



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

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

HUMA • NUMBER 139 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Tuesday, March 19, 2019

—
Chair

Mr. Bryan May

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

Tuesday, March 19, 2019

• (1105)

[English]

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

Pursuant to the order of reference of Monday, November 19, 2018, the committee is resuming its study of labour shortages of the greater Toronto and Hamilton area.

We're very pleased to be joined by a very full panel today. We have quite a few speakers but we have the full two hours to ask questions.

Joining us from BuildForce Canada is Bill Ferreira, executive director, Ottawa office. Also from BuildForce, we have Robert Collins, senior economist, Toronto office.

From the Canadian Chamber of Commerce, we have Leah Nord, director, skills and immigration policy.

From the Carpenters' District Council of Ontario, we have Mike Yorke, president and director of public affairs; and Mark Lewis, general counsel.

From the Canadian Home Builders' Association, we have Kevin Lee, chief executive officer.

From the Ontario Home Builders' Association, we have Rick Martins, president; and Joe Vaccaro, chief executive officer.

Welcome, everyone, and thank you for being here.

We're going to start with BuildForce Canada for seven minutes.

Mr. Ferreira, you have the floor.

Mr. Bill Ferreira (Executive Director, Ottawa Office, BuildForce Canada): Thank you, Mr. Chair.

Good morning, committee members. My name is Bill Ferreira. I am the executive director of BuildForce Canada. As was already said, I'm joined here today by Mr. Bob Collins, who is our senior economist. We greatly appreciate this opportunity to assist you with this study, and we look forward to our participation.

As background, I feel it's important to point out that BuildForce Canada is not an industry association. We are an industry-funded research organization. We do not engage in policy advocacy. That role falls to our strategic partners. With the support of the

Government of Canada, we strive to provide the construction and maintenance industry with balanced and timely labour market information to help the industry carry out labour force development and training. We work with industry stakeholders across the country to assemble and validate our numbers. Many of these stakeholders are here today and will also be presenting.

With regard to your study, we have pulled together a brief slide presentation to assist you with your analysis. It is included in the package that was distributed. It focuses specifically on the greater Toronto and Hamilton area and some of the numbers we are seeing. That was drawn from this year's forecast.

Suffice it to say the construction industry has seen dramatic growth over the past 20 years, nearly doubling in size since the early 2000s. Over the next 10 years, we see much more moderate growth, only growing about 3% from 2018 levels. However, several provinces will exceed that level. B.C. is expected to grow at about 9%. Alberta is also expected to grow at 9%, but that's after 2022. Ontario is expected to grow at 3%, but there will be pockets in Ontario where we anticipate that growth is going to be much higher, such as southwestern Ontario, which we anticipate will be about 8%, and central Ontario at about 6%. The greater Toronto area is expected to grow at about 2%, but that's on top of record-level construction activity today.

Nationally, we see 260,000 workers retiring between now and 2028. That's 22% of the current labour force. In the greater Toronto and Hamilton area, 43,500 workers are expected to retire over the next 10 years. That's 23% of the 189,500 workers currently employed in the 34 trades that we monitor. When coupled with demand increases, this means the region will need to hire 50,000 new workers between now and 2028. Even if we are successful at recruiting younger workers at the current levels, that's still going to leave us with a gap of nearly 14,500 workers by 2028. That means those 14,500 workers will need to be recruited from outside the region's labour force, from outside the province, from other industries or from outside the country.

Retirements will also contribute to higher levels of labour force tightness. We saw some of this in 2018. These are early signs. The unemployment rate in July 2018 reached 1.3%. Just by way of a comparison, in 2007, when Alberta was experiencing a significant labour crunch in the construction sector, the lowest the unemployment rate reached in Alberta was 1.7%. We are well beyond that. Effectively, everyone who can work right now in the construction industry province-wide is working.

Not surprisingly, employers are struggling to find the workers that they need to continue to proceed with their projects on time and on schedule. Over the next seven years, we have identified at least 36 billion dollars' worth of major projects that are stacking up on top of, as I said, already very high levels of construction activity.

A smaller labour force plus increased demand is going to continue to exacerbate the problem for the foreseeable future. Some relief may come after 2022 as eastern Ontario and northern Ontario demand will moderate somewhat, but those workers will be pursued by other regions of the province, as well as, as I said, British Columbia and Alberta. All it will take is a slight increase in demand here, and in our forecast, we haven't factored in RendezVous or whatever the successor project is to that. That could very easily change the mathematics.

● (1110)

There are a couple of solutions that we would like to take a look at. Short-term solutions really are greater mobility, and not only mobility between the residential sector and the non-residential sector, but also within the province, moving the labour force around within regions, and at times and as necessary, drawing in workers from other provinces.

In the longer term, the industry needs to maintain its commitment to apprenticeship. As a percentage of registrations, the industry in Ontario has exceeded the national average for apprenticeship completions over the past five years, but more in this area can be done. Greater employment support for apprenticeship development is something that you may wish to consider. Sixty per cent of the construction businesses are micro-businesses, and that's fewer than four employees.

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

Another area that you may wish to take a look at is the federal skilled trades program. The foreign-born population in Canada accounts for about 22% of the total population. In Ontario, it's about 29% according to Stats Canada. Just over 70% or 2.7 million people of Ontario's 3.8 million foreign-born population live in the Toronto area. The construction industry is made up of about 26% new Canadians. Clearly, there is room for improvement with respect to our recruitment of new Canadians into the industry. Part of that challenge is that those new Canadians that are available in Toronto didn't come here to work in the construction industry. Really, the only program that directly brings in immigrants into the construction labour force is the federal skilled trades program.

One of the easiest ways to try and help alleviate the situation in the city of Toronto is to focus your efforts on trying to increase those numbers. Currently, I think that about 1,875 workers are brought in annually under that program. If you were to increase those numbers, we could certainly do a much better job of bringing in the workers that we need.

I think I'm almost at my seven minutes, so I'll leave it at that.

I'm happy to take any questions that you might have.

● (1115)

The Chair: Thank you very much, sir.

From the Canadian Chamber of Commerce, we now have Ms. Nord, director, skills and immigration policy.

You have seven minutes.

Ms. Leah Nord (Director, Skills and Immigration Policy, Canadian Chamber of Commerce): Thank you, Mr. Chair, Vice-Chair and committee members. It's a pleasure to be here today.

My name is Leah Nord, and I'm the director of skills and immigration policy at the Canadian Chamber of Commerce. The Canadian Chamber of Commerce is the voice of Canadian business. Our network consists of 450 chambers of commerce and boards of trade across this country, representing 200,000 businesses. We also have over 100 corporate members and an equal number of association members.

The issue of labour shortages and skills mismatch ranks consistently as one of the top challenges for our members. I appreciate this opportunity to speak about labour shortages in the greater Toronto and Hamilton area, specifically in the construction industry, as outlined in M-190.

The testimony presented to date has covered the data and issues well, so I will primarily focus on providing the committee with recommendations, adding a few data points from my colleagues at the Hamilton Chamber of Commerce, the Toronto Region Board of Trade and the Ontario Chamber of Commerce. Provincially, it is important to remind ourselves that while Ontario receives the proverbial lion's share of immigrants in Canada—almost 40%—the number of economic immigrants to the province has been declining and is not proportional to its size. I have a series of data points but in the interests of time, I'll continue.

In addition, preceding the much-discussed BuildForce report, a little over two years ago, the Toronto Region Board of Trade published a report entitled "Building Infrastructure, Building Talent", which concluded that there would be 147,000 job openings in construction through the Toronto region over the next 15 years. The most in-demand category is the construction labourer, followed by carpenters, electricians and construction managers.

In addition, my colleagues in Hamilton wanted to make sure I mentioned that it estimated there were 3,500 construction jobs needed for the LRT Hamilton construction project, with another 300 jobs to deliver regular operations and maintenance.

With that said, I will move to the chamber's recommendations. You may recognize many of these recommendations as ones you've heard in the past from us, and similar to recommendations this committee itself has put forward. Importantly, these recommendations have broad applicability to urban centres across jurisdictions and, in many cases, to smaller communities across the country. These recommendations have the support of the breadth and depth of the chamber network.

Regarding immigration, the Canadian Chamber of Commerce has three recommendations.

The first is to modernize the temporary foreign worker program to reflect labour market needs on a regional and sectoral basis. Specifically, we suggest the following: (a) implement a trusted employers program; (b) permit applicants for temporary foreign workers in the construction industry in regions where there is considered to be full employment; (c) review the national occupation classification code process in all provinces and establish flexible, responsive practices that incorporate regional and sectoral labour market needs; (d) return the cap to the proportion of temporary foreign workers a business can employ to 20%; and (e) facilitate pathways to permanent residence for temporary foreign workers who can fill permanent labour market needs.

Our second recommendation is to build on current immigration programming. This has two aspects. The first is regional in nature. Decentralizing immigration selection processes started with the provincial nominee programs and has been extended with the Atlantic immigration pilot program and the recently announced rural and northern immigration pilot program. We need to continue moving to a more local level of decision-making. We need local solutions built by communities, for communities, that address community workforce needs. These communities include cities such as Hamilton and Toronto.

Second, we emphasize that there needs to be a sectoral lens alongside the above recommendation, for a more local focus. In this respect, we propose exempting businesses in the trades from the obligations when they need to provide a transition plan for temporary foreign workers.

Taking this a step further, the Canadian Chamber of Commerce recommends expanding categories within the global skills strategy that are exempt from labour market impact assessments and/or developing parallel programs. Employers are very happy with the global skills strategy program, and it has set a precedent for what can be achieved.

• (1120)

The Canadian Chamber of Commerce's third recommendation emphasizes the importance our members put on occupational-specific language training as critical to labour market integration. OSLT is important for risk management and safety, effective labour integration, labour retention and upward mobility. Equally important to what is delivered is how it is delivered. Considerations of work site learning, blended learning and innovative delivery methods are necessary.

On the skills side, first and foremost, society as a whole needs to promote the trades. We need to start in primary schools. We need to

encourage skilled trade professions at the secondary level and expose high school students to the full range of career possibilities as they decide what to pursue professionally.

We also need to support tradesmen and tradeswomen through their training and education. Here the federal government does have jurisdiction and the ability to make an impact. The Canadian Chamber of Commerce's second recommendation regarding skills is expanding the student work integrated learning program beyond the STEM fields to include opportunities such as apprenticeships. As somewhat of a side note, we also need to really make inroads into upskilling and reskilling.

Third, soft skills continue to be an issue. Also known as human skills or foundational skills, these include communications, problem solving, teamwork, adaptability, leadership and entrepreneurship. I quote a 2017 report on trends and Hamilton's labour demand as follows:

Skilled trades occupations continue to be noted as a top concern for many manufacturing and construction employers particularly. Employers said that finding experienced skilled trade workers is extremely difficult. Employers sought out skilled/fully qualified workers because they found the soft skills and math skills of the apprenticeship applicants were not always good.

In wrapping up, I will acknowledge that I am in good company overall on this side of the table today, but I will ask, as I often ask at many of our chamber roundtables with members....

I normally ask who in here has a college degree. Today I would ask how many people in this room are tradespersons or have experience in the trades. We need to do more than just consult skilled trade workers and organizations that represent them. We need to ensure that they are at the influencing and decision-making tables.

I will close by reiterating that these recommendations are not new. We all know what needs to be done. We need to start doing it. The Canadian Chamber of Commerce and its members are willing partners in making that happen.

Thank you.

The Chair: Thank you very much.

Up next, from the Carpenters' District Council of Ontario, I believe it is Mr. Yorke who is going to be speaking.

Mr. Mike Yorke (President and Director of Public Affairs, Carpenters' District Council of Ontario): Thank you very much for the opportunity to appear before the committee.

My colleague, Mark Lewis, will be doing the presentation.

The Chair: Fantastic.

Mr. Mark Lewis (General Counsel, Carpenters' District Council of Ontario): Thank you for the opportunity to speak again on Parliament Hill about an issue that is near and dear to the hearts of carpenters across Ontario. We are a union that has 16 local unions across the province. We are the largest single source of apprenticeship in the trades in Ontario.

Our situation currently in Ontario and particularly in the GTA is approaching crisis levels. We are short of skilled tradespeople in virtually every facet of the carpentry trade in Toronto where our members work. In the GTA, or what I would think of as the GTA proper, we have three local unions: local 27, which is general carpentry; local 675, which is drywall and interior systems workers—these kinds of ceilings, for example; and local 1030, which does primarily residential work.

Our members work in the industrial, commercial and institutional sectors on large infrastructure projects, buildings, universities and subway stations, and in the residential sector, significantly in the GTA.

We cannot fill the jobs right now. We provided the speaking notes. We rely heavily on our friends from BuildForce in terms of their economic analysis. What we're here to tell you is that those are not just statistics. Those are the crises that we face everyday when contractors phone us and say, "I have a project and I need 10 carpenters on Monday morning", and we don't have them.

This is slowing down Toronto and all of the industries that make up Toronto. Toronto has grown significantly over the last 10 to 20 years. Construction has not kept up. Infrastructure projects are stacked one upon the other around the GTA. I urge you to look at some of the slides from BuildForce and look at the demands that there are.

On the flip side is the demographic crisis that we're facing in terms of the aging of the workforce generally and the aging of the skilled trades workforce in particular. Our membership is aging. Hopefully, it won't happen, but fully 40% of our members could be eligible to retire by 2030. We need new workers coming into our trade. We have put in our speaking notes materials all of the efforts that we, together with our employers, are making to recruit into our industry young Canadians and people who haven't previously considered work in the trades, and the efforts that we've gone to with regard to women, for example, to try to bring them into the trades. We still need help from immigration. We're urging you to consider a few different unique features of the construction industry when looking at a micro-localized solution for the GTA.

Employment in the construction industry with any particular employer is always, by its very nature, transient. Jobs start and jobs end. The model that we have within our immigration system of an employer reaching out to bring a foreign worker to Canada does not work for our industry. Our employers can't forecast their specific labour needs with enough certainty because they go contract to contract. Our industry, however, knows what we need. We can't tell you which contractor is going to get the drywall on a new hospital, so we can't tell you that that drywall contractor will need 50 board men. We can tell you, though, that one drywall contractor is going to get that work and that we will need 50 board people to put up the drywall.

What we are urging is that, in the GTA in the construction industry, consideration be given to an industry-wide approach through the unions that are involved. It's one of the most heavily unionized sectors in the country.

