified journeyperson, while the remaining 20% is spent in technical training at a college, vocational school or union training centre. One of the unique features of apprenticeships is that registered apprentices are considered employees and are therefore entitled to wages.²⁰

Each province and territory in Canada has a regulatory system in place to administer apprenticeship training for the skilled trades. These authorities are responsible for determining educational requirements, upholding program standards and issuing Certificates of Qualification, among other aspects. Apprentices must be registered with their regional apprenticeship authority and fulfill all the established requirements.²¹

To facilitate labour mobility among tradespeople, the federal government has for years encouraged the standardization of apprenticeship training and certification through the Interprovincial Standards Red Seal Program. The Red Seal Program sets out common

20 CareersInTrades.ca, [What's An Apprenticeship?](#)

21 Ibid.



standards to assess the skills of workers across Canada in certain trades (referred to as the “Red Seal” trades). Tradespeople who successfully pass their Red Seal examination receive a Red Seal endorsement on their provincial or territorial trade certificates. This means that they have demonstrated the knowledge required for the national standard in that trade, enabling them to practice their occupation in any province or territory without having to undergo additional examinations. Red Seal trades cover the majority of apprentices in Canada. The Red Seal Program is delivered by the Canadian Council of Directors of Apprenticeship, which is made up of apprenticeship authorities from each province and territory as well as representatives from ESDC.²²

PRE-APPRENTICESHIP AND APPRENTICESHIP PROGRAMMING

ESDC administers various programs that have the objective of helping people enter and complete their training in a trade approved for Red Seal status.²³ Some of these examples were discussed by ESDC officials during their appearance before the committee and include:

- the **Canada Apprentice Loan** provides eligible apprentices up to \$4,000 in interest-free loans per period of technical training to help pay for tuition, tools, equipment and living expenses; to cover forgone wages; or to help support their family;²⁴
- the **Apprenticeship Incentive Grant** is a taxable grant worth \$1,000 that is awarded to registered apprentices to help them pay for expenses while they train in a designated Red Seal trade; apprentices can apply for this grant twice during their training;²⁵
- the **Apprenticeship Completion Grant** is a taxable grant worth \$2,000 that is awarded to registered apprentices who successfully complete their apprenticeship training program and get their journey person certification in a designated Red Seal trade;²⁶ and

22 Government of Canada, [Skilled Trades and Apprenticeship \(Red Seal Program\)](#). See also Red-Seal.ca, [Red Seal Program](#).

23 See Government of Canada, [Support for apprentices](#) and [Background: Other Government of Canada support for apprentices](#). See also HUMA, [Evidence](#), 1st Session, 42nd Parliament, 19 February 2019 (Elisha Ram, Associate Assistant Deputy Minister, Skills and Employment Branch, Department of Employment and Social Development).

24 Government of Canada, [Canada Apprentice Loan](#).

25 Government of Canada, [Funding: Apprenticeship Incentive Grant – Overview](#).

26 Government of Canada, [Funding: Apprenticeship Completion Grant – Overview](#).

- the **Union Training and Innovation Program** supports union-based apprenticeship training, innovation and enhanced partnerships in the Red Seal trades. Specifically, the program provides \$25 million annually to support investments in training equipment and materials for unions (Stream 1). It also supports innovative approaches to improve apprenticeship outcomes (Stream 2). Both streams focus on addressing the barriers that prevent key groups (such as women, persons with disabilities, Indigenous people, racialized persons and newcomers to Canada) from participating and succeeding in the trades.²⁷

Further, Budget 2018²⁸ announced three new initiatives, starting in 2018–2019:

- the **Pre-apprenticeship Program** encourages groups facing barriers to training and employment to explore careers in the skilled trades, gain work experience, make informed career choices, and develop the skills needed for the trades; this is an investment of \$46 million over five years, starting in 2018–2019, with \$10 million per year ongoing;²⁹
- the **Apprenticeship Incentive Grant for Women** is a taxable grant of \$3,000 per year or level to further support women in entering, progressing, and completing their training in designated Red Seal trades where women are underrepresented; apprentices can apply for this grant twice during their training;³⁰ and
- the **Women in Construction Fund** supports projects building on existing models that have proven to be effective in attracting women to the trades, such as mentoring, coaching and tailored supports; this is an investment of \$10 million over three years, starting in 2018–2019.³¹

27 Government of Canada, [Union Training and Innovation Program](#) and [Backgrounder: Union Training and Innovation Program](#).

28 Government of Canada, [Equality and Growth: A Strong Middle Class](#), Budget 2018, 27 February 2018.

29 Government of Canada, [Backgrounder: Other Government of Canada support for apprentices](#).

30 Government of Canada, [Apply for the Apprenticeship Incentive Grant for Women: What this grant offers](#). See also Government of Canada, [“Government of Canada launches new Apprenticeship Incentive Grant for Women to help them get certified in Red Seal trades – apply today,”](#) news release, 11 December 2018.

31 Government of Canada, [Backgrounder: Other Government of Canada support for apprentices](#).



EMPLOYMENT INSURANCE

Through the Employment Insurance (EI) program, eligible apprentices can receive up to 55% of their average insurable weekly earnings (up to a maximum benefit rate of \$562 per week in 2019) in EI regular benefits during periods of unemployment while they are attending full-time technical training. These benefits are subject to a one-week waiting period during which apprentices will not be paid; however, they are only required to serve one waiting period for each apprenticeship. Apprentices may also be eligible for financial assistance through their province or territory to help cover costs while attending their technical training, including accommodations, child care and transportation.³²

As with other Canadians, apprentices and tradespeople may also be eligible for EI regular benefits in the event of seasonal unemployment or termination of employment. They may also be entitled to EI special benefits (such as maternity, parental and sickness benefits).³³ In addition, they can continue receiving EI regular benefits when moving to another area to look for work (provided they are available to work, are actively looking for a suitable job, and continue to look for work until they start a job) or if they voluntarily leave their jobs to follow a spouse, common-law partner or dependent child to a new place.³⁴

TAX INCENTIVES

The federal government also offers a series of tax incentives for apprentices, tradespeople and their employers. These include the Tradesperson's Tools Deduction, which allows claimants to deduct from their income part of the cost of eligible tools they had to acquire as a condition of employment.³⁵

Apprentices and tradespeople may also be eligible to claim the Tuition Tax Credit for eligible tuition fees; occupational, trade and professional examination fees required to obtain a professional status; or certification or license fees needed to practice a profession or trade in Canada.³⁶

32 Ibid. See also Government of Canada, [Employment Insurance for apprentices](#).

33 Ibid.

34 Government of Canada, [Moving within Canada to work](#).

35 Government of Canada, [Backgrounder: Other Government of Canada support for apprentices](#).

36 Ibid.

In addition, the Apprenticeship Job Creation Tax Credit allows industry employers to claim a non-refundable tax credit equal to 10% of the wages payable to each eligible apprentice in the first two years of their apprenticeship program. The maximum tax credit that can be claimed by an employer is \$2,000 per year for each eligible apprentice.³⁷

LABOUR MARKET TRANSFER AGREEMENTS

The federal government provides funding to provinces and territories to help people prepare for and return to work under the following two Labour Market Transfer Agreements.³⁸

Through the new Workforce Development Agreements (WDAs), the federal government supports provinces and territories in their delivery of employment and skills training programs. The WDAs consolidate the former Canada Job Fund Agreements (which included the Canada Job Grant), the Labour Market Agreements for Persons with Disabilities and the Targeted Initiative for Older Workers, with the objective of making transfers to provinces and territories simpler. Under the terms of the WDAs, provinces and territories can continue offering similar programming but also have the flexibility to adapt these models or create new supports to meet local labour market needs.³⁹ Budget 2017 announced an investment of \$900 million in this regard over six years, starting in 2017-2018.⁴⁰

Further, through the amended Labour Market Development Agreements (LMDAs), the federal government provides support to provinces and territories so that they can help unemployed Canadians (particularly those who are eligible for EI benefits or have contributed to the program) with skills training and employment assistance. Under the LMDAs, provinces and territories are responsible for the delivery of funded programs and services and have the flexibility to develop labour market programming that is best suited to their specific needs.⁴¹ Budget 2017 announced an investment in this regard of \$1.8 billion over six years, starting in 2017-2018.⁴²

37 Ibid. See also Government of Canada, [Apprenticeship Job Creation Tax Credit](#).

38 Government of Canada, [Labour Market Transfer Agreements](#). See also HUMA, [Evidence](#), 1st Session, 42nd Parliament, 19 February 2019 (Elisha Ram, Associate Assistant Deputy Minister, Skills and Employment Branch, Department of Employment and Social Development).

