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Chair

Mr. Ed Komarnicki

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

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• (0850)

[English]

The Chair (Mr. Ed Komarnicki (Souris—Moose Mountain, CPC)): Good morning. We will start the proceedings.

We're doing a study on current and anticipated skills shortages in high-demand areas and the difficulty faced by employers seeking to hire people for low-skilled jobs.

We're happy to have with us this morning Ken Georgetti, the president of the Canadian Labour Congress. From the International Union of Operating Engineers, Steven Schumann will be presenting. Also, we have with us Harold McBride, the executive director of the Operating Engineers Training Institute of Ontario.

After you present, gentlemen, we'll have questions alternating between the parties here.

With that, I would invite Mr. Georgetti to make his presentation.

Mr. Kenneth V. Georgetti (President, Canadian Labour Congress): Thank you very much.

Good morning, ladies and gentlemen. Thank you very much for the invitation to comment on the issue of skills gaps.

My name is Ken Georgetti. I'm the president of the Canadian Labour Congress. I am also a steamfitter—or a pipefitter—by training.

Before addressing the issue of the skills gap, though, I think we need to define what we mean. The most recent information we have from the labour force survey and the job vacancy survey tells us that there are currently over five unemployed workers for every available job in the country. Given this information, it's clear that our major problem in the job market is still unemployment.

While some employers in some sectors in some geographic regions may have difficulty filling some specific vacancies in particular occupations, Human Resources and Skills Development Canada has stated in its labour market projections up to 2015 that we will be facing no sustained generalized labour shortages. With five unemployed workers for every job available, our main problem remains unemployment—pure and simple.

This is not to say, though, that any gap between available jobs and workers who are qualified to do them is acceptable. It's not.

But let me assure you that if unemployed workers had the means to identify where the jobs were and then had access to training

required to do those jobs, they'd jump at the chance. Quite simply, if we find there is a shortage of workers with the skills required to fill a specific job, the answer is to train those workers. What we may have is what we think of as an opportunity gap rather than a skills gap.

If workers can't access affordable and timely training for available jobs, it's an opportunity lost for the worker, for the employer, and indeed for the health of the economy. In a report prepared for the G-20 just a couple of years ago, in 2010, it was estimated that a 1% increase in training days leads to a 3% increase in productivity. Further, the share of the productivity growth attributable to training is around 16%.

Unfortunately, the participation of workers in work-related training in Canada has fallen below the rates for workers in many industrialized countries, according to the OECD. In fact, we have one of the poorest performances in the G-20. At the same time that Canadian corporations are not meeting the level of workforce training being done by their competitors and our trading partners, the Governor of the Bank of Canada confirms what we've been saying for a long time: that corporations are hoarding cash and sitting on half a trillion dollars of what he called “dead money”. Clearly, it's just a matter of priorities for how that money gets deployed and spent.

Given the current levels of unemployment, the unsustainably high unemployment rates for our young people, and the continuing low participation rates of women, aboriginal people, people with disabilities, and others in the labour market, we would recommend that efforts to overcome specific and potential skills gaps begin with training our people for the available jobs today.

In part, this will need, first of all, an early identification of emerging skill shortages through sophisticated and timely labour market information. Employers will need information on their current and future skills needs. Workers will need easily accessible information on job trends in the market. A rapid response to emerging skills shortages in specific jurisdictions would include identifying training needs and then mobilizing the resources to meet those needs.

Also, we need to identify where training happens and create the environment for this training to be improved and enhanced. In general, we can identify the public school system, community colleges, other post-secondary institutions, and the workplace itself as the primary locations for that training to take place.

Specifically, in order to ensure that we have an efficient and effective labour market in which employers can find workers and train their current workers, and in which workers can access the training required to meet their occupational needs and aspirations, our recommendations would include maintaining and increasing funding for the bilateral training provisions contained in the current labour market agreements and the labour market development agreements between the federal government and the provinces and territories, and then ensuring that key labour market stakeholders, employers, and workers are involved in the development of labour market policies and programs through development of labour market partner forums. Models for these forums can be found today in Newfoundland and Labrador in the strategic partnership initiative, and in Quebec in the Commission des partenaires du marché du travail.

Still, we would argue that incentives for employers to provide workplace training, including a tax credit for employers who train, would be very helpful. We recommend increased support for training in the employment insurance system, including work sharing while working, extending benefits for workers who are in training, and continued and restored support for organizations that provide support and encouragement for the development and the expansion of workplace training, such as the Canadian Apprenticeship Forum.

It is very discouraging for us to learn that only 14% of young people say they were encouraged by guidance counsellors to enter the skilled trades, while at the same time our government is cutting funding to the primary national organization that supports and encourages the skilled trades through a healthy apprenticeship system.

Finally, I can't emphasize enough, for a national strategy in this day and age, literacy and basic skills and the embedding of literacy training in all workplace-based learning. It's nothing short of a disgrace to think of the lost potential that we continue to suffer when we derail the aspirations and disregard the potential of workers due simply to the lack of access to programs that address literacy and essential skills, which, I would argue, is still the number one productivity-enhancing measure anyone can take in any advanced workplace in Canada.

To reiterate, though, the answer to our skills gap lies in our current labour force, and we will need to develop that human resource to its full potential before we look at other measures.

Thank you very much.

• (0855)

The Chair: Thank you, Mr. Georgetti.

You certainly identify and point out a number of areas of concern, and give suggestions and recommendations for meeting those. We appreciate that.

We'll now move to Mr. Schumann. Go ahead.

Mr. Steven Schumann (Canadian Government Affairs Director, International Union of Operating Engineers): Thank you.

My name is Steven Schumann. I'm the Canadian government affairs director for the International Union of Operating Engineers. With me is Harold McBride. He's executive director—

The Chair: Mr. Schumann, I'd just advise you to slow up a bit, because the interpreters have to keep up with your speed there. If you could take that into account, we'd appreciate it.

Mr. Steven Schumann: Yes.

Harold McBride is the executive director for our Operating Engineers Training Institute of Ontario, and he's also the manager of the Canadian Operating Engineers Joint Apprenticeship and Training Council, our national training organization.

We are a progressive and diversified trade union with over 45,000 members in Canada, primarily in the construction sector.

Our members operate the tower and mobile cranes, the bulldozers, the graders, the backhoes, and the piping equipment that help form and shape the infrastructure and skylines of Canada.

We provide the construction industry with highly skilled and highly technical tradespersons. To become a journeyman in our sector you must train for thousands of hours, in both theory and practical training in the classroom as well as through on-the-job training. Because of the nature of our work, our training, and our skills, we are some of the best paid and highly sought after positions in the construction sector.

The development of these skills begins at one of our eight training facilities across Canada, where we provide rigorous, state-of-the-art training. Our facilities are registered within their particular province as well as with Human Resources Development Canada.

As stated by other witnesses, it's estimated that the construction sector will require 200,000 new skilled workers by 2018. However, the urgency for skilled trade workers in the construction sector is now.

I have a couple of examples.

By January 2013, our local in Alberta will need 1,000 operating engineers in support of the pipeline industry. In Ontario, we had a recent study commissioned that stated we need to train between 200 and 300 apprentices each year to replace retirees. We've tried to implement those numbers, but we are still facing a significant tower crane shortage. If you go downtown in Toronto and see all those cranes, and there are hundreds of them there, many of them sit empty for days on end because we don't have operators to fill them. The shortages are here and now.

We have a few suggestions that may help with the challenges we face in dealing with the shortages.

First, our training centres aren't able to meet the demand for heavy equipment/crane operators in Canada. If our training centres were able to access some additional support, through government support, either federally or provincially, it would allow us to expand our facilities and allow more Canadians to be trained. In the past there were funds like the knowledge infrastructure program, which our school in Ontario was actually able to access funds from, but it was the only school. Also in the past there was something called the Training Centre Infrastructure Fund, which allowed training centres to actually purchase equipment through a matching dollar fund with the federal government, and that was quite beneficial as well.

As well, as was touched on, there needs to be a better job done by all stakeholders to promote trades, particularly in the high schools. There is a lack of information or misinformation out there. When we go to many of these training fairs in trade careers, people look at us and say that our jobs are menial, low paying, and for the uneducated. That's far from the truth.

We also need to look at working with employers and government to maintain and encourage apprentices. There need to be better incentives to contractors who employ and maintain apprentices. Apprentices are usually the first to be let go from a job site, and once they're let go, many do not return, because of the long hours they must commit to the program. If they're unemployed, they have to find employment elsewhere and they do not come back. That's a big one.