● (1125)

The unions are a force and a player, and are willing to play a role with the employer associations to allow for broader industry-based immigration, and broader industry-based temporary foreign workers to come in, so they can be shared amongst the employers who need them. If it is done properly, through the unions and the associations, we feel we can negate any of the potential impacts of foreign workers being exploited.

My last point, very quickly, and this is what I wish to stress—allow the temporary foreign worker to transition to some sort of permanent residency status. We are urging you—pleading with you—to consider something for our industry and our tradesmen and women who come here. We have hard-working, decent people who come here as temporary foreign workers for two years and go to work every day. When I left this morning, going through Mr. Vaughan's constituency to the airport, there were construction workers out at 5:30 in the morning, to start work on those condos at 7:00 a.m. They work every day for two years and at the end of those two years, they have no hope of becoming permanent residents in this country, because we say as a nation that if you can't read or write English to an acceptable level, we don't want you.

We have brought with us two people who work at the sharp end of the process. Mr. Yorke and I have the easy part. Vlada Hershtynovich and Michael Randazzo actually do the intakes to try to navigate our members through the complex system that is immigration in Toronto. They have the unenviable task of telling hard-working carpenters, "You're good enough to have built those subway stations in Toronto for two years, but Canada doesn't want to keep you as a permanent resident because you can't meet the language requirements."

We are urging you to recognize that for skilled tradespersons, if they come here and demonstrate that they can work at good jobs, at family-supporting wages—in some cases, \$100,000 a year, because of the hours available in construction.... My friends from the Home Builders' will tell you what they pay their labour. These are good jobs. These are employers who are crying out to keep the workers, but we can't find ways to keep them here now because of—I wouldn't say anachronistic measures, but measures that don't make sense for construction workers. I don't want to sound.... Reading and writing are wonderful; they changed my world, but somebody has to build the library in which those books are kept. Somebody has to build these rooms and these buildings. Those people are just as valuable to the future of this country as anybody else.

I think that's our seven minutes.

• (1130)

The Chair: That's your seven minutes, thank you.

Mr. Mark Lewis: I'll defer any questions to later.

The Chair: Thank you very much, Mr. Lewis.

Up next, from the Canadian Home Builders' Association, we have Mr. Kevin Lee.

Mr. Kevin Lee (Chief Executive Officer, Canadian Home Builders' Association): Thank you, Mr. Chair.

The Canadian Home Builders' Association represents some 9,000 companies from coast to coast. As such, we are the national voice of the residential construction sector. More than 4,000 of our members reside in Ontario.

I am pleased to be joined today by both the CEO, Joe Vaccaro, and the president of our Ontario Home Builders' Association, Rick Martins, who will also be able to provide you with more insights.

Today, all of Canada faces challenges in meeting requirements for skilled tradespeople in the residential construction industry, and that challenge will increase over the coming decade, as we've heard. This is particularly true in the greater Toronto and Hamilton area.

The challenge is that we are already facing tight labour markets in many regions. Given the aging workforce, our work with BuildForce Canada shows that some 130,000 workers will be retiring from the residential portion of the construction sector over the next decade. The current feeder system of young Canadians and immigration, as we have heard, will not serve to fill those vacancies, so those skills shortages will heighten unless we change the equation.

This situation will require ongoing new construction and extensive renovation of Canada's existing housing stock, and with it, of course, residential construction workers. It's important to note that the renovation portion of our sector has overtaken new construction in Canada in terms of economic activity; thus even in areas with poor economies and hence less new home construction currently, renovation continues and skilled worker requirements remain.

The challenge is not unique to residential construction. I regularly attend the employment insurance commissioner's round tables at Employment and Social Development Canada, along with representatives from all employer industries in Canada. From all sectors there is a continual refrain: not enough skilled and, frankly, unskilled labour, and we're all competing for the same undersupplied pool.

Over the past two or three decades, in a drive towards higher education to respond to the knowledge economy, Canada's education and immigration systems have focused on university education and its career paths. This has led to a shortage in the skilled labour workforce.

In residential construction there is a particular challenge. As we've heard, it's a sector of small businesses with limited training and recruitment capacity. More than 240,000 residential and non-residential building enterprises in Canada are sole proprietorships. Then, of the 142,000 enterprises that have employees, 81%, or 115,000 firms, have fewer than 10 people working for them. Just over 500 firms—thus less than half a per cent—have 200 or more

employees. Education, training and recruitment are all challenges for small businesses.

On a positive note, recent fixes to the apprenticeship ratios in Ontario will be helpful for the residential construction industry in the GTHA. At the same time, it is important to note that the sector also employs many skilled workers who are not in apprenticeable trades, so federal programs geared only to apprentices fall short for the construction sector and many other industries.

That's the challenge. Now, how do we address it?

To address skilled worker shortages all across Canada and in the GTHA, the federal government needs to take a lead role in promoting careers in the skilled trades. We have a cultural "parity of esteem" issue, whereby skilled worker careers are seen as lesser options than university degrees. This needs to change, and there is a federal role in leadership to be filled here. The federal national occupation classification system needs to better reflect residential construction. Also, the federal government needs to support more economic immigration for skilled workers in residential construction.

In general, we need to tweak the immigration system to respond better and more quickly to labour shortages in construction through permanent immigration solutions, as we have been hearing, noting that these skills are transferrable and mobile even, if regional conditions change. We need to adjust the education system to better direct students into skilled worker careers. Also, we need to encourage young Canadians to make construction a career path of choice.

One potential opportunity is to note that the Future Skills Council announced on February 14 did not include the construction industry in its plans. This is unfortunate, as no matter how many other industries evolve in the future, there will be an ongoing need for residential construction, for more skilled workers in this sector and for an evolution of skills and productivity to address workforce shortfalls. CHBA would be happy to work with the government to put together a similar initiative for residential construction.

Last, I would be remiss if I didn't quickly comment on the very biggest thing having an impact on jobs in this sector: the stress test, compounded with previous mortgage rule changes, which together are now causing an excessive economic slowdown in some regions in residential construction.

It's important to note that the Bank of Canada has now changed its forecast from the fall, and housing is now forecast to instead be a drag on the economy. Our CHBA member survey showed that 95% of our members blame that on the stress test directly. We are seeing layoffs in our industry in some regions as a result and warnings from members that things will get worse in 2019. This is at a time when the Bank of Canada is stating that it over-estimated the strength of the economy and is now predicting an economic slowdown. Residential construction and skilled worker jobs should be a part of the solution, but right now government policy in this area overshoot and is directly responsible for the economic downturn in housing, and hence, the downturn in the economy, which will get worse unless things change.

• (1135)

We need fixes to the stress test and 30-year mortgages for first-time buyers immediately. We need these fixes for young Canadians, for their financial futures, for jobs and for the economy right now and tomorrow.

Thank you.

The Chair: You're very welcome.

Now, from the Ontario Home Builders' Association, we have Mr. Rick Martins, president; and Joe Vaccaro, chief executive officer.

You have five minutes.

Mr. Joe Vaccaro (Chief Executive Officer, Ontario Home Builders' Association): Thank you very much for having us here today.

My name is Joe Vaccaro, and I proudly serve as the CEO of the Ontario Home Builders' Association. I'm joined by my president, Rick Martins, who is a builder and an employer in the region. We are pleased to be here today to support MP Fonseca's motion.

Some facts to be put on the table to consider are:

The greater Toronto and Hamilton region is growing by 100,000-plus people a year. Housing demand is real and driven by real people looking for more housing choice and supply. These are home believers looking to achieve the great Canadian dream of home ownership. Home believers need our members, both builders and renovators, to deliver 50,000 new units of housing, along with all the associated services, roads and such, to the marketplace to support their dream.

You have heard data from our colleagues here around the table on the skilled trades issue in this region. The reality for our members is that the demand for housing is real; the demand for construction services is real; the need for skilled labour is real and the need to skill up our current labour force is real.

With that, I'm going to turn it over to my president, Rick, to talk as a builder and as an employer.

Mr. Rick Martins (President, Ontario Home Builders' Association): Thank you very much, Mr. Chair.

With regard to my own company, Huron Creek Developments, we're active in the apprenticeship and mentoring programs. Each semester we're able to bring about 30 to 50 students from the high school level into the construction program. It has been a great

rewarding experience. Yesterday morning I was working with Louis. Fifteen years ago, we started him in an electrical apprenticeship program. He was on my site actually pulling some wire yesterday.

Well-paying jobs and very rewarding jobs are unfortunately a drop in the bucket. I've been doing it, like I said, for over 20 years. We have a huge skilled trades shortage.

Unfortunately, we have a problem. The numbers don't match up. We have people retiring at a high rate. On average, my masons on my site are in their late sixties. When one retires, we not only lose a great mason, but we also lose a mentor. We lose business acumen, and it's hard to replace. We really need to open up the avenues to immigration to bring in the skilled people, to help us learn from different techniques out there and, more importantly, to help us train the youth and the apprentices that we have here because there isn't that mentoring available.

Joe and I are happy to hear everything that was said here today. I wouldn't be present here if the rules of immigration were what they are today. My father is Portuguese, and he came over, immigrated and worked really hard. To this day, he can speak and understand English, but he can't read or write it. He has been very successful. He raised four boys. We all went to school and are successfully employed.

I think we need to understand that it's not all about book smarts. We're not all going to go to NASA or become surgeons and whatnot. It's about being willing to work hard and enjoying what we do.

It's the greatest industry in the world. I can go back 25 years and point out to my kids when we're driving through a subdivision, "You know what? Dad cleaned up the bricks over there" or "You know what? I did that roof over there." It's a great industry.

We really believe in our industry. There's a huge shortage. We can do a lot more if we work together and open up our minds and open up the system because, really, that's what we need.

Thank you very much.

• (1140)

The Chair: Thank you.

Thanks to all of you for your opening remarks.

Up first with questions is MP Barlow.

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

I want to thank all the stakeholders who came here today. You gave us a lot of information. I think you will be happy to hear that a lot of the things you are telling us are resonating with just about every stakeholder we have had, and certainly in our discussions with people outside of this committee.

When I was in government, we made the changes to the temporary foreign worker program, so I know how difficult that program is to work with, and some of the issues we have when it comes to it. Over the last year or so, we have certainly seen that, in my opinion, the temporary foreign worker program, that brand, has become so tainted that I don't think there is any resurrecting it. I think we have to come up with something totally new that addresses a permanent solution to what has become a permanent problem in Canada, not only in your industry but in agriculture. Across Canada, I hear it as probably the number one issue. Access to labour is becoming a crisis. If we want to grow our economy and reach new markets, we must have these tools to be able to do that, and we must provide you those opportunities.

Ms. Nord, you were talking about a trusted employer program. We have certainly talked about coming up with some sort of model—almost like a NEXUS card for employers. Once you've been in this program—whatever we end up calling it—how long would you say...? Would this be something that an employer has been in for three, five or 10 years, and then you say, “Okay, you've been accessing this program, you've been audited, everything has gone well”? In terms of your membership, have you had those discussions, and a timeline, for example, “We've been in this program for five years, or whatever, and I think that's sufficient”?

Ms. Leah Nord: Within our trusted employers program—

Mr. John Barlow: How long would you say they are members?

Ms. Leah Nord: Well, there are two models, actually. There is the NEXUS model, which I think in the short term would serve a purpose. If you take a look at models in the U.K. or Australia, where they have been since the early 2000s, it's actually not a NEXUS model. It's an overall accreditation model, where all employers across the board, to be considered in the first place, would have to be accredited. I would probably recommend doing a NEXUS model in the short term. It would allow a rollover, and then over time, something that would allow accreditation. We've bantered about different options. There are no models that exist with the NEXUS model, but we would be more than willing to help. We have committees that look at this as well.

I'd be nervous to give a time, but I would say that our membership would approve or support a NEXUS model that looks to an overall accreditation model, because then it just flips through. To be accredited, there is a level and a standard that nobody wants to mess with.

• (1145)

Mr. John Barlow: As part of what you're talking about as a trusted employer program, once they are in, they would no longer have to do an LMIA or pay that \$1,000 fee. Is that...?

Ms. Leah Nord: There is a range on the table, but that would be the ideal.

Mr. John Barlow: Okay, great.

The immigration minister recently announced an additional 2,000 positions through the provincial nominee program. I'll open this to whomever. My feeling is that even with the Atlantic pilot project, we've nibbled at the edges of this thing for long enough. We know the problem. I don't think we need any more pilot projects. I think we need to come up with a definitive solution, and maybe that comes

from this study. Maybe this is something that we help build here. Is that increase of 2,000 in the provincial nominee program enough, or is that merely a band-aid? From the numbers Bill brought up, it sounds like we're way off target. Is that a start, or something we need to address more quickly?

Maybe I'll pass that over to Bill first, since he threw those numbers out.

Mr. Bill Ferreira: Thank you for the question.

The provincial nominee program is certainly an option. The reason I focused on the federal skilled trades program is that it is probably the single immigration program that would most directly impact our industry. You are actually bringing in skilled trade workers, and it goes down, as far as I know, to NOC C level, which would allow us to cover heavy equipment operators.

I think one of the biggest challenges we have with that program—with all the programs—is the issue that was already identified, and that is language requirements. To some degree, they are a little bit onerous for the type of work and the type of worker we are bringing in. A little flexibility on that front would go a long way, as well as increasing the number of federal skilled trade workers brought into the country on an annual basis.

Mr. John Barlow: Thanks, Bill. I don't want to cut you off, but I have just a little under a minute left and I wanted to ask Mark too.

I'll let you answer that question also, but I'm going to ask you both this question at the same time, so that I get my question in.

Mr. Mark Lewis: Yes.

Mr. John Barlow: You're absolutely right. No one comes here for two years and wants to go home. I have Cargill in my riding, the largest meat processor in the country. I deal with this every single day. People want to come and be permanent residents.

You brought up an interesting suggestion, however, on the union side, if we can spread this around. What about a union-sponsored permanent residency program? Is that something you're talking about?

Mr. Mark Lewis: What we would look to, as we see the model, is a union and employer association-sponsored program to bring in workers—you say the temporary foreign worker program is tainted, so I won't use that term—for a period of time and let them work flexibly across our industry. An employer might need masons today but might not need the masons tomorrow, whereas the employer in the next subdivision over needs them. We need to be able to spread around the workforce, and industry associations and unions can allow for that while protecting workers to make sure they're not exploited. Then, at the end of the assessment period, whatever it is—a year or two years—if people can demonstrate that they have continual employment in the construction industry, they can switch to a path of permanent residency.

