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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)): I call the meeting to order.

We thank the witnesses for attending this morning. We'll have a presentation from the panel, from all three of you. After that we will have a question and answer session of seven minutes for each party on a rotational basis.

We'd like to welcome Micheline Racette and Mr. LaRue—it's good to see you again—and Monika Bertrand.

I'm not sure who is going to present first. Is it Mr. LaRue?

Mr. Jean-François LaRue (Director General, Labour Market Integration, Skills and Employment Branch, Department of Human Resources and Skills Development): We have just one presentation, and they're here for support on questions and answers on the related programs.

The Chair: Okay. Feel free to go ahead with the presentation.

Mr. Jean-François LaRue: Good morning, Mr. Chair and distinguished members of the committee.

On behalf of HRSDC, I would like to thank you for the opportunity to speak with you today. My name is Jean-François LaRue. I'm the director general of the labour market integration directorate in the skills and employment branch. In lieu of Catherine Scott, the director of the trades and apprenticeship division, I have with me the assistant director, Micheline Racette, as well as Monika Bertrand, the director for labour market programs for youth and people with disabilities.

I would like to speak to you today about the importance of apprenticeship to the Canadian economy and about some of the associated challenges and federal support for apprenticeship and tradespeople.

[Translation]

As my colleagues who appeared in the context of your recent study, "Fixing the Skills Gap: Addressing Existing Labour Shortages in High-Demand Occupations" indicated, the Canadian economy is increasingly marked by growing skills shortages notably in highly skilled and in-demand occupations, among which the skilled trades figure strongly.

In fact, in 2010, approximately 2.9 million Canadians, or 17% of the labour force, worked in skilled trades.

[English]

Apprenticeship and the skilled trades offer promising career opportunities for youth. Increasing the overall supply and mobility of skilled tradespersons continues to be important, not only to filling job vacancies in the trades but also to ensuring Canada's continued economic growth and prosperity.

[Translation]

As many of you know, apprenticeship is a proven labour market-driven method of training, combining on-the-job training with in-class technical instruction that leads to certification in a skilled trade. The duration of apprenticeship training varies from two to five years. Approximately 80% to 90% of an apprentice's training is spent in the workplace, with the remainder at a training institution.

[English]

I cannot emphasize enough the critical role of employers as they make the decision to hire and register apprentices and provide essential on-the-job training. I'll get back to that concept a little later on.

Federal support for the Red Seal program is also an important theme. Provinces and territories regulate and administer apprenticeship programs and certify tradespeople. This has resulted in 13 distinct apprenticeship systems across Canada. While acknowledging provincial and territorial authority in this area, the federal government has long been committed to increasing the appeal of apprenticeship in the skilled trades and connecting youth to employment opportunities in this area. It does so via the interprovincial standard Red Seal program. This program reflects half a century of successful federal, provincial, and territorial partnerships involving the development of common occupational standards in examinations for the Red Seal trades in close collaboration with industry.

Working with provinces and territories through the Canadian Council of Directors of Apprenticeship, also known as the CCDA, HRSDC helps to deliver and manage the Red Seal program, which currently includes 53 trades. As of 2010, about 80% of registered apprentices in Canada were in Red Seal trades. As an industry driven program, the Red Seal program is Canada's standard of excellence for the skilled trades. It ensures the recognition of the qualifications of a certified tradesperson across Canada. Over 26,000 Red Seal endorsements are issued annually.

The Red Seal program encourages harmonization of apprenticeship systems across Canada. For example, interprovincial program guides have been developed for use by provinces and territories to inform in-school technical training portions of apprenticeship programs. In addition, through the Red Seal program, a number of tools and resources have been created to help apprentices build their essential skills.

Also, on a related matter, chapter seven of the Agreement on Internal Trade is designed to facilitate labour mobility in Canada, and that includes the mobility of trades workers. As a result of the 2009 amendments, any worker certified for a regulated occupation in one province or territory can, upon application, be certified for that occupation anywhere in Canada without any additional material training, experience, or assessment. This includes workers with skilled trades certificates with or without Red Seal endorsement.

The Agreement on Internal Trade reaffirms government commitment to the Red Seal program as a well-established means of developing common standards for the trades or harmonizing those standards.

Looking forward, one of the priorities of the Canadian Council of Directors of Apprenticeship for 2013 to 2016 is to promote greater consistency of requirements for skilled trades training, certification, and standards across jurisdictions. The Canadian Council of Directors of Apprenticeship is also undertaking work to streamline processes used by provinces and territories to assess the eligibility of foreign-trained workers to become certified in Red Seal trades.

Despite anticipated shortages in the skilled trades, multiple factors may discourage Canadians from entering a skilled trade and from completing their training. This is a long-standing issue—this is not new—and no simple answer to this problem exists.

[Translation]

Under-represented groups in the trades, such as aboriginal peoples and foreign-trained workers, face unique barriers including challenges with essential skills, limited social and family networks, and difficulties with credential recognition, among others.

• (0855)

[English]

Youth in particular are not drawn to the skilled trades after completing high school. We can note that the average age of entry into apprenticeship is 25 years old. Several surveys have revealed that youth mistakenly view the skilled trades as dangerous low-paying jobs with little potential for advancement.

In fact, similar misconceptions held by parents, teachers, and guidance counsellors may cause them to steer high school students away from the skilled trades in favour of university studies. The national apprenticeship survey of 2007 demonstrated that just half of registered apprentices had been aware of apprenticeship in high school, and only one-third had taken vocational or technical programs in high school.

Further, the belief that a career in the trades does not offer youth a viable financial future is inaccurate. In terms of wages, data from the labour force survey indicate that the average weekly earnings of

skilled trade workers were consistently higher than the average for all occupations over the last decade.

Despite these misconceptions, apprenticeship registrations have been rising over the past two decades. In fact, enrolment in apprenticeship programs has increased by 120% since 1995, a reflection of sustained labour market demand.

However, almost 50% of apprentices still do not complete their apprenticeship program. There are many potential explanations for this.

According to the 2007 national apprenticeship survey and the research undertaken by the Canadian Apprenticeship Forum, also known as CAF, individuals may discontinue their apprenticeship due to insufficient work or income, too much work that prevents them from attending technical training periods, or a lack of essential skills.

Sometimes, difficulty in finding an employer who can train across the whole scope of the trade could cause an apprentice to discontinue their training. In tight labour markets, attractive job offers could contribute to apprentices obtaining a well-paying job and leaving their training program. For example, this could be the case in trades where certification is generally voluntary, such as with machinists or roofers.

• (0900)

[Translation]

A recent Statistics Canada study demonstrates that individuals who complete their program and become certified have hourly wages that are 25% higher than those who do not complete. In addition, those who complete their programs have better earnings potential, more job satisfaction and are more employable.

[English]

Given the importance of on-the-job training, employer participation in apprenticeship is, as I have said, crucial. Employers ensure that apprentices receive supervised training in the full scope of the trade.

Although about one in five employers does invest in apprenticeship, retention of apprentices through completion can sometimes be an issue. Employers may fear that the individual will leave after certification. Others are reluctant to pay the apprentice the full journeyman wage level. For small businesses, investing in training can be difficult, and many may not have a journeyman on staff to mentor the apprentice. All of these issues can present challenges for apprentices seeking sustained employer support.

Federal supports, as well as measures launched by provinces and territories, help address some challenges associated with the entry and completion of apprenticeships. Key among federal supports are the apprenticeship grants, which include the apprenticeship incentive and apprenticeship completion grants. Together they offer up to \$4,000 to support Red Seal apprentices.

Over 355,000 apprenticeship grants have been issued since the program's inception in 2007, representing a total investment of nearly half a billion dollars. So far, HRSDC has obtained positive feedback from apprentices, provincial and territorial apprenticeship authorities, and employers about the grants. Early evidence shows that the grants are assisting apprentices to cover apprenticeship-related costs and are encouraging apprenticeship progression and completion.

In addition to the apprenticeship grants, measures have been put in place to encourage employers to hire new Red Seal apprentices. The apprenticeship job creation tax credit for employers provides a maximum credit of \$2,000 towards the wages payable to apprentices in each of the first two years of their training program. The tradespersons tools deduction provides a deduction of \$500 for tool costs in excess of \$1,000. Finally, trade examination fees incurred by apprentices are eligible for the tuition tax credit.