There need to be changes to how Service Canada centres operate. For example, government retraining programs, such as Second Career Ontario, have policies in place that encourage clients to take their training locally at private schools, even though the training often will not lead to employment because of the limited amount of seat time that's provided. Guidelines discourage individuals from seeking the best training that will ensure employment in the trade of their choice. These private schools advertise training on four to five pieces of equipment and they charge up to \$10,000. Only these schools benefit from this type of training because the trainees use up their EI and are not qualified or skilled enough to actually work in the construction sector.

Another problem we see with the EI system is that it needs to be opened up to allow laid-off workers to get retraining. The longer it takes an individual to access training, the more difficult it is financially. Because of the eligibility and suitability assessment template used in Ontario, as an example, an individual may not qualify for retraining until she or he has been unemployed for up to 26 weeks. If an individual is interested in training in a demand occupation, there needs to be a process that will enable them to access training sooner. More weight must be placed on the occupational demand rather than the length of unemployment.

Temporary foreign workers are not a solution. It's a stopgap measure. There are many challenges with the program on the construction side, including around the credentials of those coming to Canada.

We do support a long-term immigration policy, but we also must realize that Canada is competing worldwide with the same workers. I'll give Australia as an example. In western Australia they're facing similar booms and skill shortages. They have one program that brings people in for four years and they can work for multiple employers. That has apparently been quite a success, from what we've been told by others.

• (0900)

Finally, and most important, we need to look at developing made-in-Canada solutions by tapping into the female workforce and the youth of first nations, Métis, and Inuit communities across Canada. The future labour supply is here, already in Canada. We need to better encourage their participation. Most of our training centres have been very aggressive in trying to recruit women into the

industry. Despite our efforts, female participation remains very low, and much more needs to be done.

Also, our training centres are reaching out to first nations communities, but it's a piecemeal approach. We need more of a national approach. We've actually approached the Assembly of First Nations to partner at a national level, but this is in the early stages. At some point we'd love to come back to update you on the progress of that.

We wish we as a union could do more, but despite being the trainers of choice, we face the challenge of exclusion from any government programs because we do not employ the tradesperson. We have the facilities and the knowledge to help develop and maintain the workforce in Canada, so we need some cooperation and support to allow us to reach our potential as trainers, and we are more than willing to work with government to find ways to do that.

Thank you.

The Chair: Thank you very much, and thank you again for identifying your concerns and making suggestions as well for the committee to consider.

We'll now move to rounds of questioning, and we'll start with Mr. Boulerice.

Go ahead.

[*Translation*]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Thank you very much, Mr. Chair.

I want to thank the witnesses for their presentations. We always listen to them with pleasure.

You have pointed out from the beginning that the challenges in terms of training were huge. However, there is a job shortage in Canada and Quebec. Even if everyone was trained for the jobs available, 80% of people currently unemployed would still be unemployed. I think it's important to mention that.

Could you tell me who is responsible for occupational training in Canada? Is it the responsibility of workers, their democratic organizations, unions, the state or employers? Within what framework should we work to meet that challenge?

I have an example that has nothing to do with your members. However, I think that it's important because it is telling. In Canada, Airbus and Boeing pilots must obtain a new licence and receive new training every time they have to fly a different airplane. Over the years, we have seen that Canadian companies increasingly prefer to bring in foreign pilots—often from Europe—instead of investing in their pilots' training. That may be the case in other sectors with temporary migrant workers.

How can we build a system where investment in training is encouraged so as to provide Canadians with jobs instead of bringing in foreign workers?

• (0905)

[*English*]

The Chair: Who would like to answer that?

Mr. Georgetti, go ahead.

Mr. Kenneth V. Georgetti: Thank you.

I guess the easy answer to whose responsibility it is would be that it is everyone's, I would think. Part of the problem is that we now have a huge issue of a workforce that needs to be much more adaptable and mobile, but unfortunately, a long time ago, before any of you probably were sitting in Parliament, the federal government gave that responsibility of training to the provinces, which made it much more difficult for the issue of national standards. What we need more of is a workforce that is much more mobile and adaptable, and we need credentials in a lot more skill sets than just the trades.

This is not a very well known fact, but the biggest trainers of journeypersons in Canada are the construction unions themselves, who do it on their own, train their own members to do the work they need to do. Some of the worst trainers of apprentices are governments in all forms—municipal, federal, and provincial—whose employees and workforce have very few apprentices in the system.

I sit on a round table for workforce skills with the Canadian Manufacturers and Exporters, and we're working very hard to try to identify ways in which we can adapt the system to train for the needs of the day and be able to do it. Our community college system, which trains apprentices, is at maximum capacity right now. If people need apprentices to go forward, we're going to have to start to adapt to train those apprentices in a much more exclusive fashion.

Yes, I agree with you, there are some employers, including airlines, who will use the fact that they don't train and don't upskill their workforce to find another workforce that would find their way into Canada and work for less money.

The Chair: Does anybody wish to comment?

Mr. Harold McBride (Executive Director, Operating Engineers Training Institute of Ontario, International Union of Operating Engineers): Yes. I guess I agree with you, in certain terms, with regard to training and who should be responsible. I also like to take the side of the employers from time to time. With the implementation of Bill C-45, it basically comes down to competency. Workers have to be competent, and if they're not, in the event of an unfortunate accident, the employer can receive a lot of lawsuits and fines from the Ministry of Labour and such.

I don't like to think of it as the total responsibility of employers because the employers are in the business, let's face it, of making money and being profitable. Their forte is not necessarily training. I like to think of it as putting it back on the individual colleges; especially for the trades, put it back to the colleges. Have government support these colleges. Have government support training delivery agents and private career colleges so that the subject matter experts can deal with training. I think that's the direction we need to take. The funds go back to the training agents.

Mr. Alexandre Boulgerice: Yes, but I think that as a collectivity we should have a long-term vision, not a short-term one.

The Chair: Thank you.

Mr. Boulgerice, your time is up. Perhaps you can come back to make some further comments.

Mr. Butt, go ahead.

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

Good morning, gentlemen. Thank you very much for being here.

I just want to clear up a bit of confusion from the testimony of the two organizations. I think, Mr. Georgetti, your testimony was that there is not in fact a skilled labour shortage in Canada. Yet I heard Mr. Schumann very clearly say that with respect to operating engineers there is a huge skills gap, and there will continue to be a greater gap as baby boomers retire from the industry. Who's right and who's wrong?

● (0910)

Mr. Kenneth V. Georgetti: Well, I must be wrong. I want to be specific. There are some specific skill shortages in some specific regions, but we have a huge amount of idle capacity in our workforce that could be and should be trained to do that work much more quickly than it is.

Mr. Steven Schumann: Our sector is a construction trade sector, and that's what our needs are. We can't speak on behalf of the whole employment industry in Canada. We're a very specific sector in which we see the shortages.

I think Mr. Georgetti is right. If you look at the overall picture, if we could train those out there to fill the gaps, we wouldn't have this problem.

Mr. Brad Butt: Let's talk about training. I think that's an excellent place to start. I know that there are some unions that are providing direct training and apprenticeship programs, and that's excellent.

What should be the role of organized labour in Canada? Should you be full, equal partners in training and retraining individuals? Should it be, as I believe it is now, a bit of a hybrid? Employers play a role, the federal or provincial governments play a bit of a role, and organized labour plays a role. Or should we instead be looking at some way of ensuring that organized labour is playing a larger role in helping in the training and retraining of individuals so that they will be ready to operate those cranes in downtown Toronto, or in the city of Mississauga? We're still having a bit of a building boom there and need those skilled workers as well.

What role do you see that we're not seeing right now that will improve the system?

Mr. Steven Schumann: I'll touch on it quickly, and then we'll go to Harold.

Our training is probably the most advanced training out there. We provide training actually for other countries, and we're looking at other opportunities. Compared to some of the private schools out there, as I said, with their four or five pieces of equipment, we offer training, and our guys and ladies get employed. I think Kellie can be more specific about that.

I think we should be playing a larger role. I can only speak on the construction side, but we are the key trainers. Harold can expand on that.