39 Government of Canada, [Workforce Development Agreements | ESDC](#).

40 Government of Canada, [Investing in the Middle Class](#), Budget 2019, 19 March 2019, p. 34.

41 Government of Canada, [Labour Market Development Agreements](#).

42 Government of Canada, [Investing in the Middle Class](#), Budget 2019, 19 March 2019, p. 34.

CHAPTER 3: FACTORS AFFECTING LABOUR SUPPLY IN THE CONSTRUCTION INDUSTRY

Witnesses appearing before the committee identified a series of factors that are affecting the supply of workers in the construction industry in Canada and especially in the GTHA. These factors are explored in greater detail in this chapter.

LACK OF AWARENESS

Lack of Awareness about the Skilled Trades as a Viable Career Option

Witnesses appearing before the committee agreed that there is a general lack of awareness about careers in the skilled trades as a viable option. Indeed, the committee was informed that improving the perceived value of careers in the skilled trades and reaching out to elementary and secondary school students were two of the most common recommendations from the more than 1,000 apprenticeship stakeholders surveyed in Ontario in 2017.⁴³

Witnesses agreed that young career seekers, guidance counsellors and parents, as well as the general public, are often unaware of the diversity of jobs and opportunities available in the skilled trades. Guidance counsellors, in particular, are mostly university educated and have little experience in the skilled trades. In addition, many high schools do not have Ontario Youth Apprenticeship Program (OYAP) coordinators to raise awareness among students about this school-to-work program and help students navigate the apprenticeship system.⁴⁴

Questioning committee members on what a glazier, a millwright or a boilermaker does, the representative from the Ontario Construction Secretariat, Robert Bronk, wondered how someone could research a career option they do not know exists in the first place. He explained that most people are familiar with only a few of the skilled trades

43 HUMA, *Evidence*, 1st Session, 42nd Parliament, 21 February 2019 (Robert Bronk, Chief Executive Officer, Ontario Construction Secretariat).

44 Ibid.

The OYAP is a school-to-work program that allows students in Grade 11 and Grade 12 to work in apprenticeship occupations through the Cooperative Education program. See Ontario Youth Apprenticeship Program, [*What is OYAP?*](#)



professions (such as plumbers, electricians, carpenters and painters). Yet, careers in the skilled trades can be very lucrative, with salaries in the six-figure range, a good pension and in high demand. Further, Mr. Bronk noted, these careers offer a variety of opportunities; for example, a journeyman can go on to become a contractor and even start their own company. These are also professions that allow individuals to earn a living while enrolled in apprenticeship programs, unlike some of the more sought-after university professions that usually entail student debt.⁴⁵

During his appearance before the committee, Member of Parliament Peter Fonseca also called attention to destigmatizing the skilled trades, noting that “[s]killed trades tend to be a second choice for most, with routes to university or college seen as the preferred path.”⁴⁶ Mr. Fonseca explained that, while an estimated 40% of new jobs will be in the skilled trades over the next 10 years, only 26% of youth aged 13 to 24 are considering pursuing a career in the trades.⁴⁷ This view was echoed by other witnesses, including the representative from the Canadian Home Builders’ Association, Kevin Lee, who indicated that careers in the skilled trades are seen as “lesser options” than university degrees.⁴⁸

Lack of Awareness about Related Supports

Witnesses also spoke about the lack of awareness of the federal and provincial supports available to people in the skilled trades. For example, the representative from the Ontario Construction Secretariat explained that apprentices are often unaware of the Canada Apprentice Loan or the Apprenticeship Completion Grant. He also noted that there is lack of awareness about the provincial Apprenticeship Completion Employer Bonus, for which employers in Ontario may be eligible once their apprentices have received their final certification.⁴⁹

45 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2019 (Robert Bronk, Chief Executive Officer, Ontario Construction Secretariat).

46 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 19 February 2019, 1110 (Peter Fonseca, Member of Parliament for Mississauga East – Cooksville).

47 Ibid.

48 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 19 March 2019 (Kevin Lee, Chief Executive Officer, Canadian Home Builders’ Association).

49 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2019 (Robert Bronk, Chief Executive Officer, Ontario Construction Secretariat).

The Apprenticeship Completion Employer Bonus in Ontario is a \$1,000 taxable grant offered to employers when their apprentice has completed all required classroom and on-the-job training and received final certification (in the form of a Certificate of Apprenticeship or a Certificate of Qualification, depending on the trade). See Government of Ontario, [Hire an apprentice](#).

DIFFICULTY ACCESSING EXISTING SUPPORTS

The committee also heard that, even when apprentices, tradespeople and industry employers are aware of the supports available to them, accessing them may sometimes be problematic. Indeed, according to the representative from the Ontario Construction Secretariat, EI regular benefits offered to apprentices during the in-school training portion of their program are often delayed, frequently arriving after the apprentices have gone back to work. This challenge, he noted, is particularly difficult for those apprentices living in the GTHA, owing to the high cost of living in that region.⁵⁰

The representative from the Toronto Community Benefits Network, Rosemarie Powell, also shared the story of Ahmed, one of the apprentices hired on the Eglinton Crosstown Light-Rail Transit (LRT) project through the community benefits program (explained in greater detail in Chapter 4 of the report). She explained to the committee that Ahmed, a newcomer to Canada, had difficulty accessing many of the federal, provincial and municipal supports related to employment services and pre-apprenticeship programming. She described his experience entering the trades as “unnecessarily chaotic and harsh.”⁵¹

OTHER CHALLENGES TO APPRENTICESHIP COMPLETION

One of the ESDC officials appearing before the committee indicated that there are other factors that may have an impact on whether an individual completes their apprenticeship. He explained that factors such as the work environment, the availability of other economic opportunities and family circumstances, for example, may prevent some people from completing their apprenticeship programs. Those who reported finding good employment two or three years into their apprenticeship had less of an incentive to complete their program, for instance.⁵²

ECONOMIC BARRIERS TO LABOUR MOBILITY

The committee was told about the potential positive impact of labour mobility (between sectors, intra-regional, regional and interprovincial) on labour shortages. Being mobile also allows workers to be more resilient in the face of economic changes as they can

50 HUMA, *Evidence*, 1st Session, 42nd Parliament, 21 February 2019 (Robert Bronk, Chief Executive Officer, Ontario Construction Secretariat).

51 Ibid. (Rosemarie Powell, Executive Director, Toronto Community Benefits Network).

52 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 February 2019 (Elisha Ram, Associate Assistant Deputy Minister, Skills and Employment Branch, Department of Employment and Social Development).



pursue opportunities outside their home province or region. While becoming certified in the Red Seal trades can greatly help with labour mobility, witnesses suggested that more needs to be done in this regard particularly given the existence of economic barriers.

For instance, the committee heard about the financial costs incurred by tradespeople travelling to the GTHA for work, some of whom commute as far as 200 kilometers per day, round-trip, in order to get to worksites in downtown Toronto or downtown Hamilton. As explained by the Ontario Construction Secretariat representative, Robert Bronk, the fact that construction is a project-based form of employment, with workers being dispatched to many different locations throughout the year, can make transportation a very costly endeavour.⁵³

The committee also heard that, given the high cost of living in the GTHA, many tradespeople are dissuaded from moving there either on a temporary or full-time basis.⁵⁴ According to Mr. Bronk, it is also very costly for employers in the GTHA to subsidize or accommodate workers from other regions in Canada on a temporary basis, especially as some of the construction projects can last two to three years (such as building a hospital or the LRT).⁵⁵

53 HUMA, *Evidence*, 1st Session, 42nd Parliament, 21 February 2019 (Robert Bronk, Chief Executive Officer, Ontario Construction Secretariat).