The federal government encourages Canadians, including young people, to enter the skilled trades through a host of other initiatives. For example, qualifying apprentices can receive income benefits through the employment insurance system during their periods of classroom training. In 2010-11, 38,000 claims for apprenticeship were established, with a total of \$170 million in benefits paid to apprenticeship claimants.

[Translation]

Through Labour Market Development Agreements and Labour Market Agreements, provinces and territories use federal transfers to support their apprenticeship systems. They also implement programs to address barriers to entry to apprenticeship for under-represented groups, such as women, immigrants and aboriginal Canadians.

[English]

Through the skills and partnership fund, the federal government is investing \$2.4 million in the aboriginal apprenticeship initiative at the Gabriel Dumont Institute in Saskatchewan for training and employment. An additional \$8 million over three years has been contributed by the institute, the provincial government, the Saskatchewan Apprenticeship and Trade Certification Commission, and private sector employers.

The national youth employment strategy, also known as YES, is also designed to help young Canadians gain the skills and experience needed to get into the workforce. In 2010-11, HRSDC, through YES, helped almost 57,000 youth get the job skills and work experience they needed to successfully enter the labour market, including in the trades.

In budget 2012, the government announced a \$50 million initiative in YES funding to help connect young Canadians with jobs that are in high demand, such as the skilled trades, and to help them develop the skills and experience required by employers.

[Translation]

Skills Canada, with federal funding, also promotes careers in the skilled trades and technology to young people, in particular through the annual Skills Canada National Competition.

[English]

The Working in Canada website is another way our department is connecting youth with in-demand employment, including the skilled trades. It does this by providing occupation- and location-specific labour market information for job seekers, workers, and businesses. It provides occupation and career information, including educational requirements, main duties, wage rates and salaries, current employment trends, and outlook. Moreover, this is a tool that can be used worldwide.

Traffic numbers for the Working in Canada website are about seven million hits per month. That includes hits for the job bank.

Mr. Chair, in conclusion, I want to mention an innovative partnership involving HRSDC's Canadian Council of Directors of Apprenticeship and the Department of National Defence. This partnership has resulted in tools that allow provinces and territories to recognize the training of military tradespeople who may wish to become certified in some Red Seal trades. Currently, correlation studies indicate there are nine military trades that match up well with 13 Red Seal trades. Most of these are high-volume and in-demand trades, such as automotive service technician, construction electrician, plumber, carpenter, and cook.

This partnership provides an effective pathway for retiring military tradespeople transitioning to civilian careers in the skilled trades, and it complements the helmets to hardhats initiative that was successfully launched in budget 2012. The helmets to hardhats initiative aims to connect retired Canadian Forces members and veterans with career opportunities in the construction industry by bringing together union, private sector, and public sector resources.

• (0905)

[Translation]

Mr. Chair, I am certain that all of us in the room today agree that increasing participation and completion in apprenticeship programs is a win-win scenario for everyone involved. For individual Canadians, including youth, apprenticeships provide the skills and experience needed to qualify for in-demand jobs. Employers have better access to a larger pool of labour that is equipped with the skills and experience they require, contributing to Canada's continued economic growth and long-term prosperity.

[English]

Although significant progress has been made, the Government of Canada is committed to its ongoing work with provinces, territories, and industry to support apprenticeships in the skilled trades. While a suite of programs is already in place and is functioning well, the federal government will continue to evaluate the effectiveness of these instruments. In particular, it will explore ways to engage employers and increase the appeal of apprenticeship programs to Canada's youth.

To maintain the momentum, all stakeholders, including government, employers, industry, parents, and educators, must commit to ongoing collaboration to build upon successes and lessons learned.

We thank you for the opportunity to participate in this study and look forward to the committee's recommendations.

My colleagues and I welcome the opportunity to respond to any questions you may have.

The Chair: Thank you. That was certainly an insightful presentation.

We'll now open it up to questions. The rounds will be seven minutes as opposed to the usual five minutes. It seems to stretch in any event.

Ms. Charlton, go ahead.

Ms. Chris Charlton (Hamilton Mountain, NDP): Thank you so much to all three of you for being here this morning. You gave a terrific overview of the state of apprenticeship programs and the federal government's involvement with those programs. I very much appreciate that. I think it grounds our study well.

I have a couple of questions and they go in different directions.

Are there any federal government programs that relate to either recruitment or retention with respect to apprentices that existed in the past but don't exist now?

Mr. Jean-François LaRue: I'm not sure; on top of mind it doesn't come back to me.

Ms. Chris Charlton: I'm from Hamilton, a steel town. It strikes me that apprenticeships certainly used to be a big part of all the big industrial plants, but we've seen a real decline in terms of employer participation in apprenticeship programs.

I wonder if you could talk about what those factors might be. Are they purely economic factors in that employers think there is no bang for the buck, or was there a time when they could find enough skilled trades so that they didn't think they needed to be training? Right now what we have in this country is not so much a labour shortage but a skills shortage, and I think to some extent employers didn't plan for where we are now.

Mr. Jean-François LaRue: Yes.

Before coming to this presentation we had a lengthy conversation about the various factors. The thing that really struck me was the extent to which the factors that are at play are complex.

I think there are two sides to the equation, certainly in terms of completion. If we talk about completion, I think the role of the employer, as I said in my speech, is really critical. On the other side

of the equation there are the individuals and the attractiveness to them, what they're being told. I said in my speech that sometimes perception plays a strong role, and sometimes it stems from guidance counsellors and teachers. This is not a new issue. This has been long-standing. I think we have tried over the years to promote trades as a venue for youth and it's been challenging for all sorts of reasons. Youth perceive these jobs sometimes as not having a lot of career advancement, as not being challenging.

That being said, as I indicated, we see registration increasing systematically. I think we're being successful in attracting people in trades. There's obviously the demography of this country. There's also the fact that this is an issue driven by labour demand, or if you want, industry. Youth are looking at this and there can be spells of unemployment and challenges in terms of getting their training.

As a good economist, my training would say that when we look at the data there's a lot of noise, and to actually identify one specific factor that would explain why youth are not necessarily attracted to trades is very difficult. I think it's a myriad of effects. That's also the reason we offer a suite of programs. It's not just one program; it's about trying to tackle the issue through various means that we have access to.

● (0910)

Ms. Chris Charlton: I'm interested in your comment—and I hope I'm not putting words in your mouth—that to some extent this is an industry-driven demand.

Mr. Jean-François LaRue: Yes.

Sorry, I should say a labour-driven industry. You need to have construction projects. You need to have them in the region where the apprentices are available, more in the sense that this is a pro-cyclical type of industry.

Ms. Chris Charlton: I appreciate that, and I certainly understand that's where the job opportunities and the training opportunities are. On the other hand, apprenticeship training can take up to five years and you cannot get a journeyman on a day's notice. You can't say on a Friday that on Monday you need some skilled folks because you're going to have a ton of opportunities. It seems to me it does require some long-term planning and a long-term commitment.

I appreciate the industry focus, but if we want to make apprenticeships more attractive to young people, I think we also need to come from the student-centred perspective, from the apprentice-centred perspective, and have a commitment to them that if they're contemplating a five-year investment before they get their ticket there will be support for them through those five years. I know a number of people who gave up their apprenticeships. They were within a year of finishing and the employer said, sorry.

Is there anything we can do as legislators to make sure that people don't bail on their apprentices and leave them with nothing after the apprentices made a four-year investment in their training?

Mr. Jean-François LaRue: That's the reason we're acting on both sides of the ledger, as I said. For example, we have the apprenticeship job creation tax credit. That's a credit to employers of up to \$2,000 for apprentices. We're also providing grants to students. They're not what I would call student loans, but they're actual grants, up to \$4,000 as well, if they complete.

Ms. Chris Charlton: Are the grants needs based? Does every apprentice upon completion get \$4,000 from the government?

Mr. Jean-François LaRue: They get what we call the apprenticeship incentive grant, which is \$2,000. There's the apprenticeship completion grant, which is another \$2,000. For entering, they get the \$2,000 in grants. If they complete the apprenticeship, they get an additional \$2,000, for a total of \$4,000 over the course of their program.

We support the individual, and we also support the employers who provide the training. Employers only get a benefit the first two years. If the program, as you pointed out, lasts five years, we have examined the possibility of extending that credit. This idea has been floating around for some time. There are the first two years. I think you know that it's a complete suite of programs.

Obviously the question is whether this is the optimal way of promoting trades. This can cost quite a bit of money fairly quickly. Could the same amount of money be used through advertising campaigns? Would that better reach some of the individuals? Perhaps we could conduct specific projects through some of the targeted initiatives which over the years we have found sometimes can be more effective. We're trying to balance all this.