Mr. Harold McBride: Yes, I think in the perfect model, it's within the apprenticeships. I agree that it needs to be employers, training agencies, and government to support the apprenticeships through funds for apprenticeships specifically. That's the perfect world. Unfortunately, right now we're seeing a skills shortage, and we have people in low-demand occupations who simply want to get the training. The training is expensive. In particular, you're dealing with tower crane operators, hydraulic crane operators, earth-moving equipment. It's extremely expensive.

The support needs to come, first and foremost, from government funding, through EI, to take unemployed workers from the sector that might be experiencing these low demands, give them the funds needed, without a 26-week waiting period, and move them right into the high-demand trades, get them trained, and put them to work. Right now, we can't supply the demand.

To answer your question, yes, it's government funding, apprenticeship systems, employers to support the apprentices.

Mr. Brad Butt: Do I still have some time?

The Chair: You have about 40 seconds.

Mr. Brad Butt: There was an issue about what role the federal and provincial governments should play. I don't believe there ever was, in the Constitution, necessarily a role for the national government to play.

We've decided, as a government, to provide apprenticeship training money. We've decided, as a government, to provide tax credits to employers that provide training. But most of it is done at the provincial level, there's no doubt about it. I'm not sure the provinces are making an argument that they want the federal government to take that over. I think they want to be able to run their own programs. I don't think we'd want to get into a constitutional challenge.

Can you give me an example of any province that you feel is operating its training and apprenticeship programs in a best-practices kind of way that we could look at? Are you familiar with any provinces that are doing a little bit better than others?

The Chair: It would have to be a relatively short answer because Mr. Butt has exhausted his time.

Mr. Kenneth V. Georgetti: I mentioned in my brief that Newfoundland has a program, and Quebec has a training tax, in fact, that tries to stimulate investment in training. Again, the OECD argues that we should be spending about 3% of our national payroll on training; we're spending less than 1%.

I'm not sure it's anybody's fault, sir. I think it's everyone's responsibility. Clearly, I'm not here to say it's someone's fault. I just think we have to get better at the concept and better at the delivery. The federal government has done some good things in the last little while in terms of trying to use incentives for training, and we appreciate that. But where it's not being done is in the workplace, and largely by employers that utilize a lot of skilled, trained people. They're probably the ones that do the least amount of training.

●(0915)

The Chair: Thank you for that.

We'll move to Mr. Sullivan. Go ahead.

Mr. Mike Sullivan (York South—Weston, NDP): Thank you, Mr. Chair.

My question has to do with areas of Canada where there is high unemployment, particularly high youth unemployment. You may be aware there is a skilled trades council called the Central Ontario Building Trades in Toronto that runs a program called Hammer Heads. It takes unemployed youth who are marginalized in society and who are perhaps turning to crime or other means of getting by. They're part of the 30% unemployed young people who exist in my riding. They take those youth and give them pre-apprenticeship training. It's done without a nickel of federal, provincial, or municipal money. It's all unions that are doing this training, and are doing it in order to deal with a huge problem of youth unemployment. They recognize that they need to do their part, but they have extreme difficulty getting the spenders of money to agree to utilize their program.

The federal and provincial governments are spending up to \$10 billion on infrastructure money for public transit in the city of Toronto, and not one nickel of that money is being earmarked for training, or for apprenticeships, or for the use of that money to create jobs in high unemployment areas.

Do you think we could do better with our spending of money?

Mr. Harold McBride: Yes, we absolutely could do better with our spending of money.

I'm very familiar with the Hammer Heads program. We participate in the Hammer Heads program, and it has been a very successful program for us. You're right when you say that we fund this totally on our own with the help of the other building trades.

It again comes back to spending money. It makes complete sense when you're in a low-demand occupation and you're only working six or seven months of the year: you want to change occupations. The better spending of moneys you're talking about should be to give that individual, whether male or female, an opportunity to immediately access funds to put him or her into training.

I have a document here that states that you're penalized if you haven't been unemployed for 26 weeks. I don't understand that. Why would somebody in a low-demand trade or work environment have to be out of work and on employment insurance for 26 weeks before he's allowed second career training eligibility, especially when this individual could have a three-kid family? No, sir, or no, ma'am, you have to stay unemployed for 26 weeks before you can get the money for second careers.

If we could train those individuals more quickly with the funds they need right away, we could put them into a high-demand trade, one where we're interviewing for foreign workers right now. So yes, we could spend our money much more wisely.

Mr. Mike Sullivan: I was thinking more in particular of the amount of money that we're spending on infrastructure. It comes with no strings attached. It's just a gift to the municipality or to the province—a very tiny bit of it from the government, and most of it from the provincial government—but there is no requirement.

The Chair: They might not see it as a gift, but go ahead—

Voices: Oh, oh!

Mr. Mike Sullivan: Well, it's not a gift, but there are no strings attached in terms of training, and there are no strings attached in terms of creating apprenticeships. There are no strings attached in terms of utilizing the union training systems that already exist. They hand the money to contractors, and the contractors go about their business. In Toronto, we're trying to convince the various levels of government that they need to actually specify that the 3%, or whatever figure is appropriate, must be set aside in part to train the workforce.

They are touting how this spend will create 100,000 jobs. But if the 100,000 jobs are not in the key unemployed areas, it doesn't do us a service. It doesn't do us as much of a service as it could.

The Chair: Mr. Georgetti.

● (0920)

Mr. Kenneth V. Georgetti: There is an example of what you talked about. When they reconstructed the Vancouver Island highway, they put as a condition of the contracts they let that they had to hire...it was a formula to hire apprentices. They graduated over 200 journeypersons through that construction project as a condition of the grants to build that highway. So you can do it quite easily.

The construction unions also have a program called Helmets to Hardhats for veterans coming back into the workforce. They will provide apprenticeship training for our veterans as well to give them a start in their lives back in the civilian world.

Mr. Mike Sullivan: Was that a federal spend on the highway in Vancouver? Was that federal money?

Mr. Kenneth V. Georgetti: I think there was some federal money and provincial money. Yes.

A voice: Yes.

Mr. Mike Sullivan: Thank you.

The Chair: Thank you, Mr. Sullivan.

We'll now move to Mr. Mayes.

Mr. Colin Mayes (Okanagan—Shuswap, CPC): Thank you, Mr. Chair, and welcome to the committee, gentlemen.

I have a background...most of my life has been in the mining sector, and I was a member of the Union of Operating Engineers at one time many years ago.

That's what puzzles me about a statement made about the fact that there are five people waiting for one job in this country and that the need for labour is exaggerated. I don't agree with that statement.

The Mining Association of Canada reported that there's going to be \$500 billion spent in the next 10 years and their sector alone will

need 125,000 people. Even for the civil service of Canada, there are estimates, for the same period of time, of 125,000 people. That is not the spinoff of those jobs either. That would probably double those figures.

The issue, I feel, is that there are the opportunities out there, and that people are not trained in the right fields for this economy.

Mr. Georgetti, you mentioned that we need more counsellors. I have to say that counsellors and educators, and even unions, even government, have failed us because they haven't had a vision for what is coming in the future and here we are scrambling.

I would like to say that we could give some credit to our government and this committee for the fact that we're trying to address this issue now and look at solutions. I think Mr. Boulerice's question about who is to take and champion this cause is a good question. Government can't do everything. In fact, we don't do everything very well. We need partnerships. We've seen some great partnerships with the aboriginal people. We've found that in the mining sector in Saskatchewan and the mining sector in the Northwest Territories, 40%, 50% of their employees are aboriginals who have been trained through programs that this government has forwarded.

There are women in the labour force.... Some of my colleagues went to the oil sands where huge 400-tonne trucks are being driven by women. They're better drivers than the men just because they take care of the equipment better.

A voice: Oh, oh!

Mr. Colin Mayes: That's a fact.

I think we're doing some good things, but the issue is that we need to try to refocus where the jobs are going to be and what the skills are. In British Columbia, which is the province I'm from, there are way too many young people who have been trained as teachers and environmental scientists and not enough trained as carpenters and operating engineers and those types of things.

So I guess the question is, how can we counsel these people, maybe with better counsellors? Who should be counselling? I have a problem with educators counselling students on career choices because educators have a specific interest. I think it should be people other than educators.

I would like some comments on that.

Mr. Kenneth V. Georgetti: First of all, I'm sorry I wasn't clear enough. I'm not making a statement about the five jobs for every vacancy. It's a fact. We have a 7% unemployment rate, a 10% real unemployment rate, and about a 17% youth unemployment rate. Those are the numbers in Canada. I agree with you that we've got shortages out there, but the people who are unemployed don't have the skills to fill those shortages. That is the problem.