Canada is competing for skilled workers with every developed economy in the world. Germany needs them; Australia needs them; everywhere needs them—except, I guess, the U.K., which is sending them away. People will come to the GTA if they think there is a way to stay. They're not that interested in coming for two years.

I would say regarding the provincial nominee program that we worked really hard to try to get our members into it and through it. That's what my colleagues do every day. Other than Irish workers, who have certain obvious advantages, the bulk of our members cannot pass the language requirements. They just can't—we've tried, with classes and so forth—and it's no fault of their own. You work 10 hours on a job site; if you then tell a guy that you have to go to English reading and writing lessons.... They work hard. Could we try to loosen it up, if those kinds of programs are going to work for our particular group of immigrants?

• (1150)

The Chair: Thank you very much.

MP Sangha, take six minutes, please.

Mr. Ramesh Sangha (Brampton Centre, Lib.): Thank you to the panel for giving a very good education to the committee.

I'm from Brampton. My riding is Brampton Centre. Brampton is a very fast-growing community, and there's a shortage of housing in Brampton. I listened to your comments regarding language. I've come across numerous persons, those who came here to work as temporary foreign workers and now are old enough...I can't say they're retired, because they're not getting any pension. They're undocumented. They are living with their families. They are mostly Portuguese, Italian.... These people used to go back to their country, come back to Canada again in the summer and work here, but they have the same language problem now. They are not able to get the papers, so they are living with their families. They don't want to leave their families.

What do you suggest by way of special plans through which they can be given value for work done towards getting permanent residency?

Mr. Mark Lewis: Is it undocumented workers we're talking about here? That's a somewhat different question from where we are in terms of the immigration system.

Clearly, and I'm not telling tales out of school here, there is an issue with respect to undocumented and under-documented workers, in the Toronto construction industry in particular. We know. We have union members working away on job sites who don't have the legal status to do so; nevertheless, they are being employed at full union rates with full benefits because we don't have the workers.

I'm not going to put my friends from the home builders on the spot, but I'm sure if you asked them in the hallways, they would acknowledge that every subdivision in Toronto has a share of undocumented workers.

We are a construction union. I spend my life defending workers. The most vulnerable workers in Canada are undocumented construction workers—

Mr. Ramesh Sangha: My next question—

Mr. Mark Lewis:—and if we could bring them into the system, I would love to do it.

Mr. Ramesh Sangha: I have a question for you, Madam Leah Nord, or Mark Lewis, if it's good for you.

We have talked about temporary foreign workers filling up the temporary shortages and then going to long term.

Mr. Mark Lewis: Yes.

Mr. Ramesh Sangha: Then, we have talked about bringing changes to national occupation classifications. What types of changes? One I heard was that there be some sort of local setup that can make those temporary foreign workers be selected in a better way. What type of changes do you want in federal national occupation classifications?

Mr. Mark Lewis: Is that for me? I don't know—

Ms. Leah Nord: Go ahead, and I'll build off it.

Mr. Mark Lewis: For the trade of carpenter we are very lucky. Full carpenters are in a high enough NOC group that we can get into various programs for the fully skilled carpenter. The problem we have with these workers is that even though they are in a high enough NOC group to qualify for certain programs, most of the carpenters can't meet the other qualifications, primarily the language qualifications.

Below the trade of full carpenter—maybe the home builders can help out here—is a whole series of subcategories. Putting siding on a house is the work of a carpenter, but not every sider is a fully trained carpenter; that's a lower NOC group. Doing form work in certain circumstances—low-rise form work—can be the work of a carpenter, but not every person who is building house basements is a carpenter who can get into that NOC group.

There has to be recognition in the Toronto area in our immigration system that construction has become more specialized in certain areas and that some consideration to giving preference to lower NOC groups with respect to the skilled subgroupings we need that come within carpenter—sheet metal worker, some of the bigger ones—would be helpful.

I see Mr. Vaccaro is eager to....

• (1155)

Ms. Leah Nord: Go ahead.

Mr. Joe Vaccaro: Just to build off what Mr. Lewis said, it is important to understand that, as I read the motion, it's basically the issue of understanding the skilled trades marketplace and the needs in the marketplace. Mr. Lewis is correct to say that there are NOC designations, carpentry, for example, whereby specific carpentry work needs to be operated by carpenters.

On the residential side, because siding work, forming work, framing work can be done by non-carpenters, it's still a skilled trade that we need, but it doesn't function in the same way as the current system. I would hope that part of the study would take a look at this and understand that on the residential side we have a need for framers, but that need is not a need for carpenters.

On the institutional side, the need for carpenters may be very specific. There may be contractual obligations whereby you need a carpenter to perform that work. I would hope that part of the analysis done by the study would provide a better understanding of this gradual reality of a skilled trade. A framer is still a skilled trade. It may not be recognized in the NOC system the same way; it's still a skilled trade. It's still a need that we have in our marketplace to deal with our housing demand issues.

The Chair: Thank you.

MP Duvall, you have six minutes.

Mr. Scott Duvall (Hamilton Mountain, NDP): I'd like to thank everybody for coming here today. It's very informative.

I'm kind of mixed up in terms of some of the past testimony and what I'm hearing today, so I want to ask Mr. Lewis a question.

Are we talking about skilled tradespeople or skilled labour? We're not just talking about having bodies.

Mr. Mark Lewis: No, we're talking about skilled labour. We're talking about carpenters who can go to work and who we can put to work at a full journeyman rate tomorrow morning, at a total cost to the employer in excess of \$50 an hour because of the skill and the productivity they have. That's what we need.

Mr. Scott Duvall: Okay.

As Mr. Vaccaro mentioned, you can call them skilled workers and you can call them semi-skilled workers, whatever you want, but they are tradesmen, and you're talking about the same thing. You need people who are trained in those categories.

Mr. Joe Vaccaro: What we need are people who are trained in those categories. We also need to skill up our existing workforce. The way we build homes today is much different. The energy efficiency requirements and the demands are much different. We're now in a situation where we also need to skill up our existing workforce.

That individual who has been in the field as a framer for 15 years needs the opportunity to come back in and be retrained to understand the new detailing requirements needed. This is a combination of both.

I would hope that the study that comes forward through the motion looks at those different aspects, because we have a need. We need the bodies, but they are skilled tradespeople, right? Whether they're in a certified classification or a labour classification, it's still a skill.

Mr. Scott Duvall: Thank you.

My next important question is for BuildForce.

I have a document here from the Library of Parliament. I understand that in January 2019, BuildForce Canada, a national construction industry association, included data and projections for the greater Toronto area.

This report says, "The report also considered the demand for and supply of labour in the GTA. It concluded that in the residential sector, 'established patterns of recruiting and mobility are sufficient

to meet job requirements' in all construction related occupations in 2019 and beyond."

Further, it also says, "In non-residential construction, demand in 2019 was higher for almost all occupations, with the report stating that 'employers will need to compete' for additional qualified workers 'to meet any increase' in construction. However, like the residential sector, by 2021, the labour supply of almost all occupations was projected to be sufficient."

I am hearing something different today. Can you explain that?

Mr. Bill Ferreira: I'll probably ask Bob Collins to weigh in on this, but I think what we were identifying there is the situation that Kevin has identified, which is that there has been a bit of softening in demand, related to some government policies. For the next couple of years, we certainly do see some softening on the residential side in terms of demand, but that is projected to tick up again once we get beyond 2022.

Again, this was specific to just the greater Toronto area, but if you look at some of the other regions of the country or the province, it's essentially the same situation. For the next couple of years, we do see a slight softening or moderating, but we're coming down from very high levels. I would see it more as a pause as opposed to any sort of real decline.

• (1200)

Mr. Scott Duvall: I have one more question in my two minutes, Mr. Lewis.

My understanding is that national mobility is a huge issue across Canada. There is no incentive for any skilled tradesman to come to another project or go to another province because there's no incentive for him to write off the taxes or anything. Let's say he goes from B.C. to Ontario, to the Toronto or Hamilton area, and makes \$1,000 a week, but it costs him \$400 or \$500 for expenses. Is that a problem?

Mr. Mark Lewis: Yes, that is a problem. We would love some form of action by the federal government in terms of giving incentives—a tax break or however you want to call it—in terms of being able to write off certain expenses to try to get workers to come to the GTA. The carpenters' union has local unions, as we tried to point out in our speaking notes, from every province all across the country. For five years, we've been appealing to our local unions in other parts of Canada. We're saying, "If you want to come to Toronto, we have work for you. Please think about it."

I love Toronto. It's my city. Unfortunately, it's a very expensive place to live. That's an unappealing quality for a lot of other Canadians in other places. Anything that would help bring people to Toronto, we're all in favour of, but I would state that we still need help from the immigration system.

I want to make this clear. Although we have members working in the residential sector, the bulk of our members work in the ICI sector, the industrial, commercial and institutional sector, in and around Toronto. There, even though low-rise residential construction may be slowing down, the ICI needs—those infrastructure needs related to the unprecedented 10 to 20 years of growth in the GTA—remain, and they remain coming up. If you look at the BuildForce surveys and at the big projects in and around the GTA that are going to be ongoing, that's the crisis of skilled labour we face, given where the bulk of our members work.

Mr. Scott Duvall: My last question is for anybody who wants to answer it.

The Chair: You only have about 15 seconds.

Mr. Scott Duvall: The writer of this motion, Mr. Peter Fonseca, made a recommendation that he would like to see, which is to see “the Atlantic immigration pilot project, as a template, and the use of permanent immigration to assist in addressing this huge challenge.”

Do you agree that the Atlantic immigration pilot project should be used here? That's for anybody.

The Chair: A very brief answer, please

Ms. Leah Nord: Yes, absolutely. There are benefits to pilots. I'll leave it at that.

The Chair: Mr. Ruimy, please.

Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.): Thank you. I'm going to share my time with Mr. Vaughan.

I have just a quick comment. This is what I keep coming back to. There is definitely a place for immigration here, but I keep thinking of the future. We have youth who are falling through the cracks. We need to address that, because there's a potential workforce. We have women wanting to get into the skilled trades, and we have indigenous people. There needs to be a point where we can sustain all these people, not just bring them in, because if we're just bringing them in, we're never training a whole new workforce that we have on the ground.

Mr. Vaughan.

Mr. Adam Vaughan (Spadina—Fort York, Lib.): Thanks.

I'd note that “tradesmen” is “tradespersons”, I guess. It's more appropriate, because this is certainly one of the untapped sources of labour with the new trades. Women have equal access to these jobs, and the programs are in place to make sure that we can train women to take advantage of these salaries.

I want to get back to that issue of Bill's. When you talk about things being right, okay, maybe now, but there is a cost implication to the market in the way it's currently structured. In other words, when there is a right size of labour to work, either work forms around the labour or labour stalls around the work. That drives costs. I'm curious as to what the cost implications are of not getting the labour piece right, for your industry and also for home builders.

•(1205)

Mr. Bill Ferreira: I think they would be in a better position to identify the specific costs. What we would say is that the situation in

Toronto has been pretty dire now for a couple years. It's not just Toronto. Look at the Lower Mainland. It's in a very similar situation.

The fact is that the project completion time frames are getting pushed out further and further, in part because, as you point out, there are only so many bodies available. The fact that Ontario hit this past July an unemployment rate of 1.3% I think says it all. Pretty much everyone who can work is working right now.

As for the cost implications, I would turn it over to the home builders.

Mr. Rick Martins: Just like everything else, it's supply and demand, right? I think it's a given that costs have gone up.

The truth of the matter is that, yes, we need to get our youth involved, but it's going to take us 15 years to bring in the supply we need. In those 15 years, we have framers and masons, for example, who are 63 plus and are going to retire. You need to bring in the intellectual capital from outside to help train those people.

Mr. Adam Vaughan: Is it that rightsizing the labour force through the rear-view mirror is driving costs into housing? If it takes you six months longer to complete a project because you can't find the labour, those carrying costs get passed on to somebody.

Mr. Rick Martins: Yes, of course.

Mr. Adam Vaughan: If we are rightsizing labour demand through the rear-view mirror and saying that we had enough yesterday and therefore we don't need more tomorrow, we are by implication driving costs into housing, but also, we're not anticipating growth and therefore not fuelling and creating the pathway to growth. We're choking it off with this notion that we've rightsized the labour market.

Mr. Bill Ferreira: I'll just say very briefly that if you look at slide 5 of the deck we've provided you, you'll see that we do factor into our numbers the historical level of new entrants into the industry. Even factoring in those new entrants, we are going to be short, and that's over the next 10 years.

The fact is that we need to do something that goes above and beyond the traditional measures. One obvious opportunity would be to increase the number of women, who currently make up only about 13% of the overall workforce in the country. In Ontario, it's about 13% as well, but for women in trades it's less than 4%. Obviously, increasing the number of under-represented groups, and increasing the numbers of indigenous peoples as well.... They're about 2.7% of the overall construction workforce in Ontario, so increasing that.... They're at about 4.9% across the country.

Certainly, there are areas for additional recruitment there, and there's ongoing investment in apprenticeship. That's why I come back to looking at certain incentives that might help bring more of the smaller employers into the apprenticeship system so they can help with training, but—

Mr. Adam Vaughan: As we build that system, there are the immediate needs. You can't create a carpenter overnight, and you can't create a carpenter in the short term, so that's where immigration strategy and some sort of the pathway to citizenship for undocumented workers create an immediate response.

Mr. Mike Yorke: Yes. That's absolutely right. It's a two-part question.

We hear you loud and clear in terms of doing the proper outreach. It's something that we've not ignored. Right now we have a crisis in the industry, but at the same time, we are planning for the longer term.

In terms of Bill's suggestion around women in construction, we're very active on that issue. We have a number of partners in the industry: the City of Toronto, Toronto Community Housing, the Daniels Corporation, major employers in the industry.

We've done specific training programs for women. One is CRAFT, Creating Real Apprenticeships for Toronto. We work with every school board in the GTA. We bring in 100 OYAP students every February and give them three to four months of training, and they do their last semester with us—

Mr. Adam Vaughan: A program that is still measured in years, not days or months....

• (1210)

Mr. Mike Yorke: Absolutely, and it's a four-year program, so—

Mr. Adam Vaughan: So we—

Mr. Mike Yorke: [*Inaudible—Editor*] crisis right now.