54 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 March 2019 (Mark Lewis, General Counsel, Carpenters' District Council of Ontario).

55 HUMA, *Evidence*, 1st Session, 42nd Parliament, 21 February 2019 (Robert Bronk, Chief Executive Officer, Ontario Construction Secretariat).

CHAPTER 4: PROMISING SOLUTIONS

Although witnesses identified a series of factors that are affecting the labour supply in the construction industry in Canada and particularly in the GTHA, they also offered their perspectives with respect to new and existing initiatives that could help overcome some of these barriers using a multi-faceted approach. Their promising solutions are explored in greater detail in this chapter.

[A]ddressing labour needs of the economy as a whole, including in construction in the GTHA, as well as across the country, will require a multi-faceted approach. It's not going to be one tool and a single approach that's going to get us there.⁵⁶

AWARENESS RAISING AND INDUSTRY SOLUTIONS

In order to address the existing lack of awareness about the skilled trades, it was suggested that the federal government take a lead role in promoting careers in these fields.⁵⁷ Witnesses also recommended conducting outreach to elementary and secondary schools as well as improving the connection between educational institutions (such as colleges), students and small employers.⁵⁸

During the course of the study, the committee also heard testimony regarding various innovative industry solutions that seek to increase awareness of, and exposure to, the skilled trades. These ideas, which were often portrayed as innovative models that could be implemented at a larger scale, included:

- **Future Building:** started in 2001 by the Ontario Construction Secretariat, this is an annual three-day interactive event that has brought a hands-on trade experience to over 200,000 youth. Its purpose is to introduce youth

56 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 February 2019, 1245 (Elisha Ram, Associate Assistant Deputy Minister, Skills and Employment Branch, Department of Employment and Social Development).

57 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 March 2019 (Kevin Lee, Chief Executive Officer, Canadian Home Builders' Association).

58 HUMA, *Evidence*, 1st Session, 42nd Parliament, 21 February 2019 (Robert Bronk, Chief Executive Officer, Ontario Construction Secretariat; and Monique Moreau, Vice-President, National Affairs, Canadian Federation of Independent Business).



to, and stimulate their interest, in the construction industry's skilled trades. The event takes place in a different city in Ontario every year.⁵⁹

- **Make Your Future:** this is a job fair targeted at high school students in Toronto who are at risk of dropping out. Its goal is to inform at-risk youth about the various career options available to them. This includes careers in the skilled trades, law enforcement and national defence. The event is sponsored by various organizations, including the Ontario Construction Secretariat.⁶⁰
- **Hammer Heads:** this is a 12-week skills development program that introduces youth from high-risk neighbourhoods in Toronto to different construction trades. The program, which was created by the Central Ontario Building Trades and its affiliates in 2009, includes safety training, hands-on skills development, mentoring and coaching.⁶¹
- **Creating Real Apprenticeships for Toronto (CRAFT):** this initiative is a 14-week paid pre-apprenticeship program in the construction trades with job placement support, which is targeted at youth aged 19 to 29 who live in Toronto Community Housing communities.⁶²
- **Skills Canada:** the purpose of this initiative is to encourage and support a coordinated Canadian approach to promoting careers in the skilled trades and technology sectors. This is done primarily through activities such as the annual Skills Canada National Competition as well as provincial and territorial competitions hosted by member organizations. These competitions, which are free and open to the public, allow people to engage in a variety of skilled trade and technology activities. Top medallists have a chance to compete internationally.⁶³

59 HUMA, *Evidence*, 1st Session, 42nd Parliament, 21 February 2019 (Robert Bronk, Chief Executive Officer, Ontario Construction Secretariat).

60 Ibid. See also Make your Future, *About the Event*.

61 HUMA, *Evidence*, 1st Session, 42nd Parliament, 21 February 2019 (Robert Bronk, Chief Executive Officer, Ontario Construction Secretariat). See also Hammer Heads Program, *Creating Youth Opportunities and Apprenticeships*.

62 Written submission from the Carpenters' District Council of Ontario.

63 Skills/Compétences Canada, *Home*.

Data shared with the committee shows that programs such as these can indeed play an important role in raising awareness about careers in the skilled trades among youth and educators. For example, according to the representative from the Ontario Construction Secretariat, 57% of the students who attended the 2018 edition of the Future Building event reported being more likely to consider pursuing a career in the construction trades, while 81% of teachers were more likely to encourage their students to pursue these careers.⁶⁴

INVESTING IN SKILLS TRAINING

While many witnesses spoke favourably of the existing pre-apprenticeship and apprenticeship programming, some noted that additional work is needed in the area of skills training.

For example, the representative from the Canadian Chamber of Commerce, Leah Nord, spoke about the importance of promoting soft skills (such as communications, problem solving, teamwork, adaptability, leadership and entrepreneurship). Referencing a 2017 report about Hamilton’s labour demands, she noted that many apprenticeship applicants lacked soft skills.⁶⁵

Ms. Nord also spoke about promoting “occupation-specific language training,” which she described as being “important for risk management and safety, effective labour integration, labour retention and upward mobility.”⁶⁶ In this regard, she suggested that considerations be given to work-site learning, blended learning as well as innovative delivery methods.⁶⁷

The representative from the Canadian Home Builders’ Association, Kevin Lee, noted that greater emphasis is needed on skills training for workers that are not in the “apprenticeable” trades, many of whom also work in the construction industry. He also recommended that the construction industry be included within the purview of the

64 HUMA, *Evidence*, 1st Session, 42nd Parliament, 21 February 2019 (Robert Bronk, Chief Executive Officer, Ontario Construction Secretariat).

65 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 March 2019 (Leah Nord, Director, Skills and Immigration Policy, Canadian Chamber of Commerce).

66 *Ibid.*, 1120.

67 *Ibid.*



Future Skills Council, an initiative under the ESDC portfolio that will examine emerging and persistent skills gaps, among other aspects.⁶⁸

The committee was also told about the importance of upskilling and reskilling the existing workforce. Using the example of residential construction, one of the representatives from the Ontario Home Builders' Association, Joe Vaccaro, explained that the way homes are built today is much different than in the past, with energy efficiency and other requirements at play, thereby requiring the upskilling of labourers.⁶⁹

Finally, the witness from the Toronto Community Benefits Network noted that greater investment in pre-apprenticeship programming is necessary, emphasizing the importance of offering pre-apprenticeship programs that are customized for specific equity seeking groups' unique needs.⁷⁰ She also spoke about the need to "reduce the artificial eligibility requirements and burdens that are inherent in the current system for newcomers to seek employment."⁷¹

FINANCIAL SUPPORT FOR INDUSTRY EMPLOYERS, TRADESPEOPLE AND APPRENTICES

Regarding financial support for industry employers, one of the representatives from BuildForce Canada recommended that the federal government create greater incentives for industry employers, particularly smaller businesses, to hire apprentices. He described apprenticeship as a partnership:

Most of the current incentives in apprenticeship development are directed at the apprentices themselves. Apprenticeship is a partnership. Without an employer, it doesn't matter how many grants you direct at the apprentice. If that apprentice can't find a job, they're never going to be able to take advantage of those grants. One area that you may

68 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 March 2019 (Kevin Lee, Chief Executive Officer, Canadian Home Builders' Association).

The Future Skills Council is tasked with advising the Minister of Employment, Workforce Development and Labour about national and regional skills development and training opportunities. Towards this end, it will consult stakeholders from the private, public and non-for-profit sectors on a variety of topics, including emerging and persistent skills gaps. Council membership includes technical and subject matter experts. See Government of Canada, *Future Skills Council*.