Ms. Chris Charlton: Are you suggesting that the grant that currently goes to employers may not be as effective as initially hoped?

Mr. Jean-François LaRue: Absolutely.

● (0915)

Ms. Chris Charlton: Has there been any analysis of whether it has made a positive impact in terms of retention of apprentices?

Mr. Jean-François LaRue: It's certainly a fairly recent initiative. There is a lag in the data, so it's very hard to demonstrate the affect it has at this point. We have our survey indicating that the apprentices and the employers appreciate the service they're receiving. It's reaching the intended individuals and it's recognizing the cost and it removes some of the financial hardship that individuals may face as they pursue their program.

The Chair: Thank you, Ms. Charlton. Your time is up.

Did anyone else wish to make any comments relative to that?

Go ahead, Ms. Bertrand.

Ms. Monika Bertrand (Director, Youth and Labour Market Programs for Persons with Disabilities, Department of Human Resources and Skills Development): I want to add that under the youth employment strategy, for example, we have the skills link program. While we do not support apprenticeship training from beginning to end, the program supports youth who may have difficulty finding an employer to finish their apprenticeship. Through the program, we provide a wage subsidy to a potential employer to help the youth finish an apprenticeship and get the credential.

The Chair: Okay.

Mr. Daniel, go ahead.

Mr. Joe Daniel (Don Valley East, CPC): Thank you, witnesses, for being here today.

My question comes from a British background and the apprenticeship programs there. Many of those programs start with students right out of school at age 16 or so. Have you done any comparisons of apprenticeship programs in Europe, Britain, Australia, or anywhere else compared to the ones we have to see what benefits they have?

Mr. Jean-François LaRue: To be honest with you, I'm not too familiar with these studies. I'm told there are some out there in terms of examining the different practices. There's a fair amount of expertise within the CCDA in terms of various apprenticeship programs.

We're certainly interested in what's going on in the U.S. right now. This is an area where there is a vast pool of available workers in the trades. One of the important aspects is bringing workers from abroad as well. I'm stretching your question to cover the issue of foreign workers. It is certainly the aspect of assessing those foreign workers, not necessarily in the traditional way of a Q and A assessment or test, but using multiple assessment instruments to do that work.

Mr. Joe Daniel: My question wasn't directed towards foreign workers, but more to the apprenticeship programs—

Mr. Jean-François LaRue: Yes.

Mr. Joe Daniel: —that some of these other countries have, which do seem to be quite effective. The one in Britain, I know, has been going on for centuries.

Mr. Jean-François LaRue: Yes, and certainly in Germany as well.

Mr. Joe Daniel: Yet over here we're talking of the average starting age being about 25 years for an apprenticeship. That seems very late.

Mr. Jean-François LaRue: Yes, and seeing that in Canada the average age is 25 for enrolling in programs, this is an area we're examining.

Mr. Joe Daniel: Okay.

Are you able to provide some examples of how your department has encouraged young people to acquire skills in the trades?

Mr. Jean-François LaRue: Well, we certainly have a number of initiatives. The grants are one way that we've been doing it. We've also been doing a number of targeted advertising campaigns as part of the Better Jobs campaign, the recent one that you've seen on national television.

There are the grants and, as I said, all the targeted initiatives that we have around youth, where some of the initiatives in essence are directly targeted at promoting the trades. Certainly, Skills Canada is another initiative that we've undertaken in some of the skills games that have been organized in that context.

Mr. Joe Daniel: Another comment you made was that the completion rate is probably around 50%—

Mr. Jean-François LaRue: Yes.

Mr. Joe Daniel: —which seems to be very, very low. Is there anything specific that's driving that, like the employer side or the apprentice side?

Mr. Jean-François LaRue: Well, as I said, this is multi-factor. I liked Ms. Charlton's comment when she said that you have to put yourself in the place of individuals entering a five-year program, in that a lot of things happen during these programs.

Mr. Joe Daniel: Right.

Mr. Jean-François LaRue: The individuals are training. First, they need an employer that supports them, and supports them for the long haul. It's also a demand-driven industry, so you need to have actual work.

The other thing, too, is that some people who start as carpenters may discover that in another trade which may not be a compulsory trade, for example, a wall plasterer or other trade, they can make just as decent money. They don't necessarily complete their program, but it doesn't mean they're leaving the industry. They still work, but in a different capacity. They may not be registered in the data, but they're certainly present in the industry. They don't complete their program. We certainly would encourage them to complete their program, because in terms of their labour market resiliency, we're seeing in the data that they would do a lot better.

• (0920)

Mr. Joe Daniel: Is there anything else the Government of Canada can do to encourage employers to participate in the apprenticeship programs?

Mr. Jean-François LaRue: As I indicated, the employer tax credit certainly covers the first two years of a trade. One potential aspect would be to consider increasing that support for the third and fourth years, especially if you have programs that are four or five years in duration. That's one aspect you could consider.

You could bolster some of the grants. Their size certainly would help. A program doesn't cost just \$4,000 in support—

Mr. Joe Daniel: You're right.

Mr. Jean-François LaRue: I certainly think that awareness is a big factor on which we need to continue to work. As I said, some of these issues have been long-standing. They're not new. There may be structural aspects of our education system. You mentioned the international experience, with some countries having some interesting successes that we can learn from.

Mr. Joe Daniel: You've talked a little about the trends in apprenticeship programs and some of the things that are happening. Are we getting any closer to closing the gap in terms of the skills that are needed by employers? We hear that a lot of trade skills are required in Alberta, Saskatchewan, etc., and the number of apprentices that are coming through to fill those positions.

Mr. Jean-François LaRue: Yes. Demography is certainly a challenge. We're doing a lot better. Over the years, as I indicated in my speech, registration has increased 120% since 1995. That's very significant. I'm not sure that the extent to which completion goes tells us something about what's going on in the industry, because of the factors that I've explained.

Clearly, for some sectors and regions, there will be some challenges. The construction sector council, for example, forecasts that the sector will have to replace 320,000 skilled workers between 2011 and 2019. The oil and mining sectors are also fairly challenged

in terms of the demand. There are some gaps we're expecting, and we'll need to address them. This is why we're addressing not just the domestic demand, but also the foreign aspect of that demand.

Mr. Joe Daniel: Do these trends and statistics that you're currently talking of apply also to the indigenous folks, the aboriginal communities? Are they getting into the apprenticeships and trade skills?

Mr. Jean-François LaRue: There are certainly a number of under-represented groups that could fare better in the trades, aboriginal people being one of them. We have an initiative directly targeted at them, certainly through ASETS, which is a federal program at HRSDC for aboriginal people, for sectors that are in high demand.

Another group we're looking at is women, in the sense that they're under-represented. The latest data I saw in terms of registration is that 12% of trade apprentices are women.

Mr. Joe Daniel: Are there any comments from any of the others?

Ms. Monika Bertrand: Yes, I just wanted to add a few words in answer to your question about international studies.

We are quite aware of some other countries that have different education systems and they are doing fairly well when it comes to apprenticeship training, vocational training.

We very much focus on the idea of multiple pathways into the labour market, getting away from the idea that there is only one path to a good, well-paying job. We are definitely looking into the multiple pathways idea and making it interesting to youth, informing teachers about those pathways so they can pass that information on to the youth, and make sure that parents know about it.

This is something in which provinces, of course, are very active. We would partner with the provinces to make sure that this information gets to where it needs to go, which is in high school. You have to start early on educating the teachers, the parents, and the youth about what life they can have in multiple careers and in choosing multiple pathways, and what that entails, for example, what kind of education is actually needed and what kind of post-secondary education is needed. It doesn't necessarily require a university degree. There are other certifications that get people where they need to go.

We are definitely looking at the international experience. Denmark, for example, is a real leader in terms of employment outcomes for youth, apprentices, with vocational training. It's a good example for us to look at.

• (0925)

Mr. Joe Daniel: Thank you very much.

The Chair: Thank you, Mr. Daniel, for that clever extension.

We'll now move to Mr. Cleary.

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Mr. LaRue, in your opening statement you talked about how youth in particular are not drawn to the skilled trades after completing high school, and the average age of entry into apprenticeship is 25 years. I found that interesting.

I have a 16-year-old son who will be 17 on Monday, and we're talking right now about life after school. Life after school for him is hockey. He wants to be a professional hockey player, and I keep telling him that—

Mr. Jean-François LaRue: We wish he'd be a tradesman.