Mr. Adam Vaughan: Just to deepen the conversation, if we suddenly just relaxed all the stress tests... I understand the arguments around that to try to stimulate some demand, but if we stimulate too much demand, there's the question of whether or not the industry has the capacity to step up and meet that demand. We have to do this in lockstep. If we do it out of proportion, we may stimulate massive demand but not have the workforce in place to get it built. That's going to create even more inflationary pressure, is it not?

Mr. Kevin Lee: I can just say that—

The Chair: Very quickly, please.

Mr. Kevin Lee: Sure.

I think what you're saying is that it's the overshooting right now. We're trying to loosen things back up, which won't create a huge demand. It won't suddenly do an about-face and go right back to a huge demand. We're seeing major challenges all across the country and economic conditions that don't support it, right? It's really just tweaking to get it back on track.

You're absolutely right. I mean, we need immigration. We need to bring in the under-represented groups as well, but it won't be enough, and the BuildForce forecasts show all of that. It's really important to note, as a couple of people were talking about, that this is not just about apprentices and journeypersons, especially in residential construction. It's about skilled workers who are in non-apprenticeable trades, and that's why adjustments to the NOC system

are so important in order to reflect residential construction. It doesn't reflect that very well yet.

Rodger Cuzner has just joined us. He has heard this around the employers' table, not only from residential construction but from many other sectors. The NOC system right now is set up more around those higher levels. In almost every sector, we need skilled workers who are non-apprenticeable.

The Chair: Thank you very much.

Bobby Morrissey, please.

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

I have a question. Can you penalize people to go to a trade that they do not want to do? I ask the question because the former government approached some of these priorities by putting penalizing effects on the EI system. That was supposed to deal with the issue. It didn't deal with it. From a policy side, I don't believe that you can penalize people to go to an occupation that they do not want to go to.

Mr. Kevin Lee: I can touch on that tangentially. When it comes to labour mobility within Canada, certainly the EI system right now isn't set up to help that. We saw that in spades in Alberta especially. When everything was booming in Alberta, there were major shortages, and yet we still had unemployment in, say, Atlantic Canada. Various proposals were put on the table at the time. I think they would be good on a permanent basis, whether for Toronto or anywhere else. If you want to encourage people within Canada to move, it's a big life change for many people to leave their families. If you could build into the EI system different approaches where you could use EI to help with labour mobility, offsetting costs and that sort of thing, and move people from one part of Canada to the other, that would be a great step in the right direction.

Mr. Robert Morrissey: I say that about the emphasis on apprenticeship because the same discussion occurred five years ago, 10 years ago and 15 years ago. This has not solved the problem. In terms of what you're recommending to the committee, and I would agree with you, on the language test, it's an issue in Atlantic Canada. We're all referencing the Atlantic pilot project, which has some positive points and some shortcomings as well.

Should we look more at a system where the individual can demonstrate their hands-on skills, in the skill they're doing, versus a written test to demonstrate proficiency? Would you recommend that to the committee? We keep hearing from a lot of folks on the issue, which we know about. However, the specific solutions that the committee could put in are vague.

Mr. Mark Lewis: Yes, we would agree with the proposition that you've just put. From our point of view, we would like a GTA pilot or immigration change, however it is, that focuses on a person's actual ability to integrate into Canadian society and become a productive Canadian, like all of us, in a broader demonstrable way. That would include some form of language test but a lesser form. If you can show that you have become a valuable part of Toronto through your work commitment and the other things—

•(1215)

Mr. Robert Morrissey: Okay—

Mr. Mark Lewis: While I have the microphone, just very briefly, I would encourage all of you, when you have a chance, to look at tab 11 of our speaking notes. You can see the kind of outreach we're trying to do. This is a women in construction initiative. It's run by our union with partners who help us. We bring them in for four weeks. The union pays them for those weeks. They go out on sites for 10 weeks. They get paid by their employers. The goal is to then have them sign into apprenticeships. We're subsidizing day care for young women from challenged communities through Toronto Community Housing.

Those are the kinds of programs we are doing right now. It's not enough to meet the needs.

Mr. Robert Morrissey: I have one more specific question, if I may.

You referenced an idea I like, because I understand the logistical issues of a company applying for temporary foreign workers because of their abilities; I like the concept that it's an organization, whether it's a union or employer-based organization. Are you prepared to accept the cost that the employer would? One part of it is how you cover that. When an employer applies for it, they pay the cost coming in of certain contractual obligations to the temporary foreign worker. Will the union or the employer-based organization step in and provide that role for the temporary foreign worker?

Mr. Mark Lewis: Ah, now you ask a question that's near and dear to unions' hearts: when you get to the money. We as an industry...and I know this from the commitments our employer associations have; Mr. Yorke will back it up. It's we as an industry; unions don't have money. We get what we get from our employers, which they get from the work they do with our workers. I'm sure that we as an industry are willing to absorb costs to come up with a system that works for us as an industry. I won't speak for the home builders; they can speak for themselves.

I know—I know—they have committed to us firmly. The Ontario Formwork Association, the drywall association, ISCA, the interior systems—they are willing to pony up the money to establish training facilities overseas, to do screening, and to come up with health and safety programs and so forth for workers who could be accepted so they can come here and hit the ground running. Our industry is at crisis levels. I can tell you that they are willing—it's easy for me to spend other people's money, but they are willing, within reason—to look at those costs, because we need to do something.

The Chair: Thank you.

MP Diotte, please.

Mr. Kerry Diotte (Edmonton Griesbach, CPC): Thank you, Chair.

Mr. Lee, obviously, I've heard loud and clear from home building representatives that the stress test as implemented by the federal government is quite a disaster for your industry. I'm just wondering if you have any immediate solutions to that. It seems to me it was set down to solve an issue in Vancouver and Toronto, and one size does not fit all in the country. It certainly doesn't work in my riding of Edmonton, for instance.

Mr. Kevin Lee: Absolutely. It ties into skilled labour and jobs and everything else. Our recommendations are pretty simple, at this stage. One is to return to 30-year amortization periods for insured mortgages for first-time buyers. Young people make up the group that's most affected by this right now. It would get them back into the market in a responsible way. They're certainly well qualified and have many, many years to work, hopefully in a well-paying job, ideally in construction right now, to pay off that mortgage. They're well positioned that way.

The other is to make some tweaks to the stress test. We understand why it was put in at the time, but market conditions have changed dramatically. Frankly, in a place like Edmonton it's probably much worse. We're seeing 30% drops in starts in Alberta right now. That will show up in jobs over the next little while in a pretty scary way. We would certainly recommend adjustments or tweaks to the stress test that encourage people to get into five-year mortgages. Drop that stress test from two points, graduate it down to 0.7 basis points over five years, and even drop it for seven- and 10-year mortgages, encouraging people to lock in for a longer term to create stability.

Mr. Kerry Diotte: Are you getting any positive encouragement from the government on any of this?

Mr. Kevin Lee: I'll be able to tell you in a few hours.

Voices: Oh, oh!

Mr. Kerry Diotte: You have high hopes for the budget, do you?

Mr. Kevin Lee: We will see.

Mr. John Barlow: Come on, Rodger, just tell us what it is.

Mr. Kevin Lee: I certainly have no inside information, but certainly this will be the next opportunity to really address this. I'll be headed from here to the lock-up.

•(1220)

Mr. Kerry Diotte: What happens if there is no relief?

Mr. Kevin Lee: If there is no relief, I think you'll see some continued challenges across the country in many places. If there is no relief, the 30% drop in first-time homebuyers we've seen over the past year will continue. Things like 30-year amortization and the stress test can be adjusted at any time. They don't require a budget. That could still happen in the short term. Certainly we know that it will be an election issue, because millennials are the largest voting bloc and this is their number one concern. There's lots of time for all parties to include these types of measures in their platforms, but we would certainly want to see that change now and not have to wait till October and an election.

Mr. Kerry Diotte: Being part of a national body, where is it significant? You mentioned that it obviously causes a problem in my riding of Edmonton. What other cities are impacted? Where are you hearing about?

Mr. Kevin Lee: We're seeing it all across the board. I think it's more dramatic, obviously, in those parts of the country where there were already economic challenges. Certainly Saskatchewan and Alberta have big challenges. Atlantic Canada has huge challenges. Newfoundland especially has a 50% drop in starts. These places really couldn't afford the time to have this kind of change. Normally, construction in an economic downturn is part of the solution, but in some ways the slowdown in construction is helping to drive, potentially, recessionary-type conditions in some regions. We surveyed our members, and 95% of them are saying that the stress test is the number one concern and it's having a direct impact on sales. That's all across the country.

Mr. Rick Martins: I can speak from personal experience.

Mr. Kerry Diotte: Go ahead.

Mr. Rick Martins: In the Kitchener-Waterloo and Cambridge area, which is just outside the GTA, over the last 20 years I've built over 10,000 units, all first-time homebuyer affordable product. In 20 years there were three purchasers we weren't able to qualify. In 2018, on a small project I'm working on, of 124 units of stacked townhome units, all affordable product, 13 first-time homebuyers who would have qualified in December on January 1 and the rest of the year were not able to qualify.

I think with some simple tweaks, as was said here, it won't drive up the cost. What this is doing is driving up the cost of rent and affordability. Since 30% of first-time homebuyers usually come out of the rental market into the new homebuyer market, and they can't do that now, we have a 1% vacancy in our area. Rents that four years ago were \$1,200 to \$1,300 are now \$1,800. Those things are the realities.

Mr. Kerry Diotte: So this program has been quite a disaster overall.

Mr. Kevin Lee: I would say at this point that the best way to characterize it is that it has really overshot. You can understand why. The problem is that since 2008 and the subprime crisis, there have been over 60 changes to the financial system in recent years since then. The stress test, this last one, was probably the most dramatic of them all, while the other things were compounding.

When you look at it, you see that all of this policy change is now overshot, and it's really time to adjust. The market has changed and conditions have changed. It's time to change the policy accordingly, and it's very doable.

Mr. Kerry Diotte: Do you have any numbers on how many people it puts out of the market and how many young people cannot afford houses because of this?

The Chair: Very briefly, please.

Mr. Kevin Lee: Overall, we're looking at about 150,000 people knocked out of the market. About half of those would be first-time homebuyers, so that's about 74,000 knocked out of the market. With the types of tweaks I described, it would bring back only about two-thirds to the market overall. It's not like you're bringing everybody back in, but it would bring back about 90% of first-time buyers, who are the people who are the lowest risk in terms of arrears and who are most affected by the changes.

The Chair: Thank you.

MP Hogg, please.

Mr. Gordie Hogg (South Surrey—White Rock, Lib.): I would like to share a little bit of my time with the legendary Rodger Cuzner.

I'm interested in the process we've been following when we're talking about the challenges we have in being able to get enough employment and looking at the micro level and comparing it across Canada. In metro Vancouver, certainly, we have similar dramatic challenges, if not more dramatic. We're starting to pay employees to travel. We're paying travel time and a number of other things to get them to the workplace. We have big challenges within that.

We're talking about the stress test and wanting to encourage growth, yet we don't have enough people to meet the demands. In the first part of the testimony, we heard that we don't have enough people to meet the demands that are there, and now we're talking about how to increase the demand even further.

I'm wondering about looking at a macro perspective, looking outside of here, and whether we can learn from that. Reference was made to Australia, Germany and other jurisdictions. Are there some ways to do that, given that unemployment rates are very low and it seems that the proposals are about how we fight for a limited workforce that is not going to expand? We have more retirements coming and more demands.

It looks as though the only solutions I'm seeing, from what you're talking about, are getting some externals and getting temporary foreign workers and other types of models. Do you have any experience from other jurisdictions that might help inform us in terms of how we might strategize around that?

• (1225)

Mr. Kevin Lee: I think it's important to say first of all that in the near term you are talking about competing for immigration. That is the solution that can fix things over the near term. Over the longer term, there's no question that there are opportunities to increase productivity as well. We're going to need both. We need to look at productivity.

From the perspective of the Canadian Home Builders' Association, we now have our own modular housing construction council, which looks at more factory-built housing and that kind of thing, which is purely a reaction to.... Since the Second World War, there's been this thought that factory-built housing would be the way, but the fact of the matter is that site-built construction is hyper-hyper-efficient and very cost-effective. But when you start to run into labour shortages over time—this will probably continue, and the demographics will probably support it—it makes more sense to look at more and more factory-built componentry. That's sort of the longer game, but we will have a long-term need for the workers as well, and immigration has to be part of that solution.

Mr. Gordie Hogg: Go for it, Rodger.

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

I've had the great opportunity to be advised by many of the faces around the table here today. I appreciate your input in the past.

Just as a 30-second history, back under the past government, Diane Finley came in as minister, took the shackles off the temporary foreign worker program, and we had more temporary foreign workers in the country. There were 200,000 temporary foreign workers in the country, when we were admitting about 150,000 new Canadians. That was out of balance.

Some headlines came. Jason Kenney came in and slammed the door shut. That wasn't the right answer either. If you read former prime minister Harper's book—I have it on my night table, and it's a good read. Right here, right now, if he could take a mulligan, it would be on the temporary foreign worker stuff. He said that the actions taken on the temporary foreign workers actually had a negative effect on wages in this country. They had an impact on wage suppression in the country.

It's a complex issue, and we have to get it right.

Mark, you indicated that the plasterers and painters are interested in building training facilities in other countries. What are they willing to do to help with accommodations and to build accommodations so that they can get some of the unemployed...? It's not just the painters and plasterers. What are you willing to do to help the 1,000 unemployed electricians from Alberta or the 800 carpenters who are looking for work in Alberta right now? We've always travelled to Alberta to get work. What can we do to help them come to the GTA now and to accommodate them? Accommodations are central, and shift management is central. What initiatives have been taken to date for those accommodations?

If anybody wants to weigh in, please do.

Mr. Mark Lewis: I will answer the question, but I just want to make sure everyone's clear on what I said earlier in response to a question about whether we are willing to bear some of the costs. When I say “training”, what our associations are willing to do is to make sure that people have the basic health and safety, WHMIS, and working at heights certification training courses that they need to step on a construction site in Ontario, in Toronto, and that they get that overseas during the period when they're waiting to come to Canada so that they can hit the ground running. I'm not talking about training carpenters from somewhere else.

We have urged the government to consider some form of income tax relief for the expenses of construction workers who travel to their work, and in particular—

• (1230)

Mr. Rodger Cuzner: You mean mobility tax credits, and we'll get them to get those in the next one, but what have you done about accommodations?