I'm not arguing for more counsellors in the school. I'm just saying, as you are, that I wish some of the counsellors would give kids good advice to take some of these trades. As you might know, a tradesman in the oil sands now can make in excess of \$100,000 with just a little bit of overtime work. They're good jobs, they're secure jobs, and they give you enough credentials to move. I think we have to do more credentializing.

The role that the federal government is starting to play is getting better. Labour market information will be very valuable in those decisions and those discussions.

My challenge is the same as yours, sir: I don't know how we get kids coming out of school to get the proper advice on career choices. Unfortunately, very few are counselled to take trades, and more should be.

We need to actually promote the credentializing of a lot more skills. We have only 38 apprenticeable occupations in Canada. In Great Britain, they have in excess of 100. Those credentials and cards give employers confidence to hire people who have the basic skills they need. You're always going to have to train to the actual skill sets of the operation that you're in, whether it be mining or trades, but we don't credentialize enough training.

• (0925)

Mr. Colin Mayes: Sorry for interrupting you, but this guy is going to cut me off if I don't.

The Chair: Your time is up. Thank you. We'll come back to you.

I'm sure, Mr. McBride, you have a comment too, and perhaps you'll be able to make that a little later.

Mr. Cuzner, go ahead.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Thanks very much for being here today.

We've heard from other witnesses as well. Certainly when we were out east we heard what became pretty similar to what you were saying. Cliff Murphy from Cape Breton Building Trades echoed your comments that the problems revolve around gaps in mobility. It seems if you have a Red Seal certification, accreditation recognition, you're okay to travel. But recognizing apprenticeship—and the committee is going to delve into this more with a subsequent study. We're losing kids. The success rate of the young Canadians who take a trade and then follow that path through to the end and become a journeyman in a particular trade is not great. Those are the gaps.

How can we look at accreditation recognition before we hit the Red Seal or apprenticeships or whatever? We know the government is going to say this is a provincial responsibility, but there should be some kind of a national role.

Could I get your comments on that, how we tie that together?

Mr. Harold McBride: A lot of work has been done federally to make mobility across Canada a reality—in particular, the AIT agreement, the agreement on internal trade. That allows individuals who are qualified in one province, whatever that qualification might be deemed to be, to go to any other province and upon landing in that province they're good to go. This is the new reality of the AIT agreement.

I'm going to speak particularly of the trades. What types of qualifications, what types of training, what types of standards have been used in the particular provinces? That's where the vast differences occur. No national standard is used among the trades—operating engineers, crane operators, all have different standards of training. What we're trying to do—

Mr. Rodger Cuzner: Do you think the federal government could play a role in bringing the provinces together to come up with these national standards?

• (0930)

Mr. Harold McBride: I do, absolutely. Approximately 10 years ago the Construction Sector Council, funded by the federal government, sponsored an initiative called the national occupational standards. They brought together 27 occupations, like bulldozer operator, excavator, crane operator, and tower crane operator, from all across the country, and the standards have been created. Unfortunately, the Construction Sector Council has lost its funding. It got stopped midway through the whole process.

We've taken up the burden of completing this project. It's not slated to be completed for another two years. The operating engineers training—

Mr. Rodger Cuzner: We've always got this debate.

Mr. Harold McBride: —nationally, is under the name of the Canadian Operating Engineers Joint Apprenticeship and Training Council. This is where we need the funding, to get the same criteria for testing on the east coast as on the west coast; we're all one unified body.

Unfortunately, the AIT agreement put the cart ahead of the horse. The AIT agreement says if you're qualified in any province, you can land in any province and do the work. We have issues with that in Ontario because we have compulsory certification for tower crane and mobile crane operators. When we made that compulsory, crane-related fatalities decreased 50%. That's huge. That's deaths. That's what compulsory certification did for Ontario. So we do have a problem with someone from another province coming into Ontario with a low training standard and no compulsory certification.

I agree, more has to be done as a national body to get everybody on the same page with the same high standards, not a low standard.

The Chair: Mr. Cuzner's time is up, but does anyone else have a comment?

Mr. Georgetti.

Mr. Kenneth V. Georgetti: I have just a quick one.

I don't know if you've heard from Bob Blakely from building trades or the provincial counterpart from New Brunswick about the Red Seal program. If you haven't, you should. It's interesting how it developed and how it works, and how it keeps that labour mobility at work. It's cooperative with the federal and provincial governments and industry and labour. It works really well, and they did it all privately.

The Chair: We now move to...Mr. McColeman?

Mr. Phil McColeman (Brant, CPC): That is my name, Mr. Chair, yes.

Would you like me to turn that for you?

The Chair: We didn't have you listed, as such, but I do recognize you.

Mr. Phil McColeman: Oh, thank you.

First of all, gentlemen, thank you for being here.

I have too much on my plate to be able to get it all in during my five minutes, so I'll quickly make some points and maybe you can respond. Here are the key points from the notes I made.

Mr. Georgetti says that literacy is the biggest need. Mr. Schumann says that we need workers now. There's a whole lot of discussion about how we get down to doing this, and I think that's where we should go.

I love Mr. Georgetti's characterization that this is everybody's responsibility. I totally agree. As a former employer, having brought several carpenters through the apprenticeship program in my company, I know it behooves companies to absolutely put people through apprenticeship programs. If you don't, then you're not going to have the workers on your team to expand your business.

So it's everybody's responsibility. From my perspective of my world, having led the Ontario Home Builder's Association in the mid-nineties, I believe the small entrepreneurial and the large residential contractors do a huge program in terms of putting people into apprenticeships, because, frankly, it makes you money when you do it. So it's happening from an employer's point of view.

That leads me to my ultimate question here. I just want to make a point. I represent an aboriginal community called Six Nations in Brant. It has 12,000 members. We have given to them in the last three and a half years, since I've been the member of Parliament, over \$6 million-plus, for 12,000 people, in retraining programs and training programs.

The one I'll highlight is called Pipe Dreams. Pipe Dreams is a partnership with the union in the Niagara area. It brings people into Brantford, into a training facility, and trains them on welding. This is just aboriginal people; no one else can be part of it at this point.

So there are things happening on the ground. This is where the partnerships need to come together and understand what's happening. Instead of talking all about the theory of it, let's get down to it.

I want to ask you, from your perspective, particularly the construction union, what are you doing to promote, partner, and community-build with community colleges with the actual trainers? What are you doing? Are you out there advertising, saying that there

are jobs available and that you're a vehicle to get people into jobs? Are you working with community colleges on curriculum?

As well, are you breaking down the provincial barriers yourselves? The provincial barriers are huge. Do you know that an electrician in Ottawa cannot work across the border in Quebec, but a Quebec electrician can come into Ontario and work? That's because of the union blocking them coming in from Ontario to Quebec.

So I want to know what you're doing in terms of addressing the issues on the ground, daily.

●(0935)

Mr. Harold McBride: These are good questions, in particular for first nations, Métis, and Inuit.

What are the operating engineers doing? Six years ago we were approached by the Government of Nunavut Board of Education, in particular to deal with the mining boom in Nunavut. To date, we've trained.... We're closing in on 700 Inuit in six years. We're enjoying an employment rate of over 90%. That's Local 793, in conjunction with the Government of Nunavut Board of Education and the Operating Engineers Training Institute of Ontario.

In regard to your question about Six Nations, yes, I'm very familiar with that program with Six Nations. Brandi Jonathan actually heads up that program. We've worked with Brandi for the past 10 years, and in particular in the last two years supporting that program by busing down 15 aboriginal students from Six Nations. We put them into a program, indentured them into apprenticeship, and they're now out in the workforce. We're just negotiating to do the same again for the third year.

Right now we're in partnership—to answer your question about partnerships—and very active with AECON. I hope everybody is familiar with AECON. We're working with Six Nations and Brandi Jonathan, the Ring of Fire, northwestern Ontario. The Ring of Fire is nine aboriginal bands. We're now creating a partnership with them to access the resources from the Six Nations aboriginals, the Ring of Fire, who do not necessarily have that expertise. We're putting together a proposal to train aboriginals to work in northwestern Ontario in the boom—the construction, the railway, the roads that are going to be going in for the billions of dollars' worth of projects.

So yes, we're very active. And let's face it, the most available workforce in Canada is the first nations, Métis, and Inuit. We've recognized that. Again, funds are crucial to make this all happen. Government support is crucial to make this all happen. Much of these programs are in-kind donations from our union, in particular, the busing, putting these students up, and giving them some short courses to get them indentured and interested in the apprenticeship programs we offer.