Mr. Ryan Cleary: I still do.

I tell him that he needs a backup plan, so what we talk about is a backup plan. We talk about university and we also talk about skilled trades.

I ask questions. I ask him what he wants to do. What he wants to do, again, is to be a hockey player. I'm all about encouraging him to follow his dreams and maybe play a bit of junior A, which I can talk to Rodger about a little later.

He mentioned to me that maybe he'd play a little junior A—and I was surprised by this—and he also said that maybe he would also get a skilled trade. Now, that shocked me because his mother and I have always groomed him for university because the perception out there is that if your children go to university, they'll make more money and have a better life than in a skilled trade. That's the perception that's out there.

You say that on page six. On page seven, you compare wages, how the average weekly earnings of a skilled trades worker are consistently higher than the average for all occupations over the last decade. As a member of this committee and as a parent, my question is: how do the weekly wages of the skilled trades compare to the university graduate? Answer that first and I'll give you another one.

Mr. Jean-François LaRue: That's a very good question. I don't have that information at my fingertips. I would presume that university graduates are probably getting higher wages than the skilled trades. I would presume that, but I would have to check that information. I could report back to the clerk of the committee just for that evidence.

The Chair: Sure, please.

Mr. Jean-François LaRue: Yes, I will. I think it's a very valid question.

The Chair: It's a fair question, very pertinent to many decision-makers.

Mr. Ryan Cleary: I would be very interested in the answer to that question because that would come into play in the conversations that I continue to have with my son in terms of what direction he chooses for his life.

Getting back to the original part of that question about youth not being drawn to skilled trades, and the average age being 25, is that because there's a negative perception of skilled trades by youth? Is that because youth see skilled trades as not a glamorous life? I want to get this out as I'm really speaking as a parent. For instance, if my son had a choice between being a welder and being a doctor, I am going to tell him to be a doctor. What would I say if he had a choice between being a welder and being a teacher? I don't know.

Are there negative perceptions, and if so, how do you combat them?

● (0930)

Mr. Jean-François LaRue: What you're asking about is probably the long-standing issue of perception vis-à-vis the skilled trades. As I said, there are multiple factors. Sometimes youth perceive these, and I think erroneously, as being risky jobs and demanding jobs physically. It certainly would explain why so few women are entering the skilled trades. Sometimes not promoting a lot of career advancement, or not leading to other connected employment can play against them. They can also see the hurdles and the challenges of completing an apprenticeship program, the fact that it's a demand of an industry, that maybe job stability is highly dependent on the state of the economy. There's a multiplicity of factors that can explain this.

There's also culture and history in terms of looking at people working in the skilled trades. It's a challenging environment, and certainly in that context some, what I would say, impressions have been left on the parents. But the economy has evolved tremendously. Technology has evolved tremendously. It was certainly evident at the Canadian Apprenticeship Forum conference, where I met some crane operators and all sorts of individuals who are working with very advanced technology. It's not what it used to be. There's a question of evolution, of communicating that evolution, and sensitizing youth to that reality.

I'm as intrigued as you are about the fact that people start their program, on average, at 25 years of age. It tells me that when they leave high school, in between the time they actually graduate from high school and the time they enter a trade, there is a definite period in which there is a certain reflection that occurs. Maybe some individuals don't necessarily like to pursue studies and they want to explore the opportunities in the labour market. They find out that it's a demanding environment. Maybe with some recognition of their credentials or experience that they've acquired—maybe they worked in construction—by familiarizing themselves with the labour market, they discover that with some certification they can perfect their skills. It is like some of us around this table who work in the administration field who decide to get an MBA later on in our careers to perfect our skills. It can be the same kind of process.

There's a variety of factors that can explain this.

Mr. Ryan Cleary: I was in Fort McMurray last week, and the average salary in Fort McMurray is \$100,000 a year. The average family household income in Fort McMurray is \$190,000 a year. At the same time, the companies up there are still starving for workers, starving for skilled trades. What about an advertising campaign targeted at youth, at people my son's age, to encourage them to get into the skilled trades? Alberta's one thing in terms of helping to drive the Canadian economy, but even in Newfoundland and Labrador, my province, we have projects which are just starving for skilled trades. In terms of an advertising campaign, do you have anything up your sleeve?

Mr. Jean-François LaRue: First of all, there are a few campaigns that have been ongoing. The last one was the Better Jobs campaign. You can see the ad; it focuses on sensitizing people to the prospect of trades through the imagery and the publicity.

I would say that if we were to consider a number of broad-based actions for promoting trades to youth, an awareness campaign would be one of the pillars on which I would build a potential, if I can call it so, strategy or action plan.

The Chair: Thank you. Your time is up.

Did anyone else wish to make a comment?

Ms. Racette.

Ms. Micheline Racette (Assistant Director, Trades and Apprenticeship Division, Department of Human Resources and Skills Development): I would simply like to add that the issue of the influence of parents and educators on youth is a subject that the Canadian Apprenticeship Forum has looked into and researched. They could very well provide you with insight into their research and tell you more about their hearing that very few youth are being encouraged by their parents to enter the trades. This is an area they have looked into and have done considerable outreach as well, to try to influence attitudes.

• (0935)

The Chair: What was the group you mentioned?

Ms. Micheline Racette: It's the Canadian Apprenticeship Forum, or *le Forum canadien sur l'apprentissage*.

The Chair: All right.

Did you have a comment, Ms. Bertrand?

Ms. Monika Bertrand: I would just like to add that the Government of Canada is a supporter of Skills Canada, from whom I think you're going to hear at some point. That is an organization devoted to promoting the skilled trades and technology.

As I said, we strongly support Skills Canada and the skills competitions. This is about making the skilled trades more visible to students, to educators, to parents, to businesses, and rewarding students for their work in the skilled trades through the competitions.

Right now we're working with Skills Canada to put a digital focus on the competitions. What that does is it highlights how the trades have advanced; how each and every trade has a strong digital component to it. Be it welding or you name it, there is a digital aspect to it. You will see in the competitions this year and next a digital theme. There will be many activities around the digital component in the trades.

The Chair: Thank you very much for that comment.

I have been at some of those competitions. They're well worth taking in. They certainly broaden knowledge and understanding and bring some of that to the students where they are.

Ms. Leitch, go ahead.

Ms. Kellie Leitch (Simcoe—Grey, CPC): Thank you very much for taking the time to come this morning. It is greatly appreciated.

I have a few questions. One follows up on what Mr. Cleary was speaking about with regard to advertising.

From the standpoint of the advertising the Government of Canada is doing, what percentage of it is done in partnership with industry? It is one thing to encourage young people to enter the trades and to

target specific high-demand trades. Having lived in Fort McMurray, I can understand where Mr. Cleary is coming from.

Are you doing it in partnership with industry? Are you encouraging industry to do its own independent advertising? Obviously, we want the individuals who have jobs available to be doing that advertising, if they need the people. They're industry leaders. They should be stepping up and taking on their responsibility of trying to encourage individuals to come to their firms.

Who are you working in partnership with?

Mr. Jean-François LaRue: In regard to partnerships we work mainly with the provincial and territorial authorities through the Red Seal program. These are our main spokespersons. Apprenticeship is a provincial responsibility, so clearly part of the conversation has to go through them.

Through the work of the Canadian Council of Directors of Apprenticeship, we do a lot of stakeholders meetings. We meet with industry representatives, and they can be the CHBA, or the mining industry, or the Canadian Standards Association. We're in regular contact with these various players. Certainly the issue of apprenticeship is an area of interest.

As to whether we have leveraged their contribution for the advertising campaign, I'm not aware that we did, but this is certainly an interesting suggestion.

Ms. Kellie Leitch: In line with that, you talk about what some of those barriers are. I think we're quite aware of what some of them are, whether it be young women who are concerned about a dangerous work site or not knowing what the actual wage is. I spend a fair amount of time in my own riding of Simcoe—Grey going to high schools and asking students whether they know what a welder makes on the job. No one has a clue; they're not even in the ballpark.

Why don't you include those wages in your ads? If you want young people to know about them, why aren't we telling them?

I know that we're Canadians and we like to be couched in the way we approach things, but why don't we tell young Canadians that the average income for a welder or carpenter in Fort McMurray, Alberta is \$120,000 a year? Young people will respond to that, because they want to know that there's economic security.

Maybe you do that, but I've never seen it in one of your ads.