69 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 March 2019 (Joe Vaccaro, Chief Executive Officer, Ontario Home Builders' Association).

70 HUMA, *Evidence*, 1st Session, 42nd Parliament, 21 February 2019 (Rosemarie Powell, Executive Director, Toronto Community Benefits Network).

71 *Ibid.*, 1125.

want to take a look at is how you can better create incentives for smaller construction employers to participate in apprenticeships.⁷²

In this regard, the CFIB representative, Monique Moreau, suggested creating an EI training credit or EI holiday for employers who hire youth, noting that the cost associated with training is significant. According to CFIB's testimony, new hires with no experience require an investment of approximately \$4,200, while new hires with experience represent over \$2,800 in costs. This is in contrast to the annual investment for all other staff, of approximately \$1,480. Overall, Ms. Moreau noted, small and medium-sized enterprises (SMEs) spend \$14 billion a year on on-the-job training. She also suggested reducing the red tape associated with hiring and training, including reporting and other requirements to access government programs. In her opinion, these initiatives could, in turn, help prevent wage suppression by freeing up more money for SMEs.⁷³

Another suggestion advanced in this regard included expanding the Student Work Placement Program beyond the STEM fields (science, technology, engineering and mathematics) to include opportunities such as apprenticeships.⁷⁴ The Student Work Placement Program provides increased wage subsidies to employers who offer a work placement to students in underrepresented groups, thereby creating new work placements for students in partnership with employers and post-secondary institutions.⁷⁵

In addition, the representative from the Ontario Construction Secretariat, Robert Bronk, recommended allowing tradespeople to claim mileage and parking costs as tax deductions by amending the eligibility criteria for the Declaration of Condition of Employment (T2200). He also called for a restructuring of EI benefits to incorporate a travel voucher at the beginning of the benefit period, which would help cover travel costs incurred to obtain employment in regions that are experiencing labour shortages. This would not be a new EI benefit but an advance of future payments, which could be forgivable if the worker found employment for a given number of weeks in the new location.⁷⁶

72 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 19 March 2019, 1110 (Bill Ferreira, Executive Director, Ottawa Office, BuildForce Canada).

73 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2019 (Monique Moreau, Vice-President, National Affairs, Canadian Federation of Independent Business).

74 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 19 March 2019 (Leah Nord, Director, Skills and Immigration Policy, Canadian Chamber of Commerce).

75 See Government of Canada, [Employment and Social Development Canada, 2018-19 Departmental Plan and Backgrounder: Student Work Placement Program](#).

76 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2019 (Robert Bronk, Chief Executive Officer, Ontario Construction Secretariat). See also Written submission from the Ontario Construction Secretariat, pp. 3-4 and Canada's Building Trades Union, [Budget 2016 Submission to Hon. Bill Morneau](#).



Finally, regarding apprentices, Mr. Bronk suggested expediting as well as increasing the amount of EI they receive during the in-school portion of their program, with the objective of alleviating the financial hardship some experience during this time.⁷⁷

RECRUITING FROM GROUPS UNDERREPRESENTED IN THE CONSTRUCTION INDUSTRY

Witnesses appearing before the committee agreed that greater recruitment of groups traditionally underrepresented in the construction industry (such as women, Indigenous people and new Canadians) could substantially increase the supply of skilled tradespeople in Ontario, owing to their low participation rates as described below. According to one of the ESDC officials, though many employers in the GTHA have been working to modernize their recruitment techniques to capture the attention of young people and have implemented sensitivity training to attract members of vulnerable groups, more work can still be done on these fronts.⁷⁸

Data from the Registered Apprenticeship Information System (RAIS) submitted by ESDC reveals that, while in 2017 women represented 9% of Red Seal continuing apprentices in Canada, they accounted for only 5% if the “traditional” trades of hairstylist, cook and baker were excluded.⁷⁹ Further, data shared by BuildForce Canada indicates that women represent 13% of the construction industry’s workforce in Ontario, with approximately 31% of them working directly on construction projects and the remaining 69% working primarily in administrative and management positions. This means that women represent 3.9% of employment in direct trades and occupations in the province.⁸⁰ The following figure offers a breakdown of female construction employment in Ontario for the year 2018.

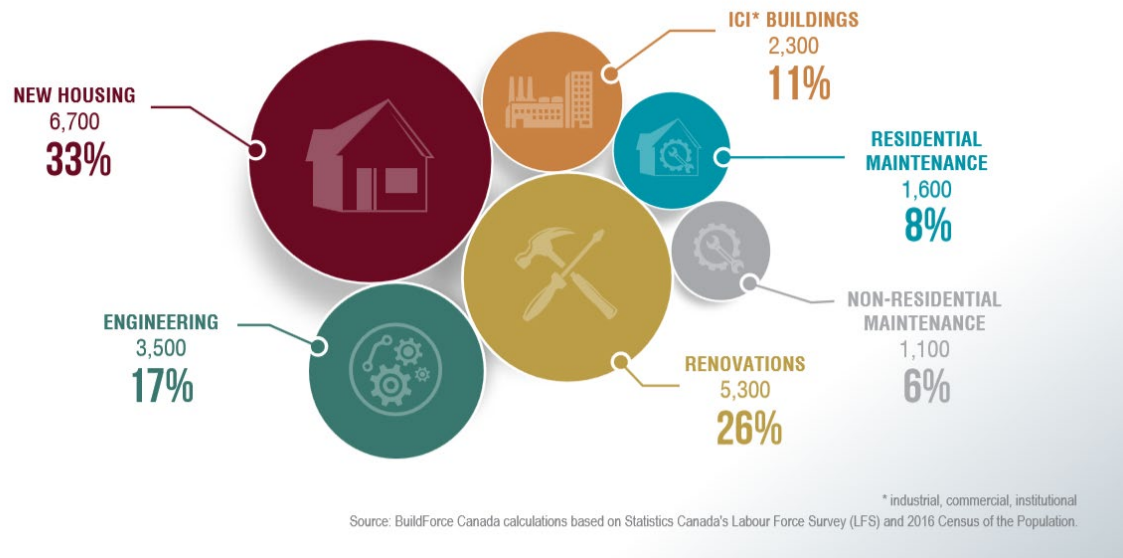
77 HUMA, *Evidence*, 1st Session, 42nd Parliament, 21 February 2019 (Robert Bronk, Chief Executive Officer, Ontario Construction Secretariat).

78 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 February 2019 (Elisha Ram, Associate Assistant Deputy Minister, Skills and Employment Branch, Department of Employment and Social Development).

79 Written submission from Employment and Social Development Canada.

80 BuildForce Canada, *Construction & Maintenance Looking Forward: Ontario*, January 2019, pp. 26-27. See also Statistics Canada, *How Do Women in Male-dominated Apprenticeships Fare in the Labour Market?*, 13 March 2019.

Figure 2 –Breakdown of Female Construction Employment (2018), Ontario



Source: BuildForce Canada, *Construction & Maintenance Looking Forward: Ontario*, January 2019, p. 26.