The Chair: Thank you very much for that.

Your time is up.

Do you have one comment, Kenneth?

Mr. Kenneth V. Georgetti: I have one quick thing.

We are working as well with the CME, the Canadian Manufacturers and Exporters. Small employers have a difficult administrative time with apprenticeship, managing the administration and having that step. We're trying to find a cooperative way to expand that economy of scale to give them the administrative support they need so they can take apprentices on without that burden, and it seems to be working fairly well.

The Chair: Thank you very much, gentlemen, for your very frank and candid observations. Your points are well made. The committee will certainly take them into consideration.

Thank you for coming.

We'll suspend now.

• (0935) _____ (Pause) _____

• (0950)

The Chair: I call the meeting to order.

We're pleased to have with us today Mark Salkeld, a member of the Petroleum Services Association of Canada. In fact, he's the president and chief executive officer. We also have with us Paul Taylor, who is the director of human resources at All Weather Windows.

Each of you will be presenting, gentlemen, and then there will be questions from each of the parties going forward. We're dealing with a study relating to the current and anticipated skills shortages in high-demand areas and the difficulties faced by employers seeking to hire people for low-skilled jobs specifically in the service sector.

With that in mind, who is going to present first?

Go ahead, Mr. Salkeld.

Mr. Mark Salkeld (President and Chief Executive Officer, Petroleum Services Association of Canada): Thank you very much, and thank you for the invitation to speak before this committee. I appreciate the time you've taken to listen to the issues and concerns of the oil and gas services sector in addressing our existing labour shortages.

My name is Mark Salkeld. As mentioned, I am the president and CEO of the Petroleum Services Association of Canada. The Petroleum Services Association is the national trade association representing the service, supply, and manufacturing sectors within the upstream petroleum industry. The Petroleum Services Association represents a diverse range of 260 member companies, which employ more than 65,000 people contracting almost exclusively to oil and gas exploration and production companies.

The energy services sector plays a significant role in industry, from the front-line in-field services to high-tech jobs such as online and real-time directional drilling jobs based in corporate offices. Our sector is becoming increasingly important, with the technology development and innovation taking place in our industry. The service sector and operators are collaborating on research and development that is resulting in game-changing technologies that are driving the continuous improvement in our operational and environmental performance.

According to the recent report of the Senate Standing Committee on Energy, the Environment and Natural Resources, current measurement of R and D activity does not fully capture an estimated additional \$1 billion spent annually by energy companies in their labs and in-field experiments. Very often, oil and gas wells become the labs' on-the-job training.

Our industry is growing. However, this growth is being met with certain constraints, and the shortage of skilled workers is the single largest issue we face today. The upstream petroleum services sector is already experiencing a skilled labour shortage, which is expected to become even more severe over the next decade. Hiring requirements for the service sector alone are projected to be more than 5,000 new workers by 2015.

There are a few key challenges that are contributing to the workforce shortages. First are the changes in the traditional labour pool from which many workers would come to work in the energy services sector. In the past, for instance, the service sector was somewhat reliant on the agricultural industry, farmers in particular, individuals who are for the most part mechanically inclined, with skill sets easily transferrable and suited to the energy services. Their slow period during winter is our busy period, so it was a natural transition for many years. Changing demographics have caused this pool of workers to shrink, and so too is the changing nature of the work being performed by the service, supply, and manufacturing sector.

This leads to a second key challenge: the nature of the work. The type of work performed in the field by many of our member organizations is physically demanding, usually performed in remote locations over extended periods of time and in extreme weather conditions. As well, workers can be away from their homes and families for weeks at a time. The pool of potential workers willing to accept these conditions is becoming smaller.

Thirdly, not only is willingness lacking, but there is increasing competition for labour from within our industry and other Canadian industries, as they too are faced with increased labour shortages. Within our own borders, there is increasing cross-country competition.

• (0955)

The Chair: If you could slow down a little, it will help the interpreter. Take your time. We'll give you enough time to complete.

Mr. Mark Salkeld: Okay.

Within our own borders there is increasing cross-country competition, with major projects coming online, such as shipbuilding on both the east and west coasts, mine openings, and other mega projects like LNG trains and pipelines, to mention just a few.

International opportunities as well continue to cause a drain on our skilled workforce, as workers seek opportunities or are recruited from abroad for both temporary and long-term employment. Canada's energy service sector workers at all levels, from field to engineering, are considered to be some of the most well-trained, safest, and overall best-in-class experts in the world, so other countries are on the ground in Canada recruiting on a regular basis.

The final challenge has to do with the energy services sector image. In many ways, the oil and gas services sector is hidden from the potential labour pool. Jobs in this sector do not hold the same reputation or are as visible as jobs with producer companies, for instance. In many cases, people are not aware of the energy services sector at all and do not know about the wide range of occupations that make up the sector, including the high-tech jobs.

Jobs in the petroleum services sector are incorrectly viewed by potential workers as unstable, cyclical, seasonal, unsafe, or low-tech. In reality, companies in the oil and gas services sector are earning well-respected and rightly deserved reputations for leadership in research and development and innovation. They are delivering ever-increasing highly technical products and services, but continue to battle against an image of employing mostly unskilled workers.

To overcome this challenge, the Petroleum Services Association of Canada has been working to increase the awareness of the petroleum services supply and manufacturing sector and the abundant opportunities that do exist.

The Petroleum Services Association recently commissioned a study to identify the most in-demand occupations and the potential labour pools within Canada where related transferrable skills to perform those jobs might be located. The most in-demand occupations identified by our member companies are heavy equipment operators, heavy duty equipment mechanics, welders, truck drivers, petroleum services operators, petroleum services semi-skilled workers, including labourers, helpers, and experienced rig workers, and chemical, mechanical, and petroleum engineers.

Of the more than 5,000 new petroleum services jobs to be filled by 2015, the seven occupations in highest demand just listed will represent 25% of that requirement. As well, hiring due to age-related attrition will continue to 2015 and beyond, which will be a driving force behind 9,500 existing jobs the industry will need to fill over the next few years.

PSAC member companies always strive to hire Canadians first and foremost. Many jobs in this sector normally require some entry-level skills as well as specific on-the-job training. Many of the skills in the highest demand are not acquired through post-secondary training, and it is our member companies who ultimately provide in-house training programs to prepare workers for their jobs and ever-advancing positions of responsibility. Although Canadian workers may hold the basic skills needed to perform these jobs, the challenges previously identified impact their willingness to accept the work offered. This is a significant factor behind why our member companies look to seek workers from outside the country.

The Petroleum Services Association applauds the action taken in recent months by all levels of government to address the skilled labour shortage but recognizes more work needs to be done. Areas where government can continue to assist include maintaining or creating tax incentives and/or other incentive programs to encourage the recruitment of workers from all regions of the country, reducing or streamlining regulatory barriers faced by employers when attempting to locate and retain skilled labour from outside Canada's borders, and encouraging consultation with industry to find mechanisms to help companies with U.S. or other international

operations to bring existing experienced employees into Canada as a temporary measure when required.

The Petroleum Services Association of Canada welcomes dialogue with all levels of government on this issue, and I wish to encourage the members of the committee and all members of the House to continue to consult with industry and with the trade associations, so that together we can find the solutions that will help build the critical human capital needed to support Canada's economic growth as a whole, now and into the future.

Thank you very much.

The Chair: Thank you for that presentation and those suggestions. For sure, human capital is very important for our country to grow.

Mr. Taylor, go ahead.

Mr. Paul Taylor (Director, Human Resources, All Weather Windows): Thank you for the opportunity today to appear before the committee to discuss Canada's current labour market and its impact on our company.

All Weather Windows is Canada's largest privately owned window and door manufacturer. Our company was founded in 1978, starting with a 10,000-square-foot manufacturing facility in Edmonton, Alberta. It has since expanded to 1,200 employees located in 10 locations across Canada. Today, All Weather Windows has two leading manufacturing plants, in Edmonton and Mississauga, with a combined capacity of nearly 400,000 square feet. They produce award-winning window and door products for dealers, builders, contractors, and homeowners.

We also have a commercial division that supplies and installs curtain walls, window walls, and commercial storefront entry systems, which has allowed our company to diversify our operations into the commercial glass industry.