• (0940)

Mr. Jean-François LaRue: Actually, I haven't seen it either; however, whenever an awareness campaign is carried out, when we put skilled trades in perspective and discuss value we make the point that these are rewarding career choices. I don't know that you'd actually put in an average dollar salary. We have the communications experts to tell us whether this is a good idea or not. I'm not an expert in that field.

Ms. Kellie Leitch: I'm not either, but I deal with students, or at least I used to every single weekend. Whether in my MBA class or in my medical school class, it didn't matter; they always asked what they were going to be making.

Mr. Jean-François LaRue: Yes. I agree.

Ms. Kellie Leitch: We may just want to communicate to them directly and tell them what they could potentially make, because then they'll actually open their eyes and say that maybe they should be considering this as a career opportunity.

I know it sounds rather crass, but I think it's a way of encouraging young Canadians to at least open up the pamphlet and say, "Maybe I should be considering this. I might get my hands a little bit dirty, but maybe I should consider this."

Mr. Jean-François LaRue: This is certainly an idea I will bring back to the department for consideration.

Ms. Kellie Leitch: The next question I have is along the lines of the target audiences you have with respect to the advertising you might be doing. Ms. Bertrand mentioned reaching out to guidance counsellors, parents, and others, which I think is fabulous. I know you're doing some really great work in making sure high school students are becoming more aware of what's going on.

Are there any initiatives that target younger students in grades six, seven and eight? We know that's also a time frame during which they're starting to make some decisions. Are there some programs that you're working on or are already implementing that target that younger group of students?

Ms. Monika Bertrand: No, we're not doing that. This is something that we really need to work on with provinces. It is not something the federal government can do alone. We cannot step into grade schools and start promoting certain careers.

We have heard many times from Canadian experts and experts around the world that we need to start doing this earlier, so we are looking into possibilities for working with provinces and maybe putting on an event. We haven't quite figured it out, but we're discussing that very issue.

Ms. Kellie Leitch: That's excellent.

The next question I have is—

The Chair: I think Ms. Racette has a comment.

Ms. Kellie Leitch: I'm sorry about that.

Ms. Micheline Racette: I didn't mean to interrupt.

Building on these comments, this is an area in which provinces indeed are active. Some, such as Alberta, have implemented initiatives to expose youth, in the secondary school system or even earlier, to the trades through job shadowing or mentoring. The idea is to give them early exposure and increase awareness and to get to them in order to help them make informed future choices about their careers. Alberta offers just one example.

Ms. Kellie Leitch: That's great. Thank you very much.

Do I have a bit more time?

The Chair: Yes, you have another minute or so.

Ms. Kellie Leitch: One of the items you brought up in your opening statement was about challenges and what the barriers are. You mentioned in general three or four items, whether it be a dangerous work site, the issue of wages and what young Canadians think, or parental perceptions and culture. I would like to ask you for a few more details with respect to that.

I recognize that a dangerous place of work may be different in the perception of a young woman than that of a young man. There may not be a perception that a hospital operating room is a dangerous place, but I can tell you that if you contract hepatitis, it's a lot more dangerous than standing on a work site on a given day.

Are there some specifics around that dangerous work site component, or around the issue of parental perception, that might give us some direction about what we should be asking our next set of witnesses concerning the barriers that exist for young Canadians considering apprenticeships?

Mr. Jean-François LaRue: There are five specific factors that I referred to. One factor is whether or not sufficient work for the individuals will be available in the long haul, not just for the next five to ten years. People are very self-conscious about this. There are the financial barriers in terms of the cost of apprenticeship or whether there will be sufficient income, but again this is perception-based. Another factor is they're sometimes receiving better and more competitive job offers elsewhere that you wouldn't expect, that may not be trade related, but the contractor who employs them has certain specific needs for individuals who are generalists to develop those skills due to a particular project. Then there's the employer participation in terms of supporting the apprenticeship. Sometimes some of the barriers that are fairly unique are essential skills needs where individuals have numeracy and literacy challenges that need to be overcome.

I would leave it at that for now.

• (0945)

The Chair: Your time is up.

Does anyone else have a comment?

Go ahead, Ms. Racette.

Ms. Micheline Racette: I would simply like to add that you may wish to hear from the Construction Sector Council of Canada. It has, I believe, looked into the issue of how to attract women to the building and construction trades and looked at the issues and barriers specific to work sites and the culture. That may inform the study you're undertaking.

The Chair: Thank you for that.

Mr. Cuzner, go ahead.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Thank you all for being here today and for your presentation. I'm going to try to knit this together.

Regarding the comments about making sure that young people are aware of trades and the potential opportunities by pursuing trades, we're seeing growth in the numbers. For young people who registered between 2006 and 2010, there's fairly substantive growth. There were about 320,000 individuals in 2006 to 430,000 in 2010. That would show there's growth in people becoming more aware of the trades. But still the completion ratios of those trades aren't as strong as they should be or as anybody would want them to be. About 20,000 individuals completed their apprenticeship in 2006 and 36,000 individuals completed it in 2010. Your reference was that about 50% complete their apprenticeship. I would question if it's that high. There has to be a myriad of reasons. As you said, it's very complex. When you look at provincial responsibilities it's very complex.

Who is measuring why these young people aren't completing the trades? Where do we go to find those measurements and the myriad of reasons they're not being completed?

Mr. Jean-François LaRue: This is certainly an area where there's a lot of interest.

The Canadian Apprenticeship Forum was one area that conducted a lot of research. HRDC conducted a lot of research into that issue; we conducted a fair number of surveys. This is why this morning in my speech I mentioned some of the reasons that explain this. This is a long-standing issue. This is not new. This is why the government has acted early in its mandate by introducing grants and benefits for employers in terms of promoting, encouraging, and providing a way for the system to support people entering into trades to complete it.

As I said, there are a number of factors at play. As an economist I call it noise in the data. You don't see the completion rate increasing but at the same time we know that it's not because they don't become full-fledged apprentices that they're not working in the industry.

Mr. Rodger Cuzner: You're talking a lot around it, the noise around the answer sort of thing.

This is where the problem is. We're losing people from those trades. In terms of your comment on trying to link apprentices who are halfway through their program and that job ends and now they're looking for another experience, that's a really neat program. I can see that being of benefit, but there has to be somebody out there, whether it's the federal government, one of the councils, or whatever, that is trying to identify for example the four main reasons that people aren't completing their apprenticeship.

Mr. Jean-François LaRue: I can mention....

Mr. Rodger Cuzner: Both Germany and Australia were faced with statistics similar to those for Canada. They did a whole restructuring of their apprenticeship programs a number of years ago. Do you look at the types of programs and initiatives those countries have undertaken?

• (0950)

Mr. Jean-François LaRue: We certainly do. I don't necessarily have one readily in mind, but we also know the reasons from the surveys we conduct through Statistics Canada. I can mention some of the reasons here. Certainly finding and keeping continuous work is one of the aspects that is a problem. Finding an employer who's committed to the apprenticeship program is another. Seasonality of work is another factor. There is the aspect of receiving a more

lucrative job offer while they're on training. Certainly numeracy and literacy are issues. Obviously, there is the issue of labour market conditions. These are the main factors.

Mr. Rodger Cuzner: Then you build your strategy around that.

Mr. Jean-François LaRue: We build it around those obstacles, and that's why the programming is directed the way it is.

Mr. Rodger Cuzner: Do you think that we need a restructuring because of the lack of success? Under 50% is not great. I guess if you were a starting pitcher in the major leagues it would be good and you would be making lots of money, but when you are trying to train young people it's probably not as good as it should be.

Does the system have to be restructured, or is there tweaking or other things we can do within the system? Do you think it needs a major overhaul?

Mr. Jean-François LaRue: There are three aspects to your question.

In answer to the first one on whether it needs a major overhaul, no. I think we have a solid suite of programs addressing every single aspect of the apprenticeship question. Could we do better? We're certainly monitoring and identifying our priorities every year and trying to work within the envelopes that we are being provided.

Certainly targeted initiatives and innovative practices are things we, the Canadian Council of Directors of Apprenticeship, look at and work on with the provinces and the various stakeholders involved to try to identify innovative practices in order to attract and retain those workers.

Mr. Rodger Cuzner: I'm going to try to get two more questions in here.

Mr. Jean-François LaRue: Yes.

Mr. Rodger Cuzner: We've heard through testimony on a couple of different areas we've looked at about the interprovincial recognition of credentials. There are bilaterals in place, such as in Alberta and Nova Scotia, which have a pretty good arrangement. Once you get to the Red Seal level, things are pretty good, but under that Red Seal level, what kinds of talks are going on? Who's leading the charge on trying to come to terms with recognition? Is it just a province-to-province thing, or is it within the trade?