The committee was also told that Canada's Indigenous population is another underrepresented group that presents opportunities for Ontario's construction industry. This is especially the case as more than a quarter of all Indigenous people reside in the province and represent the fastest growing group in Canada. According to BuildForce Canada's estimates, Indigenous people represent 2.7% of the construction industry's workforce in Ontario, with 80% working directly on construction projects and the remaining 20% working primarily in administrative and management positions.⁸¹

Witnesses also indicated that greater recruitment of new Canadians could help address labour shortages in the construction industry. According to estimates by BuildForce Canada, new Canadians account for approximately 26% of workers in the construction industry in Ontario.⁸²

81 BuildForce Canada, *Construction & Maintenance Looking Forward: Ontario*, January 2019, pp. 26-27.

82 Ibid., p. 28.



COMMUNITY BENEFIT AGREEMENTS

Community benefit agreements⁸³ were described by the representative from the Toronto Community Benefits Network, Rosemarie Powell, as a promising method of ensuring the recruitment of people from underrepresented groups, given that they require the contractor on a publicly funded project to source from the local labour pool. She indicated that there is currently an “untapped labour pool of people from diverse communities who have been historically overlooked in the construction industry,” citing figures from the Government of Ontario that indicate that, of those registered with the Ontario College of Trades, only 4.4% are women, 1.9% are Indigenous peoples and 1.2% are racialized apprentices. Yet, she noted, Toronto is 51% visible minorities. In her opinion, this pool of people could help meet the growing demands for labour in the construction industry.⁸⁴

Ms. Powell gave the example of the community benefits framework negotiated in connection with the Eglinton Crosstown LRT project, whose goal is to “hire apprentices and journeypersons from historically disadvantaged groups to perform 10% of all trade or craft working hours on the project.”⁸⁵ As part of this initiative, she noted that over 100 apprentices and 150 professional, administrative and technical workers have been hired, and that work continues to be done towards reaching the 10% goal. The Eglinton Crosstown LRT project runs through many of Toronto’s low-income neighbourhoods.⁸⁶

In order to further promote community benefit agreements, Ms. Powell recommended raising awareness about them, along with better communication with stakeholders about upcoming publicly funded construction projects and the schedule of trades. The provision of diversity and inclusion expertise and resources to unions, contractors and subcontractors (including the creation of a diversity panel that could intersect with the federal government’s *Investing in Canada Plan*) was also recommended.⁸⁷

83 Community benefit agreements are legally enforceable agreements that can be negotiated with communities to create opportunities as part of a specific development or infrastructure project. Benefits may include equitable hiring practices, funding for training, neighbourhood improvements, and support for social enterprises. See Community Benefits.ca, [What is a Community Benefit Agreement or CBA?](#)

84 HUMA, *Evidence*, 1st Session, 42nd Parliament, 21 February 2019, 1120 (Rosemarie Powell, Executive Director, Toronto Community Benefits Network).

85 *Ibid.*, 1125.

86 *Ibid.*

87 *Ibid.* See also written submission from the Toronto Community Benefits Network, pp. 5-6.

The representative from the Toronto Community Benefits Network also expressed support for Bill C-344, An Act to amend the Department of Public Works and Government Services Act (community benefits),⁸⁸ which proposes amending the *Department of Public Works and Government Services Act* to provide the designated Minister under the Act with the authority to require an assessment of the benefits that a community derives from a construction, maintenance or repair project.⁸⁹

Other witnesses appearing before the committee, however, expressed concerns over the economic impact that the community benefits framework, and specifically Bill C-344, could have on SMEs.

Notably, the CFIB representative, Monique Moreau, agreed that community benefit agreements could increase costs for SMEs as well as add layers of paperwork to securing contractors or in the situation where an SME becomes a sub-contractor, which is very common. She also noted that there was “very little support” from CFIB members when they were polled on a similarly designed bill in British Columbia.⁹⁰

IMMIGRATION PROGRAMS

Witnesses generally agreed that immigration, especially immigration of skilled tradespeople, is of vital importance to addressing the growing labour demand in the construction industry. This is especially the case as training Ontario’s future workforce is not considered a short process. Indeed, according to the written submission from the Carpenters’ District Council of Ontario, it takes between three-and-a-half to six years for an apprentice to become a qualified journeyman within the carpentry trades.⁹¹

The federal government’s initiative *Investing in Canada Plan* is aimed at improving infrastructure in four priority areas (public transit; green infrastructure; community, culture and recreation infrastructure; and rural and northern communities). See Government of Canada, [Investing in Canada Plan](#).

88 [Bill C-344, An Act to amend the Department of Public Works and Government Services Act \(community benefits\)](#), 1st Session, 42nd Parliament. This bill is sponsored by Ramesh Sangha, Member of Parliament for Brampton Centre. At the time of the committee study on labour shortages in the construction industry, Bill C-344 was at the second reading stage of the legislative process in the Senate of Canada.

89 Ibid. See also HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2019 (Rosemarie Powell, Executive Director, Toronto Community Benefits Network).

90 HUMA, [Evidence](#), 1st Session, 42nd Parliament, 21 February 2019 (Monique Moreau, Vice-President, National Affairs, Canadian Federation of Independent Business).

For additional information about CFIB’s study on the implementation of community benefit agreements in British Columbia, please refer to the following source CFIB, [The Cost of BC’s Community Benefit Agreements](#), 19 July 2018.

91 Written submission from the Carpenters’ District Council of Ontario, p. 5.



Further, according to one of the IRCC officials appearing before the committee, Natasha Kim, “[w]ith an aging population that is contributing to more workers leaving the workforce every year than entering it, immigration will be a key source for population and labour force growth in the coming years,” accounting for 80% of the labour force growth by 2031.⁹² As a result, she indicated that approximately 60% of the government’s 2019-2021 Multi-Year Immigration Levels Plan is devoted to immigrants in the economic stream.⁹³

Atlantic Immigration Pilot and Other Economic Programs

As indicated above, M-190 asks that the committee conduct “an analysis of the Atlantic Immigration Pilot initiative as a model to address the skilled worker need in the GTHA.”⁹⁴ The Atlantic Immigration Pilot (AIP) allows Atlantic employers (from New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island) to hire qualified candidates for jobs they have not been able to fill locally. Unlike the Temporary Foreign Worker Program (TFWP), described in greater detail below, a Labour Market Impact Assessment (LMIA) is not necessary, and candidates obtain permanent residency. Employers are also required to play a stronger role in the settlement and integration of recruited workers and their families, with the objective of promoting retention in the Atlantic region. The AIP is a partnership between the federal government, led by IRCC, and the four Atlantic provinces.⁹⁵

According to Ms. Kim, the AIP was launched in 2017 to address demographic challenges faced by the Atlantic region, including the challenge of attracting and retaining immigrants. Prior to the launch of the pilot, she noted that the retention of immigrants in the Atlantic provinces was the lowest nationwide, ranging from 16% to 68%, while the national average sat at 86% and Ontario at 91%. She added that similar challenges have been observed in rural and northern regions across Canada, which is why the federal government recently unveiled a Rural and Northern Immigration Pilot that will help smaller communities throughout Canada attract and retain skilled foreign workers, building on the AIP model.⁹⁶

92 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 February 2019, 1220 (Natasha Kim, Associate Assistant Deputy Minister, Strategic and Program Policy, Department of Citizenship and Immigration).

93 Ibid.

94 House of Commons, *Debates*, 1st Session, 42nd Parliament, 3 October 2018, p. 22216.

95 Government of Canada, *Atlantic Immigration Pilot – A step by step guide*.

96 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 February 2019 (Natasha Kim, Associate Assistant Deputy Minister, Strategic and Program Policy, Department of Citizenship and Immigration).

When comparing Atlantic Canada with Ontario, this IRCC official noted that the latter “does not face the same challenges in attracting and retaining immigrants.” Ontario, and in particular the GTHA, receive the greatest share of permanent immigration across all categories. In 2018, for example, Toronto alone received over 106,000 new permanent residents (representing one-third of all permanent resident admissions that year), of which more than 61,000 were in the economic class. Furthermore, almost 70,000 work permits were issued to temporary foreign workers destined to Toronto in 2018. In addition to receiving the greatest proportion of new immigrants on an annual basis and having a retention rate of over 90%, Ontario also receives secondary migration from other provinces.⁹⁷

Furthermore, witnesses generally agreed about the importance of conducting some form of labour market screen or LMIA in the GTHA; a requirement under the TFWP but not under the AIP. Member of Parliament Peter Fonseca, however, reminded the committee that much of this analysis has already been done by organizations like BuildForce Canada.⁹⁸

The committee was told by the IRCC official that other existing economic immigration programs can better respond to long-term labour needs in the GTHA, rather than the AIP. These include the federal Express Entry programs and the Provincial Nominee Program, described in greater detail below. Immigrant selection in the economic class takes into account not only short-term labour market needs, but also considers “indicators of an economic immigrant’s ability to establish and adapt to a changing economy in the longer term.”⁹⁹ These indicators include language proficiency, education, work experience and the ability to have full-time, year-long employment rather than seasonal work.¹⁰⁰

In contrast, the representative from the Canadian Chamber of Commerce, Leah Nord, indicated that the number of economic immigrants to Ontario has not been proportionate to the province’s size and has been on the decline:

For additional information about the Rural and Northern Immigration Pilot, please see Government of Canada, [*Rural and Northern Immigration Pilot: About the process.*](#)

97 HUMA, [*Evidence*](#), 1st Session, 42nd Parliament, 19 February 2019 (Natasha Kim, Associate Assistant Deputy Minister, Strategic and Program Policy, Department of Citizenship and Immigration).