Based in Edmonton, Alberta, we have been recognized as one of Canada's 50 best managed companies for the last four consecutive years and as one of Canada's 50 most engaged workplaces for the last two years. We received the Energy Star Manufacturer of the Year award for windows and doors in 2010 and 2011.

The current labour shortage in Canada, and more specifically in the western provinces, has impacted our ability to fill critical positions. We have experienced difficulty filling many semi-skilled and skilled positions across our company. For instance, we have struggled to fill vacancies for skilled glass trades professionals in our commercial division operations. In fact, we have been unable to fill several vacancies for commercial glaziers in our Winnipeg, Manitoba, location for more than six months. In this particular instance, some of the difficulty lies in our inability to attract people to move to Winnipeg because of lower wages as compared to other parts of Canada, namely Alberta, B.C., and Ontario.

Additionally, we are having difficulty filling other positions, such as commercial project managers, maintenance technicians, and research and development specialists. The difficulty in filling these roles is a lack of candidates who have the required qualifications and experience to perform the duties required.

With respect to hiring for our production lines, we have encountered another issue. Due to the shortages in the labour pool, particularly in Alberta, we have been hiring people who speak zero English—not bad English, but zero English—which creates production, training, and safety issues. We have responded by pairing people with other employees who have the ability to translate for them, but this is less than ideal and is a consequence of the labour shortage.

The highlighted examples slow our ability to move forward with projects and initiatives.

In response to these challenges, we have undertaken several different strategies to try to fill these roles, with varying degrees of success. Some of the strategies include using job boards and newspapers. We have had mixed results filling positions through these traditional job posting methods. We use national websites, such as Workopolis and Monster, industry associations, niche websites, such as Kijiji and craigslist, and job aggregators, such as Indeed and Simply Hired, to name a few. Our recruitment efforts in newspapers have declined substantially over the last two years due to the high cost and the low degree of success in filling vacancies.

Employee referral and word of mouth tends to be our best and most reliable source for filling production-related positions. It has resulted in many professional-level hires as well. In fact, approximately 65% of our production worker hires come through this channel.

We have filled a few positions this year using agencies, although this tends to be the most expensive recruitment method. It usually costs between 20% to 25% of the starting employee's first-year base salary. Search firms, as well, appear to be having greater difficulty finding qualified applicants to submit to us.

We have had some success recruiting through more professional social media networking sites, such as LinkedIn. This pipeline seems to be better for recruiting for more senior-level roles in our organization.

We have built some relationships within the local community that have helped us to recruit recent Canadian immigrants. An example is the Edmonton Mennonite Center for Newcomers.

● (1000)

We have post-secondary partnerships. We have been working with post-secondary institutions to ensure that graduates coming from these schools have the skills necessary to immediately enter the workforce. We have supported both the technical colleges, such as the Northern Alberta Institute of Technology, and the universities, such as the University of Alberta, through scholarship programs and support for internships.

As well, due to the diversity of the employees we recruit, we have also worked with NorQuest College to help facilitate English as a second language classes—or ESL—for some of our production staff.

With respect to foreign worker recruitment, we have failed at two previous attempts to acquire labour market opinions, or LMOs, to hire skilled labour. Each time we failed because the wage we were offering for the position did not meet the prevailing wage as calculated by HRSDC. We are again in the process of completing an LMO to give us the ability to recruit commercial glaziers internationally.

With respect to career fairs, we are taking part in a Working Abroad Expo, along with other construction and manufacturing employers from Alberta and Manitoba, on October 6 and 7 in Dublin, Ireland. We are hoping to recruit skilled labour in the glass trade for our commercial business.

All Weather Windows applauds the recent changes announced by the government, including changes to the temporary foreign worker program and the fast-tracking of the LMO for select employers. That said, we believe more could be done to create a modern and supportive framework to help fill our need to hire semi-skilled and skilled labour, including the following.

Expand pathways to permanent residency by expanding the Canadian experience class to give low- and semi-skilled temporary foreign workers the right to apply for permanent residency after three years of work experience with his or her employer. Consideration should be given to employer recommendations, satisfactory background checks, appropriate prior experience in country of origin, and minimum language proficiency requirements.

Create a process to notify employers of any changes to processes or information utilized in the calculation and submission of their initial LMO application. This gives employers the opportunity to update applications and avoid costly delays, particularly in the case of prevailing wage rates.

Implement a timely and responsive appeal process, with a full detailed report, for employers and temporary foreign workers—or TFWs—who are denied applications, while remaining responsive to industry-specific labour shortages.

Amend the advertising criteria for LMOs to allow companies from the same sector to advertise jointly rather than as individual organizations.

Consider broad information sources in determining the appropriate salary or wage level, including the industry sector surveys that often can be provided by employers and employer associations.

Temporary foreign workers should be allowed to enter Canada with nominal paperwork and delay. Also, pre-qualified trusted companies should be provided the ability to be exempt from the bureaucratic processes that delay entrance today.

The immigration system must be more efficient in selecting the qualified personnel that industry needs and in streamlining them through the immigration process.

These policy changes will help create a more flexible and responsive labour pool of domestic and foreign-trained workers that will allow not only our company, but others as well, to fully capitalize on the economic opportunities before us.

Thank you. I look forward to our discussion.

• (1005)

The Chair: Thank you very much for that presentation.

Before we start, I just want to mention to committee members that I want to suspend a bit early today to discuss future business and some witnesses, which we need to prepare for the clerk. But we'll talk about that at the conclusion of this particular segment of our committee hearings.

We'll start with Mr. Cleary.

Go ahead.

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

Thank you to the witnesses for appearing before the committee.

Mr. Salkeld, I wrote down one of your quotes here. You talked about how your members would look to seek workers from outside the country.

Mr. Taylor, just a few moments ago you said that temporary foreign workers should be allowed to enter Canada with minimal paperwork.

So you both acknowledge that you need temporary foreign workers.

I want to read you a quick quote, and then I'll get right to my question. The quote is only one line:

We've been able to document literally hundreds of cases of temporary foreign workers who've had their rights in the workplace ignored and undermined: everything from wages that have not been paid, or where they wound up paid less than they were promised, hundreds of cases of workers being asked to pay exorbitant fees to brokers for the privilege of getting a low wage job. In some cases workers were brought in to work in the service sector, paying \$6000 to a broker. These fees are illegal but they're being charged anyway.

That quote is from a gentleman you probably know. His name is Gil McGowan. He is the president of the Alberta Federation of Labour.

According to some statistics we've gathered, in terms of the dramatic growth of temporary foreign workers, we've gone from 20,000 five years ago to.... It peaked as high as 65,000 in 2009. So when this man, this Mr. McGowan, talks about foreign labourers and the experience in Alberta, he probably has a good idea of what he's talking about.

My question for both you gentlemen is this. From that quote, we understand there have been a number of problems with the bringing in of temporary foreign workers. What are your solutions to these problems? How do you get around them?

• (1010)

Mr. Mark Salkeld: I read a very similar report by the University of Alberta and was very disappointed by that outcome.

One circumstance I can relate is where a PSAC member company recruited out of Mexico. We brought in experienced rig hands from Mexico. They were paid Canadian wages. They stayed in camps up in Fort McMurray, wherever the work was. They were given their days off on a regular basis and sent home, and they returned, like with any other Canadian crew working in a similar circumstance.

Absolutely, I can't deny the fact that I've read all sorts of reports as well on the abuse. A solution is to closely monitor the companies that bring in those workers and understand exactly what they're doing. I believe that report also recommends more frequent inspections or follow-ups by the regulatory bodies that give the permissions initially, to ensure the treatment of these labourers—labourers, or however they're working.

From my experience on the petroleum services side, it's a very hard, arduous process to go through. When you get through it, you look after those employees so that they return.

Mr. Paul Taylor: Yes, I would agree with what Mark said. Our experience, even my previous experience before All Weather Windows, in bringing in temporary foreign workers is that you want these people to stay, so obviously it's really important that you provide a safe, great workplace for them.

Part of what I recommended in my recommendations at the end was having trusted companies, those companies that have been found to use the system correctly, that have treated temporary foreign workers correctly. Those are the ones that should benefit from bringing in temporary foreign workers in more of an expedited process, as compared with people who haven't been proven to use the system correctly, as Mark alluded to in an example.