Mr. Jean-François LaRue: That's really the most recent development, the most significant one. I have a dispute panel resolution decision that was made in the case of a crane operator, and it is very revealing regarding the effectiveness of chapter 7, which promotes the mobility of trade.

Fifty years ago when the Red Seal program was established, it was a program to promote mobility. Since the amendments in 2009, as I mentioned in my speech, an individual certified in one jurisdiction doesn't need to go through an additional assessment or requirement or testing to be certified in that other jurisdiction. In that sense they are fully mobile.

The part we do not control, which proves to be a bit more challenging, is that the employers retain what I would call the hiring decision. Obviously sometimes they may have an additional requirement that we're not aware of, or it can be just a union controlling a certain sector of the economy. Certainly in construction, unions have a big say in terms of which worker can go into which environment. These are obstacles we don't necessarily have a grasp over, but in terms of making sure the certificates, the credentials of individuals, are fully recognized between provinces, the Agreement on Internal Trade is what I would call the social safety net.

There was a dispute panel resolution on a crane operator. A crane operator from Quebec wanted to operate in Ontario and was denied his licence because this category of licence didn't exist in Ontario, and Ontario was arguing that there were differences in the number of hours of training. The panel found that the individual actually matched a certain category in Ontario, and it instructed the Ontario government to give a licence to that particular individual and to pay damages of \$1,500.

Mr. Rodger Cuzner: It shouldn't be that difficult.

Mr. Jean-François LaRue: No, it shouldn't be, but that's what the purpose of chapter 7 is.

Mr. Rodger Cuzner: That has to be looked at. I think our committee is willing to look at that kind of stuff.

Do I have time for one quick question?

The Chair: Your time is up, but if you have a quick question, go ahead.

Mr. Rodger Cuzner: Ms. Bertrand, could you elaborate a little bit more on your program regarding the annual amount of funding, how it's delivered, and the linkages on that? I think that's a pretty neat program.

• (0955)

Ms. Monika Bertrand: I was talking about the skills link program. It's part of the youth employment strategy. It's a horizontal initiative. HRSDC's the lead, but we have nine departments and agencies participating. HRSDC's portion of skills link is just over \$100 million. Skills link is a program that focuses on multi-barriered youth. Those could be recent immigrant youth, youth with an aboriginal background, single parents, rural youth, you name it. The program is based on an individual perspective. There's an action plan. Each individual is looked at in terms of where they are from, what background they have, what they already bring to the labour market.

An action plan is then put together. It can consist of several different interventions. Some youth are fairly far removed from the labour market, so what you have to do is provide them with basic employability skills. Those could be life skills to get them to the point of getting up at nine in the morning, having to be somewhere at a certain time, working in a group, some of the essential skills that are required to function in the labour market.

The interventions consist of work experiences. Once the youth is ready, and some are already there, all they really need is exposure to the labour market. They need a six to twelve month work experience that connects them with an employer. Another outcome we are

looking at is to get them back into school. For some, if you put them into a work experience, let's say in the construction sector, it gives them a flavour of what a job could be like, what a career in that area could be like. It gets them into some sort of vocational training. There are some excellent programs out there. BladeRunners is a well-known program that helps kids get attached to the labour market and helps them get into vocational training. One of the interventions that's provided through skills link is for youth who have done part of their training, who have done part of their apprenticeship and are just lacking the work experience. We connect them with employers.

The Chair: Thank you.

It was a short question, but maybe a little longer answer.

Mr. Rodger Cuzner: Thinking of the comment about restructuring that was undertaken in Australia, it would be worthwhile maybe for the committee to check that out sometime in January. It's just a suggestion. It came from the analysts.

The Chair: You have a very solid suggestion there, and I'm sure we'll investigate it thoroughly, Mr. Cuzner.

Mr. Shory, go ahead.

Mr. Devinder Shory (Calgary Northeast, CPC): Thank you, Mr. Chair. It seems as if Mr. Daniel started with the same intention as Mr. Cuzner. My thanks to the witnesses for coming here this morning.

In your presentation, you talked about partnerships. I believe that industry partnership is very important, not only to promote the programs but also to make sure that they are successful. I'd like you to quickly give me three names of the top industry leaders you have partnerships with.

Mr. Jean-François LaRue: For apprentices, our main vehicle is the Canadian Council of Directors of Apprenticeship. We work with the provincial and territorial representative. Through that particular working group, we work with industry representatives. We have various partnerships and various projects. When they're related to the construction sector, we'll work with for example the construction sector councils or with other industry representatives. We have regular stakeholder meetings where we identify priorities for the CCDA. These are the stakeholders with whom we work.

I don't know if we have specific examples we could provide Mr. Shory with.

• (1000)

Ms. Micheline Racette: We also work with union representatives, because unions are very committed to apprenticeship training.

Mr. Devinder Shory: Do you have any names of industry leaders you work with, or do you work only with or through councils and union leaders?

Ms. Micheline Racette: We work primarily with industry associations.

Mr. Jean-François LaRue: I don't have any off the top of my head, in terms of whom we're working with, but we certainly do.

Mr. Devinder Shory: You may want to provide some names afterwards.

Mr. Jean-François LaRue: Yes, we will provide them to you.

Mr. Devinder Shory: I was listening to your presentation and I agree with you that a lot of students enrol in apprenticeships but do not complete them. My nephew in B.C. is like Mr. Cleary's son. He completed a two-year course as a machinist at BCIT, and I persuaded him to complete the Red Seal. He has one year, but now he wants to back out. As far as the federal government is concerned, there are good measures, such as tax credits, as you mentioned. You mentioned the incentive grant and the job creation tax credit for employers and some tools, etc.

Considering the financial circumstances we are in, are there any other non-monetary initiatives you think the department should undertake?

Mr. Jean-François LaRue: Every year the department has a fixed envelope within which it works to establish projects with community leaders. Certainly Monika has spoken to some of them. Every year the priorities of the department are reassessed in terms of making sure that we're directing what I would call an appropriate investment strategy for the projects that are submitted to us.

Honestly, if something that didn't cost money could be an effective means by which to provide supports to apprentices, we'd certainly do it. But on average when you intervene, what makes the difference is having some funding to support those initiatives. There are none that I know of that could be carried out that we haven't pursued within the current envelopes we have. Usually if they're not carried out it's because we lack the funding.

Mr. Devinder Shory: I'd like you to elaborate on the comment you made about some military personnel and the training that helps in transition, on how successful the program is, and how the department encourages more personnel to benefit from this program.

Mr. Jean-François LaRue: Essentially HRDC has been working closely with the provincial and territorial partners and especially the Department of National Defence to try to align the military trades with the civilian trades. There are a number of correlation studies. It's fairly technical to match military and civilian trades. The provinces can now use those correlation studies to provide easier access to Red Seal certification in matching those civilian trades to the retiring military tradespeople.

The helmets to hardhats initiative that we have provides job matching services to veterans, military personnel, and reservists to work within the building trades sector, including apprenticeship positions. The program is operated by Canada's building trades unions and is jointly funded by Veterans Affairs Canada, the governments of Alberta and Ontario, and the TransCanada Corporation. We have 13 Red Seal trades matched to nine military trades. Some examples are cooks, carpenters, plumbers, oil heat assistant technicians, construction electricians, welders. These are the first few obvious examples I could give.

Mr. Devinder Shory: I will go back to a similar question my colleague had earlier about misconceptions. I understand it's a provincial jurisdiction. Being the federal government, how do we help to make sure the students are aware that these are not dangerous, low-paying jobs? I know a plumber makes a lot of money, more than a university student. How do we get around this issue?

●(1005)

Mr. Jean-François LaRue: As we mentioned, there are a couple of initiatives ongoing. The federal government has a suite of programs, as I mentioned. Certainly, conducting more and more awareness initiatives and doing programs targeted specifically at youth, the way that Ms. Bertrand has been speaking to, targeted at promoting the trades and starting as early as possible as part of the education system, is a key aspect of it. Given that education is a provincial area of responsibility, this has to be done in partnership with the provinces.

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

Does anyone else wish to make comments?

If not, I will now recognize the member from Montmagny—L'Islet—Kamouraska—Rivière-du-Loup.