Mr. Mark Lewis: —in this case, the GTA.

Mr. Rodger Cuzner: What have any of the organizations done about accommodations?

Mr. Mark Lewis: Do you mean where to put people up to live?

Mr. Rodger Cuzner: Yes.

Mr. Mark Lewis: As far as I know, they have done nothing.

Mr. Rodger Cuzner: If you're living in Grande Prairie and you've been out of work for eight months, you don't want to relocate to Toronto, especially the way the Leafs are playing now, but you would come for three months and then head back to Grande Prairie, or go in cycles. What's industry doing to help with that?

By all means, jump in, guys. We're looking for a solution.

Mr. Joe Vaccaro: I can tell you that home builder members who are searching for skilled trades, as part of their regular negotiations with people coming over, will look for accommodation opportunities. Whether that is providing them short-term housing.... The real question becomes how long those skilled tradespeople, that skilled labour, is coming in for. Are they coming in just for the season? Is it their intention to stay there long term? Those are some of the arrangements that are being made. I think that's a key piece of this, in terms of what the home builder members are doing.

I would also say that nothing really counts until the playoffs.

Voices: Oh, oh!

Mr. Mark Lewis: I'll answer that in terms of the ICI, and to a certain extent I'll flip the question back to you.

A lot of the ICI construction, the infrastructure construction that's going on in the GTA, is government funded. For the Eglinton Crosstown, one of our major transit initiatives, we need 100 carpenters on the stations. We can't put them up. This is for a station. This is not a subdivision. These are the—

Mr. Rodger Cuzner: But carpenters build shit, okay? Carpenters build stuff. Tradespeople build stuff.

Mr. Mark Lewis: Yes, but these are—

Mr. Rodger Cuzner: You guys have pension funds that you can invest in infrastructure, and it would only make sense to me that you could invest in some type of accommodations, in partnership with governments, whatever the government of the day is.

I'm challenging you guys to come up with something other than, “Well, what's the government going to do for me?”

The Chair: I'm afraid that's way past your time.

Mr. Mark Lewis: I'll give you a brief answer.

The Chair: We'll have to come back to it. I'm sorry.

Mr. Rodger Cuzner: If you want to get back to it afterwards, we could have the chat then.

The Chair: I'm not cutting you off because of the language, but anyway....

MP Falk, please.

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

I want to touch on this. My riding is in Saskatchewan and is very close to Alberta. What we see all the time in Alberta is that for a lot of people who live in Calgary, Edmonton, Red Deer or Lloydminster, or even in Saskatchewan, such as Swift Current, when they go to work, they go to camps up north that are built by the companies. They have housing, accommodation and cooks. They're being fed. There are rec rooms.

Literally, they live for a week in camp. It's something interesting, I guess, if you're looking at encouraging workers to head elsewhere, even for people from Atlantic Canada. I've spoken to many different operators who live in Newfoundland. They come up for their two weeks and then go home for two weeks. That's the lifestyle they've chosen, and it works.

I want to ask this of Ms. Nord. You had mentioned a decline in economic immigrants coming into Canada—

Ms. Leah Nord: No, into Ontario.

Mrs. Rosemarie Falk: Into Ontario. Is that in reference to just skilled workers or is that in general?

Ms. Leah Nord: No, that's the economic class. The lion's share of immigrants do come to Ontario and, arguably, to major urban centres, but it's the type of immigrant who's coming.

Mrs. Rosemarie Falk: It's the type of immigrant. Okay.

This is for anybody. Do we know what types of skilled trades are coming in? BuildForce, I think, mentioned the federal skilled trades program. Do we know what types of skilled trades workers are coming in with this program?

Mr. Bill Ferreira: No. I don't have the specific breakdown of which individual trades.

Mrs. Rosemarie Falk: Okay.

There's something else I want to know about. We're talking about TFWs and immigration, and I do believe that immigration has a piece in this, but I also believe that this has been slow coming. We're at this point somehow. We've heard a lot from our previous witnesses about education. Our youth aren't being encouraged and taught about the trades. Yes, I understand that we have this problem and we need to fix it now. Is it possible to fix it now, today? I don't know. It has taken a while to get to here.

What is industry doing to encourage youth, to encourage our primary and secondary school kids? Even in a previous study this committee did, we learned that we have all these students going into university, getting educated all the way up to a master's degree, being unemployed, getting sick and tired of being unemployed and going back to school and getting a trade. What is industry doing to curve this the other way?

• (1235)

Mr. Mike Yorke: From the perspective of the carpenters in Ontario, and actually nationally, we really have done a lot of outreach with the school boards. As I mentioned earlier, with every school board in the GTA, both Catholic and public sector, we have training partnerships. We bring in young people each year. As I've said, a number of them can take the last semester in grade 12 with us. They do three or four months with us and then in the summertime go out onto the job site as a first-term apprentice. In September, they can make a decision. They go back to university—

Mrs. Rosemarie Falk: How long has this been happening?

Mr. Mike Yorke: For probably about 15 years.

Mrs. Rosemarie Falk: Is it working?

Mr. Mike Yorke: I would say that absolutely it's working. Also, as Bill has alluded to in terms of women in construction, if you come

to those classes we run, you'll see that, out of 100 students, about 50% are women.

Getting women into construction is a huge challenge for the whole industry, and I would suggest that for us it's a best practice. It's something that we're trying to extrapolate across Canada. Working with the school boards is the way you bring young women into the construction industry. They start their apprenticeship trade the same as any young man does.

Mr. Mark Lewis: I want to stress what it means to me. Is it working? It works well for those students who sign up for their OYAPs, Ontario youth apprenticeship programs. By grade 12, it's often too late, and that's when we start getting them. We have to encourage the value of the trade all the way through, certainly through high school education.

For example, in this city, Ottawa, the school boards have stopped teaching carpentry. Our local here in Ottawa, Local 93, has developed a program to try to get schools in Ottawa to try to teach carpentry so that young people might be interested. We're trying to draw them out. It works when we can get young people into our training centres across the province. We have to move back....

Somebody asked about what we can learn from other countries. Ask our training instructors. When they go to Germany to look at their apprenticeship systems, everyone across Germany universally refers to the profession of carpentry. I don't think there are too many people in this room who talk about the profession of carpentry. It's a challenge to all of us to start talking to young people and everybody about the value of those trades and to get them in early.

The Chair: Thank you very much. I'm sorry, but that's time.

We're going to have time for probably one more round of five minutes each, but I have to move to MP Duvall for three minutes.

Mr. Scott Duvall: Thank you.

Going back to the apprenticeships, you made a very, very good point. I know when I was younger, when I went to high school, you could go the academic way or you could go into construction. It would start off at grade 9. Grades 9, 10 and 11, you went into the shops. My understanding, as you just said, is that it's too late now. The education system has gotten out of that.

Have you talked to our provincial counterparts about that, and are they willing to make any kind of adjustments?

Mr. Mark Lewis: Yes, we talk to them all the time. They stress that they want to emphasize skills training, the trades, apprenticeships. It's an ongoing problem, and I'll tell you this. Every guidance counsellor in every high school in this province went to university. Virtually none of them did an apprenticeship. That's the sort of uphill struggle you face in the school system.

Mr. Rick Martins: I went to university to be a phys. ed. teacher. I'm a push-up and chin-up major, and now I run one of the fast and upcoming construction companies in Kitchener-Waterloo. I did that because the dream that my parents were sold was: "You're going to come to Canada. You're going to work really hard. You're an immigrant. You're going to save up and you're going to put your son through university because that's the Canadian dream." And it was a great dream, except that when I graduated and paid my \$40,000 of tuition, I had no job. What helped me pay for university was the great construction industry and the skills that I learned there. Until we change that stigma—and that stigma comes from every single one of us in this room here—it doesn't matter.

As I said, I've been involved with the school systems for over 20 years. It's a drop in the bucket. It's a great drop in the bucket—don't get me wrong—but we have to do more to get it back in the school systems earlier. We have to bring the prestige back to the trades, because as I said, you can make a widget, and the next day that widget's gone. We build a home. We build the communities. We build dreams where people live every single day, and not enough of that is said.

● (1240)

Mr. Scott Duvall: Do you feel that for the future we're meeting our requirements for apprenticeships, or do we see those falling for the future?

The Chair: Be very brief, please.

Mr. Kevin Lee: I can jump in on that. No, the numbers are not going to bear out.

We've been working in schools for decades against the system and the culture of Canada because of exactly what Rick talked about. We need to change. We need to have a parity of esteem. We need people to respect both sides of the equation, and frankly, to points made earlier, right now you go get a university education and you end up having to become a skilled tradesperson anyway. We need to teach people to not waste those 10 years and to get into it right now, because there are huge opportunities.

The Chair: Thank you.

Mr. Mark Lewis: What we offer is experiential-based learning. Our apprentices learn from our journey persons. As our journey persons increasingly retire, we can't just turn on the tap. There has to be somebody to teach those apprentices, over their four years, the best practices of our trade, and so it's not just about the apprenticeships. We also need the journey persons who are going to train them.

The Chair: Thank you very much.

We do have a little bit of time left before we need to suspend for a few minutes while we switch over the panel. Do we want another round? Does everybody want another question? Okay.

I'm going to say about four minutes, give or take. We'll start with Rodger.

Mr. Rodger Cuzner: Thanks, Chair.

I'd like to start with you, Ms. Nord, on this one, and perhaps you have hard data you could share with us. On the temporary foreign worker program, what I know is that many businesses have used that

now, in the absence of a pathway to citizenship for the lower-skilled. You may have addressed this in your opening remarks, and I apologize for not being here. Do you have a breakdown of how many businesses would be using the temporary foreign worker program to fill positions that are not temporary and that should be filled on a permanent basis? Do you have data on that?

Ms. Leah Nord: The data says it's a lot. The issue, as we've been discussing, is the temporary nature. It's not only the businesses; it's also the demand, the desire, the more temporary in nature, and the forthcomingness of that. Absolutely, though, I would say that it's the vast majority of our members.

Mr. Rodger Cuzner: They would be using the—

Ms. Leah Nord: Yes.

Mr. Rodger Cuzner: Okay.

If anybody else wants to comment on that, by all means do.

Ms. Leah Nord: About the temporary foreign worker program or some of the pilot programs, I just want to say that whether you modernize them, change them or whatever, the real beauty, and the piece I wouldn't want to lose in the temporary foreign worker program, is the job offer; there's the aspect. That's a lot of what's happening in some of these pilot projects. I get that there are strengths and weaknesses to them. It's also very employer-driven. The employers are involved in terms of bringing the unions to...you know, this concept of it not being a guaranteed job but from contract to contract in industry. Then you come here and you're qualified, and you have a job.

The only other piece I want to take the opportunity to mention is the spouses. This is a family piece. I know we're focused on Toronto and the GTA, but in some of those other regions, if you look at open work permits and training and opportunities as well, that's equally important for the long-term sustainability.

Mr. Rodger Cuzner: Mark and Mike, the initiative with the women is an excellent initiative. How are the numbers coming out of that? What's the retention rate? If you're putting them in for four weeks, what are the numbers coming out of that?

● (1245)

Mr. Mike Yorke: As I mentioned earlier, this is something that's allowing us to change the ratio of women in construction. As was mentioned earlier, it's very low at 3% to 4%. When you see the graduates coming out of those programs, the retention is very good. We're tracking it so that maybe, after three or four years, we're still having 60% to 70%, and after those three or four years, we're starting to see folks who graduated from, say, a 12-week CRAFT program now graduating as a journeyperson in the carpenters' union. They've done their four years and they're now a journeyperson. With regard to retention, those are some of the highest in terms of that aspect.

Mr. Mark Lewis: Just so we're clear, the four weeks is before they go on a job site and when the union pays them. Then they go 10 weeks, and the employer pays them for on-site work. At the end of the 14 weeks, right now just under 75% of the women who started at the beginning are signing up for full carpentry apprenticeships, such as in drywall. That's at the end of their 14 weeks.

It's too early to tell what the retention rate is through the apprenticeship programs, but we recognize that women face special challenges there. We're trying to mentor them. If you look at the leaflet we handed out, you'll see that we're trying to make sure they have mentorship from tradespersons or more senior apprentices who are women to try to keep them in. We always have a drop-off rate with our apprentices, but we anticipate special problems for women, or more challenges for women, so we are really trying hard to keep them in the programs.

The Chair: Thank you very much.

MP Falk.

Mrs. Rosemarie Falk: Mr. Martins, I want to follow up with you. Do you have anything to add with regard to the question I had on education and university?

Mr. Rick Martins: I'd like to start by giving a little example. My son is 14. I can't bring him out to the work site until he's 16 because of Ministry of Labour rules. That's too late. I was nine. I'm not saying that was right or wrong, but I still have all of my body parts here. At 14 he can work at McDonald's and get third-degree burns from the fryers; my construction site's not any more unsafe.

We're losing the kids at that younger age. They're not getting exposed to it enough early on. Once they get into that routine, be it in retail, customer service, or whatever it is, it's hard to pull them back into something that they don't understand. That's one point.

The second point is that we don't have the right people in the education system. We hire great teachers—don't get me wrong—but there was a comment about counsellors coming from university. You need to get some of these journeypersons in. When I was in grades 6 and 7 and 8, Mr. Robertson was my tech teacher. He was a tradesperson who was converted to being a teacher. He lived and breathed it. The blood in his veins was sawdust. That's what you need. You need to get back to the grassroots.

I hope that answers your question.

Mrs. Rosemarie Falk: Thank you.

I want to touch on another thing because I've heard a lot about it, ESL, English as a second language, and the possibility of lowering that requirement or making it not so stringent or whatever the case may be.

I'm wondering again what industry is doing, the unions, contractors or businesses, to help with ESL classes, whether it's writing or reading or even community.

I know teachers. I have a school in my riding that has a lot of ESL. Something that teachers actually struggle with is students coming into the classroom speaking English, struggling with it, but going home to their parents or whatnot within their own community and speaking their mother tongue because it's easier. It's actually hindering the students being able to speak English.

I'm wondering what industry is doing to help promote English skills.

Mr. Mark Lewis: We certainly offer rudimentary English language training for our members, and we encourage them as best we can to take advantage of opportunities in communities in Toronto—there are a lot—to learn English.

We have one problem, and I'm sure Mr. Martins and Mr. Vaccaro can talk about this. I don't want to diminish people speaking their own language—

• (1250)

Mrs. Rosemarie Falk: Definitely.