98 HUMA, [*Evidence*](#), 1st Session, 42nd Parliament, 19 February 2019, 1110 (Peter Fonseca, Member of Parliament for Mississauga East – Cooksville).

99 HUMA, [*Evidence*](#), 1st Session, 42nd Parliament, 19 February 2019, 1225 (Natasha Kim, Associate Assistant Deputy Minister, Strategic and Program Policy, Department of Citizenship and Immigration).

100 Ibid.



Provincially, it is important to remind ourselves that while Ontario receives the proverbial lion's share of immigrants in Canada (almost 40%), the number of economic immigrants to Ontario has been on the decline and it is not proportional to its size. For example, in 2016, Ontario received 29% of Canada's economic class immigrants, while making up just over 38% of the population. In that same year, Ontario selected only 3.6% of all its immigrants through the Ontario Provincial Nominee Program, where the rest of Canada selected 39%.¹⁰¹

This view was echoed by one of the representatives from BuildForce Canada, who called for an increase in the number of immigrants that are brought under the Federal Skilled Trades Program.¹⁰²

Speaking favourably about the idea of adopting an AIP model in the GTHA, Ms. Nord also emphasized the importance of decentralizing immigration selection processes (including the AIP and the Provincial Nominee Programs) and of applying a sectoral lens, with the objective of promoting "a more local level of decision-making."¹⁰³

Federal Express Entry Programs

According to IRCC, Express Entry is "Canada's flagship application management system for key economic immigration programs," including the Federal Skilled Worker Program and the Federal Skilled Trades Program. Upon completing an online profile, candidates are ranked based on a combination of factors, including the candidate's age, education, official language proficiency, work experience, a qualifying offer of arranged employment, and Canadian work or study experience. These factors are strongly correlated to higher earning potential.¹⁰⁴

Speaking to the federal Express Entry programs in relation to labour demand in the construction industry, Ms. Kim explained:

First, there are our federal Express Entry programs, which can meet the need for skilled workers in the construction industry at the national occupational code or NOC levels O, A and B. This includes construction managers and supervisors, carpenters, masonry workers

101 Speaking Notes provided by Leah Nord, Director, Skills and Immigration Policy, Canadian Chamber of Commerce, 19 March 2019.

102 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 March 2019 (Bill Ferreira, Executive Director, Ottawa Office, BuildForce Canada).

103 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 March 2019, 1115 (Leah Nord, Director, Skills and Immigration Policy, Canadian Chamber of Commerce).

104 Government of Canada, *Express Entry Year-end Report 2017*.

and welders, as well as those in the electrical trades. Under our Federal Skilled Trades Program, we have targeted draws for skilled trade workers under Express Entry.¹⁰⁵

This same IRCC official also indicated that, over the last four years, there have been approximately 3,200 immigrants with skilled trades backgrounds who have been admitted through Express Entry. Of these, about one-third settled in Ontario, with 86% of them heading to the Toronto area.¹⁰⁶

Ms. Kim also noted that many immigrants from other categories (for example, those who entered as refugees or as part of the family class) end up as part of the Canadian skilled trades workforce.¹⁰⁷

Provincial Nominee Program

The Provincial Nominee Program (PNP), on the other hand, is for workers who have the skills, education and work experience to contribute to the economy of a specific province or territory, wish to live in that province, and want to become permanent residents of Canada. Each province has its own “streams” (or immigration programs that target certain groups) and requirements.¹⁰⁸ According to Ms. Kim, the PNP allows provinces and territories to address labour market needs, including those in the construction industry, that are more regional than national in nature. It also allows provinces and territories to develop streams that are more employer-driven, with the objective of addressing needs in the in-demand sectors and occupations.¹⁰⁹

This witness cited the example of Ontario, which introduced an in-demand skills stream in 2017 in order to allow workers with permanent job offers in high-demand occupations, such as those in the construction industry, to become permanent residents. She also noted that Ontario has a skilled worker stream, which is available to workers with at least one year of cumulative, paid, full-time work experience in a skilled trade (including in the industrial, electrical and construction trades, as well as in the maintenance and equipment operations trades).¹¹⁰

105 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 February 2019, 1220 (Natasha Kim, Associate Assistant Deputy Minister, Strategic and Program Policy, Department of Citizenship and Immigration).

106 Ibid.

107 Ibid.

108 Government of Canada, *How the Provincial Nominee Program (PNP) works*.

109 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 February 2019 (Natasha Kim, Associate Assistant Deputy Minister, Strategic and Program Policy, Department of Citizenship and Immigration).

110 Ibid.



Temporary Foreign Worker Program

The TFWP allows employers who have been unable to recruit Canadian citizens or permanent residents to hire foreign workers to address a specific, short-term labour need. To qualify under the TFWP, employers who need to fill labour shortages must, among other aspects, successfully undertake a labour market screen or LMIA to demonstrate that there are no Canadians or permanent residents available to do the job. An LMIA must be obtained by the employer before a temporary foreign worker can apply for a work permit. It should be noted, however, that under the Global Talent Stream of the TFWP certain positions may be exempted from the work permit requirement and employers may qualify for faster LMIA processing times. The TFWP is administered by ESDC and IRCC.¹¹¹

While most witnesses agreed that immigration programs that respond to longer-term labour market needs would be more effective in addressing labour shortages, the committee also heard that the TFWP could be beneficial for the construction industry if some adjustments were made to address current issues with the program.

Indeed, according to the CFIB representative, Monique Moreau, SMEs have complained about delays in the processing of their LMIA applications, the 2014 increase in the LMIA fee from \$275 to \$1,000 for each temporary foreign worker position requested by an employer, and the fact that little explanation is provided when an application is rejected.¹¹²

Some of the recommendations made to the committee in this regard included:

- refunding business owners who have had their LMIA applications rejected;
- implementing a “trusted employers program” to fast-track LMIA applications;
- allowing applications for temporary foreign workers in the construction industry in regions where they would normally not be admissible because of the rate of employment;

111 Government of Canada, *Hire a temporary worker through the Temporary Foreign Worker Program* and *Global Skills Strategy: About the process*.

112 HUMA, *Evidence*, 1st Session, 42nd Parliament, 21 February 2019 (Monique Moreau, Vice-President, National Affairs, Canadian Federation of Independent Business).

- exempting businesses in the trades from having to provide transition plans (which outline initiatives undertaken to reduce their reliance on the TFWP) with their LMIA applications;
- expanding the exempted positions within the Global Skills Strategy;
- reverting the cap on the proportion of temporary foreign workers that a business can employ in low-wage positions to 20% (up from 10%); and
- reviewing the National Occupation Classification (NOC) code processes in all provinces to reflect regional and sectoral labour market needs.¹¹³

In addition, the committee was told about the importance of implementing an “introduction to Canada visa” to facilitate the pathway towards permanent residency of temporary foreign workers who can fill permanent labour market needs.¹¹⁴

Other concerns raised about the TFWP included those outlined in the written submission from the Carpenters’ District Council of Ontario. According to it, the current program parameters are not suitable to the needs or circumstances of the construction industry:

[C]ompanies who seek to hire foreign workers are required to guarantee all such temporary foreign workers full-time employment for a period of at least one year. This requirement presents a significant hurdle for the construction industry employers because, in our industry, any specific employment relationship (between a particular employer and a particular employee) is transitory in nature....