Mr. Ryan Cleary: Given the fact that, as Mr. McGowan said, there have been literally hundreds of cases of temporary workers who've had their rights abused, is it fair to say that before we increase the temporary foreign worker program or before we bring in more temporary foreign workers, we should actually tighten up the rules, take a better look at this program to see how it's working and whether it's actually working for the workers who are being brought in?

Mr. Mark Salkeld: What I'd recommend is that we look to Canada first, look to employ Canadians first, and then look to temporary foreign workers as an alternative. I agree. Tighten it up, monitor it.

It's not an easy process now. We have a number of member companies that have gone through that whole LMO process and failed. We recommend an accelerated LMO process for those member companies that have had success, such as this company with the Mexican workers that I mentioned.

Absolutely, it needs to be looked at, because there is abuse. That's just not right, and it's not good for our reputation, so I strongly recommend that.

But first and foremost, let's look to first nations. Let's look to Canadians and get them employed, because there are a lot here in Canada, across this country, who are unemployed and need work first.

Mr. Ryan Cleary: Thank you.

The Chair: Thank you. Your time is up.

We'll now move to Mr. Shory.

Mr. Devinder Shory (Calgary Northeast, CPC): Thank you, Mr. Chair.

And witnesses, thank you for coming here this morning.

Before I get to my questions, I need to make a comment.

To an extent, I agree there was some abuse of these foreign workers. That is why our government has taken action. We have created a process to be notified of the abuse. Employers who abuse foreign workers are blacklisted and are not allowed to have any more LMOs, etc.

But coming back to my question, we are studying the shortage of skilled workers, whether high-skilled or low-skilled. That is a fact. I want to thank both you and your industry for creating all the jobs. I noticed that both companies have jobs posted on their websites.

Has this kind of shortage been consistent for some time, or do you anticipate the end of this requirement, considering the circumstances and availability of employees?

But before that, and before I ask Mr. Taylor a question, Mr. Salkeld, you made a comment toward the end of your presentation, if I heard it correctly, that the required skills are there, but there is not a willingness to accept some jobs.

Am I correct? Can you elaborate on why there is no willingness?

• (1015)

Mr. Mark Salkeld: Yes, I can elaborate.

I would beg to argue that we have somewhat more of a social problem than a skilled labour or labour problem here in Canada. If I may, I can use my own son as an example. He has his priorities, he wants weekends and evenings off to hang out with friends, and so on. He tried the rigs for six weeks and it interfered with men's league basketball and video games. So he's working outside doing eavestroughing, but he's working his time, his hours. That's just a peek at what it's like across the board.

As I mentioned, the generation has changed. They're not interested in doing.... I'm a licensed heavy-duty mechanic with a Red Seal, and an automotive mechanic as well. I've worked all over the world, in all sorts of conditions, onshore and offshore. I just took the work and

enjoyed it. I don't want to sound stereotypical, but there are kids out there today who just aren't interested. As I said, my son is an example.

So to a certain degree, we need to look at the social situation.

Mr. Devinder Shory: From the previous witnesses, and of course from my colleagues, from the NDP, it seems as if the only solution they ask for is government funding. From your experience, is government funding the only solution or should there be a partnership with a private industry like yours? You are doing a good job. You elaborated on what steps you have taken to encourage employees. Of course, employee representatives should also come on board and work together cooperatively to address this issue, not just for today but for the future as well.

Mr. Paul Taylor: Absolutely. Government and companies and businesses working together are important. There are multiple solutions to the problem. As I've outlined in a few pieces here, part of it is in the process, part of it is making sure that those employers who are abusing the system aren't able to recruit in that fashion, and that the employers who are using the system well are rewarded for that too.

There are a number of different solutions to the problem. Government and business working together can come up with some creative ones.

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

Go ahead, Mr. Salkeld. Do you have a comment?

Mr. Mark Salkeld: Thank you.

I agree as well. I sit on the board for the Resource Training Organization of British Columbia. We oversee 17 trades. I'm representing the oil and gas industry. We also have shipbuilders, steel workers, electrical.... There's a good representation across the board. What's unique about this circumstance is that the group we oversee has a number of partnerships with industry, and that's essentially what this group is supposed to do. It's supposed to go to industry and be that direct interface, understand what industry requires with respect to trades and training, and then work with, in this case, the B. C. government or the ITA, the Industry Training Authority, to develop the industry requirements with regard to trades.

I'm also involved in Alberta with the petroleum competency program, where we identify skill sets that don't necessarily fall under a trade. Cathodic protection of pipelines and well bores, for example—we've carved out a bit of a niche under the petroleum competency program, developed the skills, the training, and the competency, and oversight was given by the Alberta Industry Training Group. There again, it was partnerships with industry.

There's definitely a need for funding from a federal oversight, but I would encourage government and industry to work together to develop the trades. The industry knows what the needs are. And government can help provide the standardization across the board. An example, if I can throw it out there, and I'm sure you've heard of it, is Australia. Australia has a national apprenticeships program, NAP. That's across Australia. That's a standard for every state and territory in that country. This B.C. group I work with actually partners up with them, and we get some good ideas on how to encourage trades, women in trades, orphan apprentices—all sorts of good ideas.

There's definitely a place for government. I'm not a big advocate of asking for funding all the time. Some support and oversight is really good, but let's look after ourselves in industry.

● (1020)

The Chair: Thank you, Mr. Salkeld.

We'll now move to Madame Boutin-Sweet.

[Translation]

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

Gentlemen, thank you for joining us today.

Both of you emphasized providing jobs for Canadians before bringing in foreign workers. Since the beginning of our study, much has been said about underemployed groups, such as women, aboriginal groups, young people and individuals with physical disability. We know that the unemployment rate among young people is very high—17%. We also heard, especially last Thursday, that young people and aboriginals needed basic training. Young people lack basic training. They often lack basic training for working in a team and staying on schedule. They lack literacy training, and so on.

Human Resources and Skills Development Canada has a program called Skills Link. That program provides funding for such groups. In my riding, for instance, the Ateliers bon débarras provide training to 16- or 17-year olds who don't go to school or work. That really gives them the required basic training. Another group called Wapikoni recently underwent cuts. That organization provided basic training to aboriginal groups.

In your respective industries, have you noted that need for basic training among young people or maybe even among aboriginals? Could you keep your answers brief, please? I would then like to turn the rest of my time over to Mr. Lapointe.

Thank you.

[English]

Mr. Paul Taylor: Basic training—that's a pretty broad term. For the youth we're bringing into our organization we're not finding a huge need, that they're coming in not well educated or not well trained. A lot of our young people who we've recruited have come through post-secondary programs, that type of thing. So we're finding that it's okay. What they lack is the experience, so that's what we're obviously providing them with.

I'll also comment that our organization has actually worked with an organization based out of Edmonton. I'm not sure if it's a provincial organization or what have you, but it's called Employ-Abilities, and these are people who seek to employ people with disabilities. We've actually been working with that organization, I'd say, for the last 12 months. We obviously get another pipeline of potential people who can come into our organization and help us. In the past we've employed a couple of people with disabilities, known disabilities, into the organization.

I think we're open to all avenues, and we're exhausting all the avenues we can.

● (1025)

[Translation]

Ms. Marjolaine Boutin-Sweet: Could I ask Mr. Salkeld for his opinion, please? We don't have much time left.

[English]

Mr. Mark Salkeld: To answer your question, yes. At PSAC, in two circumstances in B.C. we're working with first nations, and in Alberta we're just actually striking up a relationship.

I've met on numerous occasions with Tom Jackson, a very popular first nations representative.

We're working with a group called Tribal Chiefs Employment and Training. To get exactly to your point, this group is just getting together and is organizing about seven or eight bands. They're working to get education about trades and opportunities into the schools early—it's a grades 1, 2, and 3 sort of a thing—and plant the seeds early. But they're also identifying the youths who are available and promote trades.

Again, the short answer is... I heard a number. Across Canada, there are something like 400,000 first nations and Métis people available for work. If that's true, then let's tap into that, for crying out loud.

So yes, we are working with first nations.

[Translation]

Ms. Marjolaine Boutin-Sweet: Thank you.

[English]

The Chair: Monsieur Lapointe, go ahead.

[Translation]

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

I would like to begin by saying hello to the people from All Weather Windows and congratulating them. This is the type of company that supports real economy, sort of like a company from back home some may be familiar with, Precco.

I would like to understand some of your comments better. My understanding is that you have a hard time finding candidates with the required skills. You don't have difficulty interviewing a certain number of candidates, but it is fairly hard to find, among them, people with skills related to the available position. Have I understood properly?