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

[*Translation*]

In my opinion, no economic recovery program is possible because we do not really have in place a true national human resources plan. Over the past two years we have seen signs everywhere, whenever a small stretch of sidewalk was being repaired. We see big signs touting economic recovery, as though even brushing one's teeth were now a part of a broad economic recovery plan, whereas human resources are the real heart of the matter. This will determine whether or not there is economic recovery in the near future.

To have a human resources picture comparable to that of other countries such as Australia or Germany, could entail costs on the order of hundreds of millions of dollars. If we extended loans beyond the two-year mark, for instance, you said that this would be very costly.

Should we invest these hundreds of millions of dollars? I think the question is not whether it will cost a lot or cost too much, but whether we can consider that investment as one that will ultimately be beneficial to the public purse.

Mr. Jean-François LaRue: That is correct.

Mr. François Lapointe: I don't know if you remember, but in 2007-2008, before the current crisis, if you drove along route 20, you could see big signs stating that 15 plumbers or 3 welders were required as soon as possible.

Do you have any studies showing how much the fact that we were not ready cost Quebec and Canadian society? Do you have anything that allows us to compare our situation to that of the Germans? They were ready, and despite the crisis, they are still running surpluses.

Mr. Jean-François LaRue: First, I think that what you are describing is not specific to the trades. The availability of labour is an across-the-board issue in society. It is also a matter of demographics. In fact, we see that the birth rate is just not sufficient. That is one of the reasons why there is a somewhat more aggressive immigration policy, one that aims to make us more competitive with other nations, so that we can attract and retain employees from all walks of life and from everywhere.

Moreover, what you have to say is entirely true. We need a proper human resources plan. That is why this government put in place a lot of measures to promote the trades. I am repeating myself to some extent. There are subsidies for apprentices and employers. There are also initiatives to raise awareness.

Rather than making very costly investments in a single area, I prefer to see a series of measures that act in the right places and promote the trades.

Mr. François Lapointe: We understand that perspective and we do not want the public treasury to be dilapidated because of a type of dogma. I would like to see a more objective study that could provide us with the following information. If we were to extend loans over a three-year period, for instance, how many people would complete their apprenticeship in a specialized trade, and what would the impact be on certain industries, such as processing industries? What could industries produce thanks to those human resources? Are we talking about hundreds of millions, or billions of dollars? Are we sure those are not the figures we would see if we were to invest over three or four years in people who want to acquire skills?

• (1010)

Mr. Jean-François LaRue: I think there are many studies that show that not having sufficient human resources will put the brakes on the productivity of businesses, and this will reduce economic growth by several billion dollars.

Mr. François Lapointe: This could in fact cause a drop in public revenue.

Mr. Jean-François LaRue: Yes.

I think that is one of the reasons why the committee is studying this question. It wants to ensure that every possible means is being taken to attract labour, either from abroad or here, and to further skills development in every possible way.

Mr. François Lapointe: Do you think there is a specific study on the decisions that impact the public purse? What would be the impact of extending loans for a period of three or four years? Would this generate 50%, 60% or 80% more for the public purse?

Mr. Jean-François LaRue: I don't know if such a study exists.

Mr. François Lapointe: Would it be relevant?

Mr. Jean-François LaRue: It could be relevant. It would give us a vector. However, we can readily state that we are going to see constraints over time in the area of human resources.

Would the multiplier effect be on the order of four, five, six or seven? We could perhaps have further details in connection with what you are raising.

Mr. François Lapointe: That would give us a better idea. We would know whether it would be worthwhile, for instance, to extend financial assistance for three, four or five years, correct?

Mr. Jean-François LaRue: That would be a valid approach.

Mr. François Lapointe: Do I have a little time left?

[English]

The Chair: Yes, go ahead.

[Translation]

Mr. François Lapointe: I would like to get back to the idea that an economic plan must include a human resources plan. Is there anything that resembles a precise assessment? We are talking about large groups. I worked a great deal with people who were barely literate, could hardly read or write, and so on. We need those human resources.

In certain areas of the country, 15% to 30% of the population barely have basic skills. Is there a national plan, for instance, to reach half of these people and truly integrate them into the labour force? This would require an investment in terms of time.

In addition, this mass of workers would have a considerable impact on the labour market, on the amount of taxes paid, and consequently on the public purse. Even if this plan were to cost half a billion dollars, it would give such a boost to the economic recovery over a 10-year period that it would generate as much as we invested.

Mr. Jean-François LaRue: That is also the reason why the department expends a lot of effort. I would like to talk about one organization,

[English]

the office of literacy and essential skills.

[Translation]

We have a lot of projects, not only involving the trades, but in all sorts of areas, to try to improve literacy and numeracy among the people who must meet these challenges. We want to ensure that these people are more active, more engaged and have more resilience on the labour market.

Mr. François Lapointe: We all agree on that. We heard several witnesses.

Mr. Jean-François LaRue: Yes.

Mr. François Lapointe: The work the department is doing is fantastic. We have to see how to determine whether the investment is sufficient or not. That is at the heart of the issue. Why is our productivity inferior to that of Germany and Australia?

Mr. Jean-François LaRue: Many studies are conducted, either by the department or various research organizations, in connection with what you are raising. I would need a specific aspect in order to be able to answer your question.

Mr. François Lapointe: Is there a will to carry out comprehensive studies that would allow us to have a real human resources recovery plan? If in 2014, 2015 or 2016 we are no more ready than we were in 2007, we will not be able to compare ourselves to the Germans, who managed to stay well afloat during the crisis, because they were ready in 2007 and 2008. I would not like to see our country again not be ready for a second cycle.

[English]

The Chair: Thank you, Mr. Lapointe.

We'll have Mr. LaRue conclude, unless anyone else has a comment.

Mr. Jean-François LaRue: I think this is a good suggestion. This would be a massive study if you started to do every industry sector.

[Translation]

Mr. François Lapointe: Thank you.

[English]

The Chair: Mr. Mayes, did you want to go ahead?

Mr. Colin Mayes (Okanagan—Shuswap, CPC): Thank you, Mr. Chair, and thank you to our guests for being here today.

I want to follow up on some of the comments that we've had regarding other models: Germany, the U.K., and Australia.

When I was in the grocery business, I used to go over to my competitors and walk around their stores and see what they were doing right, and then I would start implementing that in my store. After a couple of years, they started coming into my store to see what I was doing right. Now, I would think that if you could see the success that they've had in Germany and the U.K., I would be looking at their models. I would have done a study already to find out what works there, and whether it would work here.

The question I'm looking for an answer to, Mr. LaRue, is has the department looked at other models? Has it had the opportunity to look at those models and see why they would or would not work in our labour market, and if not, why?

• (1015)

Mr. Jean-François LaRue: We constantly look at other international practices in the domain. Certainly through the CCDA a lot of work has been done in terms of learning the best practices of others. You know, there is the reality of Canada and how our education system is structured, of how the current practice—

Mr. Colin Mayes: But wouldn't that all be part of the study, saying that it's not just the Government of Canada, that it's also education?

Mr. Jean-François LaRue: The answer is that I don't have a readily available study on that particular aspect, but that's certainly a worthy suggestion.

Mr. Colin Mayes: Mr. Chair, could I ask the analysts to look into the history? I know that committees have studied everything known to man. Is there anything in the past that has been studied with regard to these models—Germany, U.K.—about apprentice training? Could they find out and report back to the committee?

The Chair: We will have them find out and we will report back to the committee.

Mr. Colin Mayes: Thank you.

I'd like to direct my next question to Madam Bertrand.

With regard to wage subsidy, you mentioned that when an apprenticeship gets almost to the end, there is a wage subsidy to get over the top to finish the apprenticeship. I was wondering if you could give us a little more information about how much that is.

Also, our government implemented a tax credit for apprenticeships, but is a wage subsidy also another thing we should be looking at? Maybe the challenge with apprenticeships is that, during their apprenticeship, apprentices are not making enough money to support their families. Maybe they need to look at a wage subsidy.

Ms. Monika Bertrand: Yes.

Regarding our wage subsidies, under the youth employment strategy we have Canada summer jobs, for example, which is a wage subsidy program. We have career focus, which is an internship wage subsidy program. Under skills link it's the same, the work experience; it's a wage subsidy program.

What is being paid? With regard to career focus, for example, we are talking post-secondary graduate youth, so it's the prevailing wage rate. I would assume it's the minimum wage rate that is being paid under skills link. Of course, leveraging is always encouraged, so that you don't pay necessarily 100%, especially under career focus, when you're talking about post-secondary graduate youth. Under skills link, we cover most of the wage for the youth.