In addition, after the completion of the LMIA process, the temporary foreign workers are obligated to work only for the single particular employer that initiated that LMIA process. While some employers may be able to provide 40 hours of work a week for a substantial period of time if they are engaged in large projects, this is not necessarily the norm and many construction industry employers may not be able to provide such work in-between projects.¹¹⁵

During their appearance before the committee, one of the representatives from the Carpenters’ District Council of Ontario, Mark Lewis, recommended that consideration be given to “an industry-wide approach,” whereby employers in the construction industry could share the pool of temporary foreign workers in partnership with the unions. If, at

113 Ibid. See also HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 March 2019 (Leah Nord, Director, Skills and Immigration Policy, Canadian Chamber of Commerce).

114 HUMA, *Evidence*, 1st Session, 42nd Parliament, 21 February 2019 (Monique Moreau, Vice-President, National Affairs, Canadian Federation of Independent Business).

115 Written submission from the Carpenters’ District Council of Ontario, pp. 5-6.



the end of the assessment period, temporary foreign workers can demonstrate that they have continued employment in the construction industry, he suggested switching them to a path of permanent residency.¹¹⁶

According to ESDC officials, the department has been working with industries that are heavy users of the TFWP, including the construction industry, to review labour needs and identify appropriate workforce development strategies, since the committee's study of the program in 2016.¹¹⁷

Immigration of Skilled Tradespeople and Language Requirements

The Carpenters' District Council of Ontario also emphasized in its written submission that some flexibility needs to be given in relation to what they described as "relatively high language requirements" for prospective immigrant entrants to the construction industry:

While obviously Canada's official languages are English and French, the assumption that all immigrants to the GTHA speak either of those languages (at home or at work or both) is not an accurate reflection of Toronto's current situation, and particularly the situation which has existed for many decades in the GTHA's construction industry ... [G]iven the multi-cultural nature of both the workforces which they form part of and the areas in which they live, and especially given the relatively high (family supporting) wages which they are able to earn in the construction industry, such immigrant workers have been highly successful in fully integrating into our country, region, city regardless of their language skills.¹¹⁸

This view about language requirements was echoed by other witnesses during the study, including those from the Ontario Home Builders' Association and BuildForce Canada.¹¹⁹

In contrast, the representative from the Ontario Construction Secretariat told the committee about the importance of attracting workers that have the requisite language skills and who can be trained in occupational health and safety matters, or that come from countries that have a formalized apprenticeship program. Often, he noted, workers who arrive in Canada without the requisite skills, and who may be unable to pursue training due to language barriers, end up in the underground economy. In his opinion,

116 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 March 2019 (Mark Lewis, General Counsel, Carpenters' District Council of Ontario).

117 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 February 2019 (Elisha Ram, Associate Assistant Deputy Minister, Skills and Employment Branch, Department of Employment and Social Development).

118 Written submission from the Carpenters' District Council of Ontario, p. 7.

119 HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 March 2019 (Rick Martins, President, Ontario Home Builders' Association; and Bill Ferreira, Executive Director, Ottawa Office, BuildForce Canada).

the underground economy poses a “huge problem” not only for the workers themselves who may not know about their statutory right to refuse dangerous work and who may get injured or injure others as a result, but also for the economy and the construction industry as a whole.¹²⁰ He explained as follows in this regard, noting that this is of great concern in Ontario’s residential construction industry:

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.... It’s a cash-based economy.... 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.¹²¹

The representatives from the Carpenters’ District Council of Ontario suggested the establishment of facilities overseas (in countries like Portugal, Italy and Ireland) that could, among other tasks, conduct initial screening of candidates as well as train them in occupational health and safety as well as Ontario work techniques.¹²²

120 HUMA, *Evidence*, 1st Session, 42nd Parliament, 21 February 2019 (Robert Bronk, Chief Executive Officer, Ontario Construction Secretariat).

121 *Ibid.*, 1250.

122 Written submission from the Carpenters’ District Council of Ontario, p. 9. See also HUMA, *Evidence*, 1st Session, 42nd Parliament, 19 March 2019 (Mark Lewis, General Counsel, Carpenters’ District Council of Ontario).

CONCLUSION AND RECOMMENDATIONS

During the course of the study, the committee received valuable testimony from the sponsor of M-190, Member of Parliament Peter Fonseca, as well as from senior departmental officials and stakeholders from the construction industry (including employee representatives and business advocates) about labour shortages in the construction industry, particularly in the GTHA. The committee learned that, though there are various factors affecting the supply of workers, time is of the essence when it comes to capitalizing on promising solutions.

Having considered the testimony placed before it, the committee now presents its findings and recommendations. The committee believes that these recommendations are not only relevant to addressing labour shortages in the GTHA construction industry but could serve to alleviate the shortage of workers in other regions and industries in Canada.

LABOUR DATA COLLECTION

Throughout the study, the committee noted that data collection programs administered or funded by ESDC provided results that lacked regional specificity or appeared to be at odds with what industry stakeholders reported in their testimony. Without clarity around what problems are prevalent in the construction industry's labour market, it is challenging for governments to intervene effectively when needed. Better data collection and analysis will enable governments and industry employers, along with tradespeople and other industry workers, to have a more accurate understanding of the state of labour demand now and in the future.

Recommendation 1

That Employment and Social Development Canada work with Statistics Canada, along with provincial and territorial governments, to ensure that labour market data provide a more complete picture of current labour supply and forecast future labour market demand in the construction industry. This includes:

- **accurate, timely and relevant labour market information at the regional and local levels;**
- **the impact of informal and undocumented labour; and**



- **a better understanding of areas in which labour market reports may be inconsistent with what is reported by both construction industry and labour stakeholders.**

AWARENESS RAISING

Witnesses appearing before the committee agreed that there is a general lack of awareness among educators, youth and families about skilled trades as a viable career option, and that more needs to be done to destigmatize the skilled trades and close the knowledge gap. Apprentices and industry employers are also often not familiar with, and fail to take advantage of, the many supports available to them. Against this backdrop, the committee learned that some industry solutions have succeeded at increasing awareness and should continue into the future.

The committee is aware of related investments proposed in Budget 2019, including \$6 million over two years, starting in 2019-2020, towards a national campaign aimed at promoting careers in the skilled trades as a first-choice for youth. The committee is also aware of the proposed investment of \$40 million over four years, starting in 2020-2021, and \$10 million per year ongoing, towards Skills Canada (which is an organization tasked with encouraging youth to consider careers in the skilled trades and technology).¹²³ Acknowledging that greater awareness is of the utmost importance to safeguarding the future of the skilled trades in Canada, the committee recommends:

Recommendation 2

That Employment and Social Development Canada work with provincial and territorial governments, along with construction industry and labour stakeholders, to ensure that the national awareness campaign to promote the skilled trades be designed and implemented with a view to:

- **attracting a greater number of new entrants to the construction industry;**
- **increasing apprenticeship completion rates and ensuring the success of tradespeople by promoting available supports;**
- **building upon industry solutions that have proven successful at raising awareness in the skilled trades as viable career options; and**

123 Government of Canada, *Investing in the Middle Class*, Budget 2019, 19 March 2019, p. 47.

- **placing emphasis on those regions in Canada facing labour shortages.**

Further, that at the end of the two-year awareness and promotional campaign, a review of this initiative be conducted, in collaboration with stakeholders, to assess its level of success and evaluate the need for continued investment in this regard.

SKILLS TRAINING

The committee also heard that, despite the existence of initiatives such as the Pre-Apprenticeship Program (which helps people develop the skills needed for the trades) more work is needed in the area of skills training. This is particularly the case regarding soft skills training, occupation-specific language training, as well as upskilling and reskilling. Greater emphasis is also needed on developing the skills of those who are not in the “apprenticeable” trades, as well as on offering pre-apprenticeship programs that are customized to the unique needs of equity seeking groups.