[English]

Mr. Paul Taylor: Yes, that's correct.

[Translation]

Mr. François Lapointe: You also talked a lot about wages. I am not sure I have understood properly, perhaps because of the simultaneous interpretation or because my English is not perfect. Unless I am mistaken, you have difficulty matching the wages offered in other provinces. Have I understood correctly? Did I miss a piece of information?

[English]

Mr. Paul Taylor: No. That was in the one particular example around commercial glazing professionals. Across the board in Manitoba, the salaries are lower. It's not just within our organization; that's across the actual trade in Manitoba.

[Translation]

Mr. François Lapointe: Are the wages lower than those in British Columbia and Quebec?

[English]

Mr. Paul Taylor: Yes, compared to the three provinces I've identified—specifically, Alberta, B.C., and Ontario. The wages they offer in that particular trade or industry are higher in those provinces versus Manitoba.

The Chair: Thank you, Monsieur Lapointe—

Mr. François Lapointe: I was getting there—

The Chair: I know. You were getting there.

Mr. François Lapointe: I was almost there.

The Chair: Almost.

We'll now move to Ms. Leitch. Go ahead, please.

Ms. Kellie Leitch (Simcoe—Grey, CPC): I almost feel like I should be sharing my time with Mr. Lapointe, but...

Thank you very much, gentlemen, for coming to present to us today.

It's in some respects not surprising, but in some respects a little bit surprising, to hear about the depth of the challenges you're experiencing. We've spent some time travelling throughout western Canada as a committee. Many of the labour shortages or the skills gaps were outlined to us as a committee. My impression today, though, is that it's a far deeper challenge than we had appreciated at first. I'm from northern Alberta, so I can recognize the challenges that you're probably facing.

I want to ask you two specific questions.

One is with respect to those more highly skilled individuals. I'm not talking about someone with a Ph.D., but about someone who either has the skill set to operate the machinery that you need to have operated or who may be on the R and D side of your professions. How deep is the challenge you have? How many people are you lacking? How many months have you been waiting in order to fill those roles? I ask so that we have a true appreciation of the struggles you're having in trying not only to expand your company, but maybe even to just maintain your company, based on what's going on right now in western Canada on the ground and in your industries.

Mr. Mark Salkeld: To answer that one in particular, I had a phone conversation with one of my members just the other day. His comment to me was, "I cannot find a welder in Alberta today for love nor money." His projects are delayed.

Everybody who's a skilled tradesman who can be working... I mean, I don't have the figures in front of me, but it's an issue. We are lacking skilled labour and trades. Just in talking to my member companies...there are projects that are being delayed or postponed, or they're getting run off because they won the bid and they can't fulfill their time commitment due to lack of labour.

• (1030)

Mr. Paul Taylor: I would agree. You referenced the research and development, or R and D, roles. With regard to those particular roles, which we're still recruiting for, we've been looking for several months now. We simply can't find them.

Some jobs are a little more senior in terms of the skill set and qualifications, and others are a little more junior in terms of what we're looking for. We simply can't find the people with the right skill sets.

That's preventing us from moving forward with some new initiatives or products. It's delaying our ability to do that.

Ms. Kellie Leitch: In addition to your current challenges, what are the anticipated skill sets that you may not need to fill today but that you think you'll need in a year or two years from now?

I come from a construction background. My father has put in more than his fair set of windows, let alone coming from the oil patch in Fort McMurray.

What do you anticipate as the next skill set that will be required? If we're already behind where we need to be, how do we prepare for the future? What do you anticipate are those skills that will be needed? Is there a specific direction in your industry that is going to require specific skills? Currently you don't even advertise for it, but you anticipate having to do that in the future.

Mr. Paul Taylor: Our particular industry is about innovation of new products, finding new and more cost-effective ways to build the products. It's not only trying to develop a higher-quality product, but a more cost-effective way.

The technology is changing all the time, even in our window and door industry. In order for us to keep up, we need to continually find ways to innovate. The type of person we're hiring today might be different from the type of person we hire in the future. It's the changing nature of our industry.

I'm sure it's similar in Mark's industry. It's constant innovation.

The Chair: I think Mr. Salkeld has a word or two.

Your time is probably up—

Mr. Mark Salkeld: I'm scratching deep to see if I can come up with anything new on the horizon, and in all honesty, I can't.

What I can say, though, is that with respect to research and development and new technologies, our industry, if it's anything, is taking the existing programs we have, whether they are engineering, mechanical, petroleum, or the trades, and giving people a solid depth of training in fulfilling those positions. Then they evolve as the industry evolves and they learn on the job.

I mean, you take a guy operating a control truck for a hydraulic fracturing job. He's got a hundred pieces of equipment on location, all tied in with pressure gauges and instrumentation. He's monitoring a 15,000 psi frac that is 3,000 kilometres below the surface of the earth. He didn't get that training in university and he didn't get it in college. He got it on the job. You don't just pick somebody off the street with no skills and put them there.

To answer your question, I can't name any one particular profession, but it's to build up what we have and we evolve from there.

The Chair: Thank you very much for that.

We'll conclude with Mr. Cuzner.

After you're done, we'll suspend for a few minutes for witnesses to leave, and then we'll get into committee business.

Mr. Rodger Cuzner: Thanks very much, to both of you, for being here today.

Mark, you were making some great points. I think the industry in the patch.... It's a job that's not for the feint of heart. It's physical; it's demanding.

I know there was a training institute in Atlantic Canada, the maritime institute of drilling, or something like this. I would think that somebody going into that sector does not want to go in blind.

You guys take a barefaced rig hand and work him up through the.... There's a lot of that going on. This maritime training centre wanted to give them the rig experience, but because there was no certification....

You work in an industry where there are competencies, as you indicated, but there are no specific trades. So young people who were going there weren't able to receive any kind of financial support. They weren't able to continue their EI or whatever while they went there because there was a lack of that structure.

Has the industry ever looked at trying to develop apprenticeships, per se, for the rigs?

• (1035)

Mr. Mark Salkeld: Yes, we have. We have a very extensive one called rig tech, and it is fully supported by the Alberta apprenticeship board. You're a fully qualified journeyman and it covers derrickman, assistant driller, and driller. They are recognized journeymen rig hands.

So yes, we have done that, and it's going on right now. I've worked with that group in Atlantic Canada. We provided equipment to that training school, so I know what you're talking about.

Mr. Rodger Cuzner: If that training school were able to plug into this program, that might enable..... It's a provision within HRDC that the students don't qualify for any support right now, but if they were able to get into this certification and be a certifying body, then it would make sense.

Would that opportunity be available to them, do you think?

Mr. Mark Salkeld: Absolutely. It's open to anybody and everybody within Canada who wants to get a trade and work on the rigs.

I'd be more than pleased to send you some information on that, or talk to somebody.

Mr. Rodger Cuzner: Great. That would make sense.

Paul, what would the percentage be? You guys do a lot of business in the States, a lot of your projects.

Is that all domestic?

Mr. Paul Taylor: Yes, it's all domestic.

Mr. Rodger Cuzner: Okay. How far east is that? You're in Mississauga. Do you have a plant in Quebec as well?

Mr. Paul Taylor: We have a plant in Mississauga, and we actually have sales staff and support staff all the way to Atlantic Canada.

Mr. Rodger Cuzner: Okay. You're not doing any manufacturing in Atlantic Canada?

Mr. Paul Taylor: We don't have manufacturing in Atlantic Canada.

Mr. Rodger Cuzner: Have you guys gone through that thought process? A lot of the time we're talking about getting people to jobs. What about taking those opportunities, taking the manufacturing opportunities, and bringing them to where the work pool is? Have you looked at Atlantic Canada, trying to develop something there perhaps, where there is a fairly significant pool of labour, and skilled labour?

Mr. Paul Taylor: As an organization we're always open. It's just good business sense to look at all different opportunities. When we opened our Mississauga plant in 2006 it seemed like the right location for us. We probably still have a lot of growth to do within our company before we'd look at another production facility, but we're open to all avenues.

Mr. Rodger Cuzner: Okay, that's good for me.

The Chair: Thank you.

Thank you very much, witnesses, for attending and sharing some of the insights in your particular fields. We'll certainly take them into consideration.

I'm going to suspend for a few moments as you leave. I've asked committee members to stay back. We have a few matters of committee business, and we'll go in camera for that.

[Proceedings continue in camera]

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