For us, the justification for a wage subsidy, and why we think it's important, is that it's really for the employers. The youth might have a lack of skills but it's giving them a chance. Employers would not necessarily consider giving a young person, especially a young person through skills link who has certain barriers to employment, a chance in the labour market, so a wage subsidy is needed. A wage subsidy is needed to entice an employer to give a youth a chance. Then, of course, the expectation or the hope is that the youth will be kept on or will move on in the labour market to a job with the experience gained.

That is really what the wage subsidy is for, making the youth interesting to the employer.

Mr. Colin Mayes: One of the other questions I asked—it's over a year ago now—was with regard to apprenticeship and EI. In this grocery store, we used to have apprentices in the bakery department. One of the challenges was that we had to lay them off so they could go down to Vancouver and do their apprenticeship training for a few weeks. They could collect EI, but there was a waiting time of two weeks. By the time the cheque came, it was two weeks. These are people who are living from cheque to cheque.

Has there been any work at all done to try to fix that? I even suggested the last time I brought this up that the employer pay, and then be reimbursed, or something like that, so that there isn't that lapse.

• (1020)

Mr. Jean-François LaRue: The first thing I would like to say is that employment insurance is, by name, an insurance program. One of the principles of an insurance program is having what you call a deductible. I'm not defending it. I'm explaining how it functions. There was a measure that only one waiting period, if I recall, is served per apprenticeship program, which means that they serve it at the beginning of their program, but as they return to training, return to work and come back, they don't have to serve that waiting period again.

As a matter of fact, yes, your suggestion has been addressed. It's been a couple of years now.

Mr. Colin Mayes: Okay. Thank you very much.

The Chair: Thank you, Mr. Mayes.

We'll now conclude with Madam Boutin-Sweet.

[Translation]

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

In your presentation, you spoke to us about certain challenges. With regard to aboriginal populations, we know that this segment of the population is under-employed, that they are young, and that their numbers are growing rapidly.

In the course of another study, we heard witnesses tell us that there were employment programs and that some employment programs with inadequate budgets were being assessed. Certain programs work well. We also heard about a pilot project involving training in the construction field, and we were told that this was working so well that everyone involved had found work. People were phoning, but there weren't enough workers. The program worked very well, but since it was a pilot project, the federal government subsidy came to an end last year.

Can you tell me whether the department intends to consult the first nations on their needs, for instance, regarding apprenticeship programs? It might be worthwhile to review the budgets in consultation with first nations groups.

Mr. Jean-François LaRue: Honestly, I must admit that I am not an expert on programs for aboriginals. However, I do know that regular consultations are held with these different groups to identify possible ways of supporting them.

In fact, there are two particular programs that are of interest. They are the Aboriginal Skills and Employment Training Strategy and the Skills and Partnership Fund for Aboriginals.

There is also a project with Saskatchewan that offers persons of aboriginal extraction training and work experience in the trades.

I think it has a budget of \$2.4 million over three years, until 2014. That is one example, among others. Your suggestion is a very good one.

Ms. Marjolaine Boutin-Sweet: So further consultations could be held with aboriginal groups.

Mr. Jean-François LaRue: We hold ongoing discussions with aboriginal groups through their program. I am not an expert on the status of those discussions, but that is most certainly one of the aspects that we raise regularly.

Ms. Marjolaine Boutin-Sweet: For instance, could the group whose subsidy was eliminated by Human Resources and Skills Development Canada at the end of the pilot project contact you for this type of consultation?

Mr. Jean-François LaRue: Absolutely. Many people contact us to obtain subsidies under the criteria we have for the programs. We hold discussions with many representatives from various groups. If those people contact us, it will be our pleasure to receive their submissions or to accompany them in a submission process to obtain a subsidy to reach the specific objectives that would fall under the program's criteria.

Ms. Marjolaine Boutin-Sweet: I don't think that would work in this case since the pilot project is over.

Mr. Jean-François LaRue: However, there might be what I would call "lessons learned" from that pilot project, and perhaps a new one could be created from the ashes of the old one.

I am not familiar with the project you are referring to, but you seem to be saying a lot of good things about it. So perhaps a project could be created on that basis. The department could certainly study the matter very closely.

Ms. Marjolaine Boutin-Sweet: You referred several times to challenges involving basic skills. I know that education falls under provincial jurisdiction, but the Skills Link program does a lot of work to further this basic training.

However, the trend recently is to no longer fund projects such as the Wapikoni Mobile or the Ateliers Bon Débarras. In fact, the Ateliers Bon Débarras project unfolded in my riding of Hochelaga. Skills Link has lost its subsidy, and this project really focused on basic skills. It helped people to figure out how to read a schedule, how to work with people. These programs don't lead directly to employment, but they could eventually lead young people toward other training programs.

Indeed, I knew a young woman who went through the Ateliers Bon Débarras program and who afterwards took part in another carpentry apprenticeship program. These things open other doors.

Unfortunately, the trend seems to be to eliminate basic programs like those. In fact, you were yourself talking about literacy earlier. Yet you seem to be going in another direction. I don't understand why.

• (1025)

Mr. Jean-François LaRue: I am not familiar with the specifics of the program you referred to. I could find out and possibly contact the clerk of the committee in that regard.

Of course, we think that this is one of the areas where there are some real challenges to be dealt with. You referred to schedules. However, sometimes the challenges simply boil down to having a good resume and knowing how to use certain tools well. For young people to be able to obtain and keep a job, and perform well in a trade, this is fundamental, especially since a large number of tools are now digital.

We have a lot of projects. Also, various tools were developed in the context of the Red Seal program. I will not list them all, but I can tell you that 34 tools and resources were created to deal with literacy and numeracy issues.

I will conclude by saying that we agree entirely—even if this does not concern that specific project—that that is one of the very important challenges. We deal with this every day.

Ms. Marjolaine Boutin-Sweet: How can these groups convince you that they are necessary? They deal precisely with what you have just talked about and consider important.

[English]

The Chair: Please complete that answer.

Your time will be up, then. Go ahead, Mr. LaRue.

[*Translation*]

Mr. Jean-François LaRue: As I said earlier concerning the other project, we have various programs, in particular the Literacy and Essential Skills Program. Funds are available. There are conditions. Every year, we deal with all sorts of groups who send in applications. I am responsible among other things for the Foreign Credential Recognition Program, which recognizes foreign degrees.

We take conditions into account, and accompany people who submit applications. When we think a project is worthwhile, we can fund it within the envelopes we have at our disposal. Naturally, this is a competitive process, as many projects are sent in for consideration. We have to make choices and determine where it is preferable to invest. I am not in charge of the Literacy and Essential Skills Program, but I could certainly put the clerk of the committee in touch with the person who is responsible for it.

[*English*]

The Chair: Thank you, Monsieur LaRue and all of you, for your presentation and for answering the questions that were posed to you. We really appreciate it. It does give us a good grounding for our study.

I'm going to suspend for a moment while you leave. We have some committee business to look after.

I'll ask the clerk to distribute Mr. Cleary's motion, then we'll address that after we recommence.

With that, I'll suspend for a few moments.

- _____ (Pause) _____
-
- (1030)

The Chair: I call the meeting back to order.

I'll make a couple of comments before we deal with Mr. Cleary's motion. The motion, of course, is before everyone.

If you have motions coming before the committee and you want them to be on the next agenda, you don't need to do this but it would be helpful if you mentioned it to the clerk. Otherwise we will set time for the motion. If we don't deal with it in that meeting, we could use the time for something else.

That's a general comment. Of course, they're all exceptions, but having said that, we've allotted some time for this motion so we will move to the notice of motion by Mr. Cleary.

Mr. Butt.

Mr. Brad Butt (Mississauga—Streetsville, CPC): Mr. Chairman, I'd like to move that the committee go in camera to deal with committee business, please.

The Chair: Yes, Mr. Lapointe.

Mr. François Lapointe: Mr. Chair, why do we have to go in camera every time we talk about very important topics like this? To be honest, I think we should put that on the schedule of the meeting. It should be written on the schedule, "in camera", and then we talk about the major topics for Canadians.

• (1035)

The Chair: Okay.

I've just been advised by the clerk that it's not a debatable motion, so I'll call the question on the motion and have a vote.

Ms. Chris Charlton: A recorded vote, please.

The Chair: Okay, we'll do that.

(Motion agreed to: yeas 6; nays 5)

The Chair: That was a close call.

We'll now go in camera and we'll debate it.

[*Proceedings continue in camera*]

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