Mr. Mark Lewis: —because it's easier. On a lot of jobs and construction projects in Toronto, English is not the language of the workplace. You struggle if you don't speak Portuguese or Italian in certain trades.

Mrs. Rosemarie Falk: Sure.

Mr. Mark Lewis: It's a real problem trying to get that. I don't want to diminish the commitment that people should make to Canada. I'm just saying that the commitment could be demonstrated in a different way from the ability to read or write English.

Mrs. Rosemarie Falk: I'm not concerned about commitment. What I'm concerned about is this. If we have students who then are having trouble speaking English, what type of strain is that going to put on our education system and our EAs, and are we going to have that overflow into a whole other issue?

Yes, Mr. Martins.

The Chair: Speak very briefly, please.

Mr. Rick Martins: Just to touch a little bit on that, I think it's two different fields. First you want to look at the trades as a competency-based evaluation. It really is important, the fact that when a roofer is on a roof, he knows what he needs to do to be there safely and perform his job.

Language is important, but people will learn to communicate with each other. It's incredible how, as you said, you can go to a site and you've got Ukrainian, Croatian, Serbian, Portuguese and Italian, and they're all working and functioning at a very high level. They don't speak each other's language but they speak the language that they need to. If it's framing or if it's cement finishing, they can speak that language. That's important.

With regard to learning second languages, I'm an example. I went to school at the age of five. I didn't speak a word of English—and I was born here—because my grandmother raised me and Portuguese was our first language. Children will assimilate and we will learn to speak. I might not speak as well as other people in the room here, but I can speak from experience. My father can function in Canada and he can't read or write English, but he can communicate. I think we have to be careful with that.

The Chair: Thank you.

The last four minutes go to MP Duvall, please.

Mr. Scott Duvall: Thanks.

On the language issue, most job sites do have a bit of a common language that we use. Do you know what I mean?

Madam Nord, one of the things that you commented on was the Atlantic immigration pilot program. You said yes, and then you got cut off. I wonder if you can expand on that, because there's no labour market impact assessment that's done on that. Would that be harmful in the greater Toronto and Hamilton area if we didn't have an impact assessment, if we brought that pilot project in here? Do you know if there's any update, if there are pros or cons on the pilot program?

Ms. Leah Nord: No, not in the current construct. The advantage of the Atlantic immigration pilot project or the rural and northern pilot project—the applications have just closed—is that I need a worker and I've got a job. It's not bringing people in and having them sort of flail. That's what I would argue the benefit is. It is twofold. It's first of all the job at the local level. It's Toronto deciding for Toronto, or Hamilton deciding for Hamilton what they need. It's that more localized workforce need with a sectoral overlay, as well, within the industry, too.

Mr. Scott Duvall: But we're talking about skilled tradesmen—

Ms. Leah Nord: Yes.

Mr. Scott Duvall: —or tradespeople, about bringing them in and not just having a company say, “I need a body, so I'm going to use the Atlantic system”, or just, “Come on in. You don't have any skills. I just need something to lower our wage.”

Ms. Leah Nord: No. You're going to have to be qualified in order to do the job, right?

The advantage of this is that you can be qualified and arrive in this country, but you can be qualified and have a job that's ready-made for you in any number of constructs.

Mr. Scott Duvall: So you don't see any harm in that?

Ms. Leah Nord: It's almost like a sponsored.... We can take a look at the success of sponsored versus non-sponsored refugees in this country. À la that, you have a commitment from not only the employer, but the community as a whole. You have the integration services for the family as well, which help integrate the whole into the community for long-term sustainability.

Mr. Scott Duvall: Do you agree with that assessment, Mr. Lewis?

Mr. Mark Lewis: Yes, and I think that's one of the things I was trying to stress in terms of what we and our employer association partners would do if we could. They're not going to be universities or anything, but we would set up temporary facilities in key countries—Portugal, Ireland, Italy, wherever—to make assessments to make sure that the people that we're bringing into the pool of workers that we need are the skilled workers that we need and not just general labourers. We're a union. We're not interested in lowering the overall wage rates. We want people who can actually do our work, who we can put out to work at the full union rate, which I say is a cost for the employer of \$50 an hour, plus.

•(1255)

Ms. Leah Nord: I have two points on that. If it were not only temporary, but a pathway and a long-term investment, I think there would be a greater willingness to make that investment by both...

from the employer side, anyway. It's not just a two-year investment that doesn't have potential or any guarantees.

The other piece that's been discussed a lot here, too, is around competency-based assessments. That's for skills, and that's for immigration. Really moving to a model like that where you could assess beforehand, and where you can assess here if there is labour, would allow greater labour mobility and would also allow greater skill crossover and mobility as well.

It's not black and white, but as you move from one profession into another, those competency-based evaluations and assessments are key as well.

The Chair: Thank you very much, everybody.

Thank you to all of our witnesses for helping us with this study.

This is the final meeting of this study, and we look forward to wrapping it up when we come back after the break week.

We will suspend briefly while we switch out the panels.

•(1255)

_____ (Pause) _____

•(1305)

The Chair: Good afternoon, everyone. Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, January 31, 2019, the committee is resuming its study of the subject matter of the supplementary estimates (B), 2018-19: votes 1b, 5b and 10b under Department of Employment and Social Development.

Appearing today, we have the Honourable Patty Hajdu, Minister of Employment, Workforce Development and Labour.

Joining her we have, from the Department of Employment and Social Development, Graham Flack, deputy minister, Employment and Social Development Canada; Chantal Maheu, deputy minister of labour; Leslie MacLean, senior associate deputy minister of Employment and Social Development Canada and chief operating officer of Service Canada; and Jason Won, deputy chief financial officer, chief financial officer branch.

Welcome to all of you. We'll turn it over right away to Minister Hajdu.

I understand you have a very brief opening statement.

Hon. Patty Hajdu (Minister of Employment, Workforce Development and Labour): Thank you very much, Mr. Chair, and members of Parliament. It's great to see all of you again so soon. I want to thank you for inviting me back to this committee to talk a bit more about what we're doing to make sure that everybody has a fair chance to succeed, in terms of skills development and youth.

I would like to thank both my deputies who are here today. ESDC, of course, is a vast department in the Government of Canada and does a lot of great work, but they're here to support me as the Minister of Employment today. Both deputies and their teams have been critical in helping us deliver on our goals.

Specifically, my mandate as Minister of Employment is about supporting youth, students and Canadian workers so they have the skills, the opportunities to gain those skills, and the work experience they need to succeed in the modern workforce. This is becoming more critical, as we see a lower and lower unemployment rate as a result of the investments we've been making working over the last three years. As I travel across the country, the conversation has shifted. Employers had lots of choice in the market in terms of who they could hire and are now saying, "We need people and we need people with skills." It has become a very critical portfolio in terms of our growth.

Some of the achievements we've made I think are making it easier for people to find their way into education and training and helping people land those good jobs once they complete that skills training. For example, changing our student financial assistance program so that more Canadians can benefit is a reflection that when everybody has a fair chance to succeed, they take that opportunity. They can reach their full potential and become valuable employees or, in some cases, business owners. They're able to contribute fully back to the economy.

Helping Canadians train or retrain to remain competitive in our workplace has a couple of aspects to it. One is for people who are wanting to return to school because they would like to improve their earning potential. It's also there for people who are struggling with unemployment and want to improve their skills so that they can transition to other sectors or opportunities.

With regard to investing in young Canadians to help them enter the workforce, we've talked a lot about the fact that students often have a great degree of skill. However, if they don't have work-related experience, it's hard for them to get that first job. Many employers will be reluctant to hire someone who doesn't have a qualified job in that sector. Our work-integrated learning programs are helping people get jobs while they're still in school, so they can land on their feet when they graduate with a great employer.

Then, of course, there is updating of the Canada Labour Code. That's something I am particularly very happy about doing. This is about protecting the most vulnerable in our workplace. It's making sure that people who aren't protected—federally regulated sectors often have higher rates of unionization—have things like a few paid leave days, so they can take care of the details of their lives, whether it's illness or caring for other people in their family. It's making sure there's more flexibility but also more predictability in terms of scheduling, advanced scheduling notice. It's ensuring that people have those protections and safety in their workplaces.

These things are all combining to make better opportunities for Canadians no matter where they sit socio-economically. That's the real goal. Whether or not people come from a family where they have the ability to support their young person to acquire skills training, it shouldn't be a barrier for people to enter education if they have financial pressures in their family.

We've made real progress. I think you can see that from the estimates. We see youth unemployment rates dropping. This is something that has been a very sticky unemployment rate. As we've seen the general population unemployment rate plummet, one of the challenges has been the youth unemployment rate. It has been very persistent. However, we're starting to see trends in terms of a lower youth unemployment rate. More people are going to school than ever before. We've created together as Canadians, with all of these investments and many more from my colleagues' portfolios, over 900,000 jobs in the Canadian economy.

Things are looking up for Canadians. I'm excited about continuing on this trajectory. I'm excited about budget 2019. I think there will be even more measures in budget 2019 that will ensure that everybody truly does get that fair chance and that we continue to be a country where we value education, opportunities, and we know that when people are given the tools to succeed, they take them. They pay back their communities and their country enormously.

Thanks very much.

• (1310)

The Chair: Thank you, Minister.

First up with questions, we have MP Barlow, please.

Mr. John Barlow: Thanks very much, Mr. Chair.

Thanks, Minister, for coming back at our request. It's certainly much appreciated, taking the chance to answer some questions about the budget and supplementary estimates.

I want to ask about the temporary foreign worker problem, which kind of ties into the study we're doing right now. I know that's not entirely under your portfolio, but I'm sure it's something you've been aware of just because it has become such an issue in this current study that we're talking about. I know in the supplementary estimates there were an additional \$35 million that were put in for worker protections under that title.

Over the last few months, I've spoken with people in the agriculture sector, and these audits have made them very anxious. Some of them take two years to complete. Are the \$35 million generally just for hiring additional auditors or are there some funds that are going to be set aside for, say, a dedicated line for agricultural producers to access better information? How is this going to work? There's concern with biosecurity when these auditors come on the farm unannounced. I'm just wondering how the allocation of that \$35 million is going to be set aside.

Hon. Patty Hajdu: Thank you very much, MP Barlow.

I will say that the temporary foreign worker program, when I was appointed Minister of Employment and Labour, was flagged for me as one that had been incredibly mismanaged by the previous Conservative government, in fact, so badly that we had lost trust as a country in the program. Canadians were regularly outraged by the lack of protection for the temporary foreign workers we were using, whether it was in agriculture, food processing or in tourism. Also, it wasn't meeting the needs of employers either.

In fact, the Auditor General had quite a scathing review of the temporary foreign worker program. I believe this committee studied the temporary foreign worker program and made a number of fantastic recommendations about how we could move forward, restore the integrity of the program and make sure that we invest in the program so that we can actually expedite getting people here, but also, when we have people here, protect their rights as human beings. Quite frankly, I say all the time to employers, “Look, you know what we need for this program to succeed is for you to respect the program as an employer and your obligations underneath—”

• (1315)

Mr. John Barlow: Minister, can you answer the question, please? We have a limited amount of time, and I don't need your history lesson on the temporary foreign worker program. I know it very well.

Hon. Patty Hajdu: Well, it's an important history, MP Barlow.

Mr. John Barlow: I'm just asking you how the funds are going to be allocated.

I've spoken to employers across the country on this. Absolutely, the temporary foreign worker program is a difficult one, but I haven't had any of them complain to me about some of the things that you're talking about. We addressed a very serious issue when we made the changes. I admit we probably went too far.

We're trying to find a situation that is going to work for everyone, employers. I'm not asking you for a history lesson on the temporary foreign worker program. I'm asking you a question on the supplementary budget, because we got in trouble last time apparently for not asking questions on the supplementary budget. Of the \$35 million, is there going to be money allocated for a dedicated line for, say, agricultural producers to understand the audit system better? Yes or no? If so, I would like you to explain it.

Hon. Patty Hajdu: First of all, I would respectfully disagree with you, MP Barlow. The integrity of ensuring that, when people are here as temporary foreign workers, they're treated well and their rights are respected is actually critical to maintaining this program and the confidence of Canadians in this program. I will reiterate that, despite the fact that you don't like to hear it, because it's a really important part. I say this to employers, agricultural employers and employers all across the board. The majority of employers who—

Mr. John Barlow: Are you going to answer the question or not? Just say you don't know. Just say you don't know if you don't know.

Hon. Patty Hajdu: The majority of employers are good employers, and they are employers who respect the obligations as temporary foreign worker employers, but the few who don't put the entire program at risk.

The money will be used in multiple ways. It will be used to support inspections. It will be used to support the work of people who are strengthening the understanding of the rights and obligations of employers of temporary foreign workers.

We are also currently undergoing an agricultural review. The “What We Heard” report has been released, and we'll be using the “What We Heard” report to make changes to ensure that employers can get the labour they need and that they also understand their obligations as employers so the integrity of the entire program

remains intact for all of those employers who rely on people from other countries to pick the food we eat.

Mr. John Barlow: Thank you very much, Minister, for finally getting to the answer to that.

Just to your comment, every single person whom I've spoken with over the last two years has said that accessing the temporary foreign worker program has become almost unattainable and much, much worse under your leadership than anything ever before. To say that you've expedited the process of the temporary foreign worker program is absolutely false. You've made it extremely difficult to navigate, so much so that many have just given up accessing the program.

I understand that you're trying to protect those workers who come here. I think all of us would agree with that. For workers who are coming here, we want to ensure they are coming here and getting the best experience possible. That's what our employers want. That's what those new Canadians want. We want a pathway to permanent residency. We don't want people to be coming here necessarily for two years and going home.

When you say that you somehow made this miraculous change to the temporary foreign worker program, I think you're naive, maybe close to delusional, if that's really what you think. I think everybody would agree there needs to be a massive overhaul.

The Chair: Your comment is not appropriate.

Mr. John Barlow: What's that? Sorry?

The Chair: [*Inaudible—Editor*] name-calling.

Mr. John Barlow: I didn't name-call anybody.

The Chair: You said “delusional”.

Mr. John Barlow: Are you timing me, Mr. Chair?

The Chair: I am. You have about 30 seconds left, sir.

Mr. John Barlow: Ms. Minister, can you tell me the breakdown of that \$35 million, the money that's going to the audit inspections and what may be allocated to other support systems for the employers themselves?

The Chair: Reply very briefly, please.