The committee is aware of existing pre-apprenticeship and apprenticeship programming, as well as of the role of the Future Skills Council in examining emerging and persistent skills gaps. The committee is also aware of investments proposed in Budget 2019 towards the development of a new Apprenticeship Strategy, which would ensure that existing supports and programs help employers who face challenges in hiring and retaining apprentices, as well as address barriers to entry and progression in the skilled trades.¹²⁴ Taking all these aspects into account, the committee recommends:

Recommendation 3

That Employment and Social Development Canada examine emerging and persistent skills gaps in the skilled trades, and develop accurate forecasts, to better inform the development and the review of pre-apprenticeship and apprenticeship programming.

FINANCIAL SUPPORTS

The committee was also told that hiring and training apprentices can prove costly, especially for SMEs, and that more financial supports are necessary. Witnesses also expressed concerns about financial constraints faced by apprentices while waiting for delayed EI payments as well as by tradespeople travelling to the GTHA for work. Recommendations made by witnesses in this regard were varied, often involving changes to the EI program to meet the needs of industry employers, apprentices and

124 Ibid., p. 47.



tradespeople alike. Recommendations were also made to expand the Student Work Placement Program (which provides wage subsidies to employers) beyond the STEM fields as an additional incentive for employers.

The committee is aware of existing apprenticeship programming, EI benefits and tax credits aimed at alleviating financial hardships associated with entering or working in the skilled trades, as well as those to offset the cost of hiring and training apprentices. The committee is also aware of the proposals made in Budget 2019, some of which require agreement with provinces and territories, including the creation of a new EI Training Support Benefit (which would provide up to four weeks of income support, every four years, to help workers cover expenses while on training and without their regular paycheque) and a new Canada Training Credit (which would help workers pay for training fees by allowing them to accumulate a credit balance of \$250 per year, up to a lifetime limit of \$5,000).¹²⁵ The committee is also aware of the proposals made in Budget 2019 to develop a new Apprenticeship Strategy as explained above, as well as to expand the Student Work Placement Program to give students in fields outside of STEM access to work-integrated learning opportunities.¹²⁶ Taking these factors into account, and with a view to guaranteeing the continued success of apprentices, tradespeople and industry employers alike, the committee recommends:

Recommendation 4

That Employment and Social Development Canada, as it develops an Apprenticeship Strategy, review existing financial supports in consultation with apprentices, tradespeople, as well as construction industry employers and labour stakeholders, to evaluate their effectiveness and explore new, innovative ways to offset the costs associated with training, hiring and working in the skilled trades while at the same time increasing the labour mobility of skilled tradespeople.

Recommendation 5

That Employment and Social Development Canada examine ways to promote labour mobility within Canada to ensure that tradespeople who are Canadians or permanent residents have the first opportunity to fill labour shortages, and work with provinces and territories to remove barriers.

125 ibid., pp. 37-42.

126 ibid., p. 224.

RECRUITING FROM UNDERREPRESENTED GROUPS

Witnesses appearing before the committee also spoke about the importance of increasing the recruitment of people from groups that are underrepresented in the construction industry (such as women, Indigenous people and new Canadians) in order to address growing retirement rates and sector demands particularly in the GTHA. Initiatives such as community benefit agreements and targeted immigration programming can help in this regard.

The committee is familiar with existing initiatives aimed at increasing the proportion of underrepresented groups in the skilled trades. The committee is also aware of investments proposed in Budget 2019 towards the development of a new Apprenticeship Strategy, which would ensure that existing supports and programs, including the Apprenticeship Incentive Grant for Women, “address the barriers to entry and progression for those who want to work in the skilled trades in the most effective way,” among other aspects.¹²⁷ The committee is of the view that much work in this regard still needs to be done, and therefore recommends:

Recommendation 6

That Employment and Social Development Canada, in partnership with provincial and territorial governments, along with construction industry and labour stakeholders, continue to customize apprenticeship and pre-apprenticeship supports to the specific needs of equity seeking groups, with the objective of improving the training and the recruitment of people that are underrepresented in the skilled trades and in the construction industry in particular.

Recommendation 7

That Employment and Social Development Canada work with federal departments and agencies to explore options to promote community benefit agreements on publicly funded projects, with the objective of increasing the training and the recruitment of underrepresented groups in the skilled trades, while staying committed to an open, fair and transparent procurement process and obtaining the best possible value for Canadian taxpayers, and without making it more difficult for small and medium-sized enterprises to access federal procurement opportunities.

127 ibid., p. 47.



IMMIGRATION PROGRAMS

Witnesses before the committee disagreed about the extent to which the AIP could be adapted to meet the labour shortage needs of the construction industry in the GTHA, and about whether the AIP was needed in an area that historically did not have as many issues as Atlantic Canada in attracting and retaining immigrants. As such, while some witnesses spoke in favour of expanding the AIP to the GTHA, others like the IRCC representative, placed greater emphasis on other existing economic immigration programs (such as the federal Express Entry programs and the Provincial Nominee Program). The committee also heard that the TFWP, although used by some employers in the construction industry, would need to be modified to better meet the needs of the construction industry in the GTHA.

The committee is familiar with the various economic immigration programs and the quotas associated with it. The committee is also aware of the various reforms introduced recently with regards to the TFWP as well as of the new Rural and Northern Immigration Pilot. Taking all these factors into account, and recognizing that immigration is of vital importance to our economy and our society, the committee recommends:

Recommendation 8

That Immigration, Refugees and Citizenship Canada examine ways to better respond to the labour market needs of the construction industry, including:

- **working with the Government of Ontario, along with construction industry and labour stakeholders, to review existing economic immigration programs and make any necessary reforms to ensure the needs of the sector are met;**
- **working with relevant partners and stakeholders to examine challenges, opportunities and potential solutions with regards to the segment of the construction industry workforce that has precarious or no immigration status; and**
- **working with Employment and Social Development Canada to review the Temporary Foreign Worker Program, and make any necessary reforms, with the goal of better responding to the labour market needs of the construction industry, while ensuring that Canadians and permanent residents get the first opportunity to fill labour shortages and while protecting the health and safety of all workers in Canada.**

APPENDIX A LIST OF WITNESSES

The following table lists the witnesses who appeared before the Committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the Committee’s [webpage for this study](#).

Organizations and Individuals	Date	Meeting
Peter Fonseca, M.P., Mississauga East—Cooksville	2019/02/19	135
Department of Citizenship and Immigration	2019/02/19	135
David Cashaback, Director General Immigration Branch		
Natasha Kim, Associate Assistant Deputy Minister Strategic and Program Policy		
Department of Employment and Social Development	2019/02/19	135
Stephen Johnson, Director General Labour Market Information Directorate		
Elisha Ram, Associate Assistant Deputy Minister Skills and Employment Branch		
Steven West, Director Sector Policy Division		
Canadian Federation of Independent Business	2019/02/21	136
Emilie Hayes, Policy Analyst National Affairs		
Monique Moreau, Vice-President National Affairs		
Ontario Construction Secretariat	2019/02/21	136
Robert Bronk, Chief Executive Officer		
Toronto Community Benefits Network	2019/02/21	136
Rosemarie Powell, Executive Director		

Organizations and Individuals	Date	Meeting
BuildForce Canada Robert Collins, Senior Economist Toronto Office Bill Ferreira, Executive Director Ottawa Office	2019/03/19	139
Canadian Chamber of Commerce Leah Nord, Director Skills and Immigration Policy	2019/03/19	139
Canadian Home Builders' Association Kevin Lee, Chief Executive Officer	2019/03/19	139
Carpenters' District Council of Ontario Mark Lewis, General Counsel Mike Yorke, President and Director of Public Affairs	2019/03/19	139
Ontario Home Builders' Association Rick Martins, President Joe Vaccaro, Chief Executive Officer	2019/03/19	139

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 135, 136, 138, 139, 144 and 145](#)) is tabled.

Respectfully submitted,

Bryan May
Chair