Ms. Leslie MacLean (Senior Associate Deputy Minister of Employment and Social Development and Chief Operating Officer for Service Canada, Department of Employment and Social Development): Mr. Chair, I'm happy to answer the question.

In budget 2018, \$15 million was set aside. It is not part of the supplementary estimates. I'll ask our chief financial officer rep to confirm that.

That work, as the minister noted, is to increase the number of on-site and unannounced inspections we are doing. Of about 22,000 approvals for the labour market impact assessment that are made every year, our program of on-site reviews and inspections is about 2,800, so it's slightly over, and of course, with a risk-based focus. We will work, as the minister noted, with the agricultural sector and all other sectors to ensure that we're respecting whatever protocols are unique to the workplace, whether they be biosecurity or other.

The Chair: Thank you very much.

MP Long, please.

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

Thank you, Minister Hajdu, for coming back. We appreciate very much that you took the time to come back to our committee and answer some questions from all of us.

One of the greatest announcements I certainly had in my riding of Saint John—Rothesay was the Human Development Council's UYES! project through skills link. It was very important for me as a member of Parliament to come to Ottawa, advocate on behalf of the riding and deliver on things like the Canada child benefit, housing strategies and the poverty reduction strategy, but I was determined to try to deliver programs to my riding that could break the generational cycle of poverty that unfortunately my riding does have. The skills link program, the UYES! program, will help 200 at-risk youth in my riding. I see it happening now through the Outflow men's shelter. They're working with youth downstairs to develop carpentry skills and training. I see it upstairs where they're getting increased education so they can move on to post-secondary and ultimately help them gain employment in the riding. The impact of that investment on dozens of youth in the riding is profound.

Can you tell us about the impact of investments in skills training through skills link and skills boost on the lives of Canadian youth, in particular at-risk youth, in my riding or in ridings right across the country?

• (1320)

Hon. Patty Hajdu: Thank you very much, MP Long.

You've touched on a program that's very close to my heart, and I don't need to remind everyone about the work that I used to do. I truly do believe, and this is what drew me to politics, that when we invest in people who are furthest from the labour market, the euphemism at ESDC, that means people who have the hardest time getting a job, the hardest time getting the first job and the hardest time getting a break, really, when we invest in people through skills link and the youth employment strategy we're investing in our own potential as a country. When we don't invest in vulnerable people, whom we saw the previous government repeatedly ignore, not only is it a lost opportunity, but it's also an expense.

MP Long, you would know that when we delay our investment in young people, they fall further away from opportunity. That hopelessness and that lack of opportunity and that prolonged poverty end up putting someone from the revenue side of the sheet, to use a finance term, onto the expense side of the sheet. That's what we ultimately want to avoid. This is a social justice argument but this is also an economic argument.

Ensuring the investment of \$339 million over three years for Canada summer jobs, and an additional \$395 million for Canada summer jobs, also addresses more than 33,000 vulnerable youth so they can develop the skills they need. We almost doubled the skills link program when we took over. That was about ensuring that everybody has that fair chance to succeed.

I'm really glad that you raised that program. To me, this is one of those long-term investments that's going to pay off not just for Canada while we have the opportunity to be government but for successive generations.

Mr. Wayne Long: I had the opportunity to tour the program recently, two weeks back. You have youth learning carpentry skills. Those youth, once they get those skills, will be employed by a social enterprise, Catapult Construction. Catapult will renovate older homes in my riding that ultimately the youth and their families may live in, so it's the perfect kind of program that can break that generational cycle.

Thanks for that, Minister.

I do want to switch to Canada summer jobs, a wonderful program, again in my riding, which hired over 350 youth and put almost \$1 million into the riding of Saint John—Rothesay.

Last year our committee undertook a study of experiential learning and pathways to employment for Canadian youth. During that study we heard from many witnesses who felt that the Canada summer jobs program could be expanded, and, in fact, ought to be expanded in order to provide Canadian youth with more work-integrated learning opportunities.

I was thrilled when I learned that your department would be expanding the Canada summer jobs program in 2019 in order to allow all youth between the ages of 15 and 30 to qualify for jobs funded through that program.

Can you tell us what impact you believe the expanded eligibility criteria will have on Canadian youth, particularly for those who have graduated from post-secondary institutions and are looking to break into fields in which past work experience in the field is often a prerequisite for employment?

• (1325)

Hon. Patty Hajdu: Thank you very much, MP Long.

I think you're touching on two distinct streams we're working on. One is the Canada summer jobs program, which will help ensure that students—actually, all youth this year, because we've changed the criteria since many of you advocated to make sure that it was available to all youth—will have an opportunity to get that sometimes first job experience. There is also the expansion of the student work placements in budget 2018, which give them industry-specific experience.

I will say that under our government we have doubled the number of jobs for youth. The Harper Conservatives had the worst youth unemployment rate since the nineties. In contrast, every summer we're providing over 70,000 young people with that valuable work experience you're talking about.

I too have met the Canada Summer Jobs young people in my riding. I have a very large riding and it's partly rural and partly urban. For many of these folks—I have 12 first nations—this is their first job for the summer. This is the first time in their life that they've had paid employment. They now have a little bit of money in their pocket to spend on school or other things that they need, but they also have that first reference, and we know that the first experience and reference are critical for the next job.

More than that, they also have that confidence, because oftentimes—and I'm sure you've met youth in your own community—people who have not had that first paid experience lack confidence in their ability and their capability to actually land a job and lack confidence about how it's going to be once they're in the workplace.

The Canada summer jobs program is a really safe place for people to experience that first paid job. The employers who apply oftentimes have done it for years. They know how to work with youth, and they know the kinds of supports that youth need in the workplace. This year of course we're even strengthening the obligation of employers, to make sure they're providing that mentorship and leadership in the workplace.

I want to thank you for your work, and make sure you continue to meet those young people, because they will continue to inspire you.

Mr. Wayne Long: Thank you, Minister.

The Chair: Thank you, Minister.

Now we will go to Madam Sansoucy for six minutes.

[*Translation*]

Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP): Thank you, Mr. Chair.

Good afternoon, Minister.

I would like to talk to you about a concern we share—integration of youth into employment. I myself worked with troubled youth for nearly 20 years.

Last January, I held an economic table that brought together four economic development organizations from my riding: Développement économique de la MRC des Maskoutains, Développement économique et local de la MRC d'Acton, Saint-Hyacinthe Technopole and the SADC de la région d'Acton.

Employment integration organizations also participated in the table, such as Johnson County's Carrefour jeunesse-emploi, but there are many others in my riding, such as Parcours Formation and Espace carrière.

Of course, we have talked about the labour shortage, an issue that affects all businesses. Businesses in my riding have to buy school buses to pick up employees in the Montreal metropolitan region or have their own buses to travel from downtown to the villages where their plants are located. I was asked a question about a project or a program I have been talking about since we took a trip together. During a trip to Turin, where I joined you, we visited an organization whose experience really interested me. That organization was doing employment integration and had responders who could move around. I'm sure you remember it very well.

Employers told me about that difficulty. When they integrate a young person into a job, they have the tools needed to provide them with support in terms of everything that has to do with the job, but, when it comes to young people's more personal problems, employers often feel that they lack tools.

The organization we met with would send a responder to the employer, as needed. If a young person was experiencing difficulties at work—be it because one of their friends died of an overdose the day before, their mother experienced domestic violence, or they were late in the morning after going to get food for their family from the food bank—those organizations would support employers, beyond the integration of young people into employment.

I think there is a shortage of community organizations taking care of those issues. It would help if the government supported employers in terms of employment integration aspects where they lack tools. Those are often small SMEs. Eighty-five per cent of our economy is made up of small businesses that lack resources to support those young people.

Those employers are losing to retirement employees with a great deal of knowledge and, more importantly, love for the profession. I visit a lot of businesses, and it is always nice to see a sparkle in the eyes of someone who has been doing the same job for 30 years and still talks about it passionately. Yet, that employee will often leave before a young replacement is integrated into the job.

When we carried out a study on learning, we talked about the idea of mentorship programs. Those programs should extend to more businesses, so that they can keep their employees who are planning to retire as long as it takes for young employees to be integrated.

We are talking about money that has been spent, but I would like to hear you speak to new programs and new support measures that could be implemented to integrate young people into jobs.

● (1330)

[*English*]

Hon. Patty Hajdu: Thank you very much for the question.

I will say that I share your passion for making sure that young people have the supports—not just the job skills in particular, but also the supports—that help them with all of the other problems they experience in their lives. I think that MP Long spoke about an organization that is doing that.

The funding we provide for, say, the training through skills link can be augmented by partnerships in the community. Many of these skills link deliverers all across the country—and that's why we actually deliver this program through partnerships with not-for-profit organizations—do form those partnerships with other organizations that are providing the add-on and the wraparound support for a young person to succeed.

I'll also congratulate you on your new leader being present in the House. That's fantastic. It'll be great to see what the NDP plan will say about investing in youth unemployment. In the last plan, the budget was \$25 million for job creation and the same arbitrary number for housing. It's a lot more expensive than that and I will tell you that investment is worth every dollar.

As we reshape the youth employment strategy, we'll be moving forward to reflect the kinds of comments that we've heard through the various consultations we've held from all of the people who are delivering this program across Canada. They all pretty much say the same thing as you, which is that young people need extra supports to succeed, so we're going to continue on that path.

Thank you.

[*Translation*]

Ms. Brigitte Sansoucy: Mentorship is the second aspect of my question. SMEs should be given financial support to enable them to keep on employees planning to retire for as long as it takes for them to impart their knowledge to a young employee. SMEs are telling me that they don't have the means to pay wages to both people at the same time.

[*English*]

Hon. Patty Hajdu: Thank you very much, Madam Sansoucy.

I would say that we have been doing a tremendous amount of work investing in small businesses and the needs of small businesses, and economic development. I will also say that there's always an opportunity for businesses to be creative and innovative in the way that they look at their labour shortages. I would say that ensuring that youth have an opportunity to participate fully in the labour market is a real, great opportunity for innovative small and medium-sized businesses that are looking for new ways to solve old problems.

Many of the businesses I visited across the country are taking advantage of things like our subsidized student work placement program, which actually provides a subsidy of 50% for the students' wages, up to 60% if the person is a woman, or indigenous, or otherwise further disadvantaged from entering the labour market. That is a direct support for small businesses and medium-sized businesses, in that it covers and it compensates them for the cost of hiring new talent. It also provides that small business the opportunity of all that enthusiasm, and passion, and to-the-minute, up-to-date learning that the student is learning in their relevant course.

I will continue to invest in student work placements. It's a way to support small and medium-sized businesses, but also to ensure that young people get that very critical, sector-specific experience.

The Chair: Thank you very much, Minister.

Now we go to MP Hogg, please.

Mr. Gordie Hogg: Thank you.

I was elected about 14 months ago, and at that point in time the Canada summer jobs and the attestation issue were significant in the campaign that I was a part of. I wonder if the attestation as it existed then actually impacted the number of jobs we were able to provide or the number of applicants it had. I know you've made a number of significant changes since that point in time. I'm wondering how the experience that I went through informed the types of initiatives that are coming out at this point in time, whether we're seeing an increase, a decrease, the impact, in fact, that role has played.

• (1335)

Hon. Patty Hajdu: Thank you very much, MP Hogg.

I will say that, yes, it was a very vigorous conversation last year in terms of Canada summer jobs. If you had told me I would speak that much about Canada summer jobs when I first got the job, I might not have believed you. I'm glad we were able to speak so much about it, despite the fact that oftentimes they were vigorous conversations.

The unintended consequence was that many people found out about Canada summer jobs as an opportunity to hire students who previously didn't even know the program existed. Some people say there's no such thing as bad press. I will say, in terms of Canada summer jobs, it helped us reach our target of 70,000 jobs. There was no dip in the number of jobs available to young people across the country.

We, as you know, worked very closely with all of the different stakeholders who felt uncomfortable with the process. We wanted to be very clear, as we were in our communications last year, that this was about activities and job descriptions and not about beliefs and values. We heard back from many of the groups we worked with, including faith leaders from all different faiths, that they were much more comfortable with the process this year and they understood our goals of ensuring that students weren't put into positions where they were asked to violate the established rights of other people in this country. I think we were able to do that in a way that lent comfort to groups that this really wasn't about a judgment on their faiths or beliefs; rather, it was around protecting the integrity of those positions for young people.

Mr. Gordie Hogg: As a result of any of those changes, have the applications this year increased or decreased? What is the impact in terms of the applications this year?

Ms. Leslie MacLean: As the minister noted, year over year—and I believe I referred to this in my testimony at the last committee—our experience had been successive increases in numbers of applications received and in numbers of jobs requested. We're still finalizing the program for summer 2019, because, of course, the applications just closed in early February, and we're frantically beaver through.

What I would note is we seem to have slightly fewer actual applications in jobs, but an over \$125-million request in the value of the jobs being proposed. That speaks to, of course, employers respecting increases in minimum wages, but it also reflects, I suspect, a desire to create longer jobs, and as the minister noted, quality jobs for youth.

Those are preliminary numbers for summer 2019 because, of course, we're still just finalizing all the applications and requests we got.

Mr. Gordie Hogg: Thank you.

I also note there has been a reduction in defaults on student loans from something like 14% to 10% over the past seven years. What program approaches have been in place to see that reduction, and what other strategies might you be putting in place to see if there can be a further reduction from the 10%?

Hon. Patty Hajdu: Thank you very much, MP Hogg.

You're right. The Canada student loan default rate is steadily tracking downward, and that is as a result of the supports that we're providing students in terms of repayment assistance. We've increased the amount of support for non-repayable Canada student grants, so that helps as well. Obviously, for lower-income students, having more grant and less loan is one way to prevent the default of loans. We know that for lower-income students, oftentimes even the prospect of taking out debt can be a deterrent to education.

There are changes to the repayment assistance program so that no graduate who applies will have to repay their Canada student loan until they're earning at least \$25,000 per year. This is going to benefit 54,000 students, and the writeoff represents less than 1% of the overall amount of the Canada student loans, so this is obviously heading in the right direction.

We want to make sure that any young person who wants to attend post-secondary training has an opportunity to do so and can see a financial path toward that goal.

Again, we know when people feel confident to invest in themselves through higher education or skills training, they repay that investment multiple times over in their contributions to their communities and to our economy.

• (1340)

Mr. Gordie Hogg: Thank you.

That's good.

The Chair: Okay, we'll go to Mr. Ruimy.

Mr. Dan Ruimy: I get his 30 seconds.

Welcome, Minister. It's always a pleasure to have you at our committee.

First, I would just comment on the Canada summer jobs, because we all seem to be talking about it. I love the program. Since I've been elected we've more than doubled the number of Canada summer jobs we've had in the riding of Pitt Meadows—Maple Ridge. Part of the reason for that is that I've gone out and met with almost every single student. We showcase them on social media with videos, pictures, and we interview them—not only the students, but also the organizations that hire them to find out what they hire them for and what criteria they are looking for.

I was really excited to see that over the course of the last three years, we've tried to push people to hire on what the students are doing in school. For example, we have a hatchery, and they've hired people from university who are studying fish and biology. This is practical experience for them, which is great. So thank you for that program.

I'm going to move to a different subject. Right now we're studying construction jobs and the lack of skilled labour and so on in the GTA. I see that in the supplementary estimates (B) there is \$409 million for the Canada summer job grants for qualifying full-time and part-time students. I know you haven't likely been following our study, but the problem we're seeing is that people are moving away from skilled trades. Could this money be applied to trying to encourage skilled workers to pick up the trades? Is there an opportunity here to use this program?

Hon. Patty Hajdu: If I understand the question correctly, you're asking if people can use Canada student grants for trades training. Is that correct?

Mr. Dan Ruimy: Yes.

Hon. Patty Hajdu: Yes, and I'll let my deputy speak in more detail about that.

Ms. Leslie MacLean: One of the five national priorities that were established for Canada summer jobs was for employers who are providing youth an opportunity to work in the skilled trades. That would be any of the Red Seal certified trades, be it chef, carpenter, etc.

When we spoke about it last, we recognized that as part of the application process, there are four objectives, and the weighting that is given in the Canada summer jobs evaluation is very clear for those. The first objective is just to give a quality job to youth, and as members have already noted, it's for youth between 15 and 30. The second one is providing youth with the opportunity to develop and improve their skills. The third objective is the one I just referred to, where the minister has established national priorities that staff are using across the country. That's where you find the one for skilled trades. The final one is local priorities, and as members around the table are aware, you, as MPs, have input into establishing those.

Mr. Dan Ruimy: Thank you very much for that.

The Red Seals are great, but I don't think we have people at that level yet. That's one of the challenges we're hearing about in committee.

What we're trying to see is how to encourage new people to come into the trades program—I think that's where the challenge is—and if there's an opportunity to use this program to push people into the trades.

Hon. Patty Hajdu: I'll take it first, and then I'll turn it over to my deputy for a few more details.

Yes, you're absolutely right. What we want is more people in the trades. We want more interest in the trades earlier on. We need to reverse the generational stigma around pursuing a career in the trades. This is obviously a burning desire for me as the Minister of Employment, Workforce Development and Labour, but also as the mom of a young man in trades. Trades are some of the best middle-class jobs in our country. There's a shortage of skilled workers for 65,000 trades positions in our country.

Obviously, the previous government didn't invest in unions. As a matter of fact, they introduced a whole bunch of union-busting legislation. They were no friends to organized labour or to the trades, so for us, this is about reversing that. We're doing that by ensuring that we invest in the women in apprenticeships model, so that we bring more women into the trades, by investing in pre-apprenticeship strategies, so that we can get people into the idea of trades before the apprenticeships, and by investing in union training. We know that unions actually do some of the best jobs in terms of training the next generation of skilled tradespeople, whether it's for equipment or innovation, in terms of bringing people into union-based trades.

We are going to continue that work. We have more to do, for sure, but I think we're on the right trajectory now. We're talking about the trades in a more positive way. We're working with organized labour. The skilled trades unions are an important partner in this country, not just to build up the next generation of skilled tradespeople but also to protect those good-quality middle-class jobs we talk about all the time.

• (1345)

The Chair: You have 20 seconds.

Mr. Dan Ruimy: I'll take the 20 seconds.

Actually, in my riding of Pitt Meadows—Maple Ridge, we have the International Union of Operating Engineers. We had an investment of just over half a million dollars for a brand new crane, which cost over \$1 million. Inside the crane, you'd think there would be all these levers, but actually, you need trigonometry. You need to have the skills that are not necessarily considered with the trades. We have a way to go with that. When we look at the equipment and the progress of where we need to be, I think these types of programs would be great for moving our country forward.

The Chair: Thank you, Mr. Ruimy.

Mr. Diotte, you have six minutes, please.

Mr. Kerry Diotte: Thank you, Mr. Chair.

Minister, I was just reading a report on Bloomberg. It was from the Paris-based Organisation for Economic Co-operation and Development. It's the same organization that has concern about the SNC-Lavalin affair, so I think everybody knows it. They're calling for quite a severe.... They're warning that a global outlook.... They've downgraded their outlook globally again from a predicted growth of 1.8% to 1%. They have a very gloomy outlook.

What does that do for any of the spending that's going to be done here in Canada?

Hon. Patty Hajdu: Thank you, MP Diotte. I will say that we will do the exact opposite of the Harper Conservatives during the recession, when they had an opportunity to actually change things for Canadians. We'll continue to invest in Canadians. We'll continue to invest in their ability to be resilient, to ensure that whatever comes our way as a country, we have skilled people with opportunities to reskill if their sector is impacted.

We will ensure that everybody has a fair chance so that we have more people in our workforce generating great ideas, leading the world in terms of innovation. I'm excited about the opportunity to ensure that people in this country feel that they and their children

have a fair chance, and that no matter what is happening in the global outlook, Canada is strong and prosperous and has the people power we need.

I think the deputy has a few other words to say.

Mr. Graham Flack (Deputy Minister, Employment and Social Development, Department of Employment and Social Development): The downgrades by the OECD and the IMF largely reflect changes in emerging markets, like China, that have had a significant impact on the downward trajectory of the estimates. There have been a number of downgrades that have emerged as a result of this.

I'd say that Canadian job growth stands in contrast to that downgrade. From a departmental perspective, the programming is very much focused on how we deal with one of our biggest challenges, which is actually the inability to fill the number of jobs we have. The efforts, including the items you see in the supplementary estimates, are about helping us to reduce those kinds of mismatches so that we can have the highest percentage possible who are employed. You are correct in identifying that global headwinds, in terms of economic growth, have stiffened in recent months.

Mr. Kerry Diotte: There's another Bloomberg report that talks about home values, which fell in Canada for the first time since 1990, which is a huge blow. We heard from some home builders earlier. It's very grim news on that front.

That same report talked about how business investment fell by 5.9% in the final three months of 2018 in Canada and is expected to be very weak, especially because of the energy sector. There's concern in this report that we're losing billions of dollars from the energy sector. It's fleeing the country. It's not coming back, and without that money—

• (1350)

Mr. Wayne Long: A point of order, Chair.

The Chair: Excuse me. We'll pause your time for a second, Kerry.

Mr. Kerry Diotte: —how is any of this spending going to take place when—

The Chair: Kerry, I need to interrupt you for a minute. We've paused your time. Mr. Long has a point of order.

Mr. Wayne Long: Mr. Chair, to be fair, I think this is outside the scope of the committee's mandate and questions for the minister.

The Chair: We'll let Mr. Diotte ask his actual question. I would remind him that we are here to talk about estimates. I know that we've been all around the map, but to at least stay within the minister's mandate would be good.

We'll restart your time and let you get back to it.

Mr. Kerry Diotte: The minister was talking about the 900,000 jobs, etc., and I'm simply pointing out from secondary sources that all is not that rosy.

The question is, given the fact that money is fleeing from this country, especially in the oil patch, and there's no conceivable date as to when the next pipeline is going to be built, how are you going to pay for all of this?

Hon. Patty Hajdu: MP Diotte, I will say that you're right. We have created, together with Canadians, 900,000 jobs. We've set the table so that Canadians have the confidence to create those jobs, and it's created a new problem, which is a severe labour shortage all across the country in a variety of different ways. When I visit with my Quebec counterparts, for example, and the only thing we talk about is the labour shortage, that's when I know we have a crisis of keeping up, quite frankly, and making sure that our businesses have an opportunity to grow.

I will say that a whole bunch of things are going into that labour shortage. Obviously, we have an aging population, people who are getting older and wanting to retire and people who are retiring. We're sort of at the apex of the baby boomers retiring. We have a lower birth rate, which means that fewer people are entering the workforce over time.

Also, we obviously have challenges around recruiting people for these jobs, people who can fill these jobs, people with the skills that employers are looking for, which is why the work we're doing in terms of my portfolio is so incredibly critical. If we do not ensure that every single person in this country has the opportunity to fully skill up to their best potential, then we are doing our employers a huge disservice, not just now but into the future, because it will actually retard their growth. They will not be able to grow their businesses. They will not be able to innovate in the same way that they want to. They will not be able, in some cases, to keep their businesses open.

I will end on this. You know, Mr. Diotte, your party has an incredibly negative message around the value of immigration and that is not helping employers all across this country—

Mr. Kerry Diotte: Mr. Chair, on a point of order, that has nothing to do with this.

Hon. Patty Hajdu: —as they seek to find new people.

Mr. Kerry Diotte: This is completely off topic, Mr. Chair.

Hon. Patty Hajdu: I would say that one of the answers—

Mr. Kerry Diotte: Mr. Chair, I didn't open—

Hon. Patty Hajdu: —to actually solving our labour shortage is a robust and healthy immigration strategy.

The Chair: I have to cut you off anyway, because that is your time.

We only have time for one more question, but let's try to keep it relevant, guys, to the minister's mandate.

MP Sangha.

Mr. Ramesh Sangha: Thank you, Mr. Chair. I will share my time with MP Dan Ruimy.

Minister, thank you very much. With your team, you've given very good input regarding employment. During your answer to one question, you told us that there is a shortage. You agree that there is a shortage of manpower.

In my riding of Brampton Centre, we have seen that SMEs are suffering from a critical shortage of manpower. You also agreed that students have the education, but they don't have the skills.

Employers don't want to hire them because they can't give them proper training. Once they train them, they leave and go away. There is a critical shortage. What are you doing for that?

Hon. Patty Hajdu: MP Sangha, I will say there is not one silver bullet solution to the labour shortage. I think part of it is what I have in my portfolio, which is making sure that more people have an opportunity to access skills training and paid work experiences whenever possible. You're right that employers often don't want to take a risk on a young person or a person with new skills who hasn't tested them in the workplace. We have to help support employers to take that risk. That's why things like the student work placement program—60,000 of them across the country—is so critical to making sure that employers have the confidence that they can hire a student, that the students have the confidence that they can get a job in their sector and that we play a bit of a role of matchmaker as the Government of Canada making sure people land in their sectors fully skilled up.

We have to make sure that older workers who have been out of school for a long time have the kinds of financial support they need. Older workers benefit when people can actually have extra financial supports through grants, whether to take care of their children or to help pay for some of the bills that we acquire as older people, and take the chance to go back to school. As a matter of fact, that's a very personal story for me because I didn't graduate until I was 28, and it's a very hard thing to do to go back to school when you have children who are financially dependent on you. We want to make sure that we clear the way for those older workers who have been out of school for a while and that people have an opportunity to see themselves as students again or gain skills that are going to help them move forward on their earnings.

Quite frankly, we also have one of the fastest-growing populations in our country, and that's indigenous young people. The indigenous population is really the only place where we see high birth rates and an opportunity to actually tap into those indigenous young people and ensure that they have skills earlier on, that they have a career path and that they can actually match up their skills and their training with the available jobs in this country. I think that would be also an opportunity for employers.

Finally, and I mentioned it to MP Diotte, we have to be very protective of a robust immigration strategy because, quite frankly, we just are not growing enough people to meet our labour shortages across the country.

Thank you.

• (1355)

Mr. Ramesh Sangha: Thank you, Minister.

Mr. Ruimy.

Mr. Dan Ruimy: Thank you very much.

I'm going to jump back to summer jobs again. I know that over the last year there was a lot feedback coming in through surveys. I know we got a better return on the surveys. From all these consultations one of the things that came out was that you no longer have to be a student to actually qualify because it puts them at a disadvantage. For the disadvantaged ones, it's not fair.

Looking at that, can you share with us what the future holds for Canada summer jobs perhaps year round? What are your thoughts? What have you been hearing? What's the next evolution?

Hon. Patty Hajdu: I wish I could speak for the future, but I can't. I will say, though, that the changes we made this year are critical to making sure the program is accessible to as many young people as possible. You're right. We did survey employers and youth on their experience with Canada summer jobs 2018, and 89% of participants and 78% of employers were satisfied or very satisfied with the program, which means that it's beloved by both employers and the people who are taking advantage of it as young people.

Based on feedback, we decided to make it more accessible, to your point. You know, I will say that it really warms my heart that some of the strongest advocates for opening up this program to people besides students were the young people themselves, who worried about their friends who were not in college or university or going back to another full-time year of study. They said it's great that they get to take part in this, but they really wish their friend down the street who's not going to school next year could take part in this program as well. Youth continue to advocate for each other, which is truly quite remarkable.

Also, Canada summer jobs this year will be posted online on job banks, because one of the things we heard was that sometimes you have to be in the know, especially in smaller communities like mine.

If you know someone in a small business, you might be the first person to get the job, or maybe the job isn't posted. This year, all the jobs will be posted online. Students will be able to look across the country to see what jobs are available in their communities but also in other communities, if they're interested. I have a lighthouse in my riding. It's a pretty neat experience. The students get to spend the six to eight weeks out at the lighthouse. Students from all across the country apply for an opportunity to take part in that Canada summer jobs program.

We also made sure that we'll continue to ask for this feedback. Next year we'll be asking for feedback again, and to your point, MP Ruimy, that's when we have the opportunity to continue to evolve the program. As we get feedback from participants and employers, I think it's our obligation as legislators to look at how we can improve it continually year over year.

Mr. Dan Ruimy: Excellent, thank you.

The Chair: Thank you very much, Minister. That takes us to the top of the hour. I want to thank you for coming back and spending a little more time with us and sharing with us some information on a subject which I know a lot of people around this table have a passion for.

Committee members, I just want to remind you that the next meeting will be on March 21. It will be the first meeting on M-194 with officials and MP Sheehan. On April 2, we will have the first set of witnesses for M-194.

Thank you very much, everybody. Thank you to my colleagues, to the folks to the left and the right, the folks in the booth and the tech people who made today's meeting possible.

The meeting is adjourned.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <http://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante : <http://www.noscommunes.ca>