



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Finance

FINA • NUMBER 028 • 2nd SESSION • 41st PARLIAMENT

EVIDENCE

Thursday, April 3, 2014

—
Chair

Mr. James Rajotte

Standing Committee on Finance

Thursday, April 3, 2014

• (1530)

[English]

The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)): I call this meeting to order. This is meeting number 28 of the Standing Committee on Finance. Our orders of the day, pursuant to Standing Order 108(2), are for the study of youth employment in Canada.

We have five witnesses with us here this afternoon. I want to thank all of you for joining us here at the finance committee.

This will be the order of presentation. We have Mr. Christopher Smillie, senior adviser, government relations and public affairs, with the Building and Construction Trades Department, AFL-CIO. We have the president of the Canadian Teachers' Federation, Ms. Dianne Woloschuk. We have the national president of the Canadian Union of Public Employees, Mr. Paul Moist. We have, from Restaurants Canada, here under their new brand, the executive vice-president, government affairs, Ms. Joyce Reynolds. From the Royal Bank of Canada, we have the vice-president, RBC learning, Ms. Susan Uchida.

Welcome to the committee.

You all have five minutes for your opening statements.

We will start with Mr. Smillie. We'll proceed down the row, and then we'll have questions from members.

Mr. Christopher Smillie (Senior Advisor, Government Relations and Public Affairs, Building and Construction Trades Department, AFL-CIO): Thanks very much.

My apologies in advance, members of the committee and fellow witnesses, I'm dragging a bit from Politics and the Pen last night. I'm a bit nasal due to the red wine consumption.

Thank you for the invitation. The Canadian building trades represent skilled trades workers across Canada in every trade you could imagine, with close to 550,000 members from coast to coast. We received the invitation to talk about youth employment, and it is an issue dear to our hearts.

Youth employment in Canada is a complex issue. I'll try to give you a bit of a tip-of-the-spear view from our organization and some of our collective experiences in construction. I'll share with you some of the things we learned recently as participants on a study tour to Germany and the United Kingdom. I do notice, from your witness list of previous meetings, that some of those delegation members have spoken already, so I'll spare you most of the gory details of the trip.

If I were playing a word association game, the first thing that would come to mind when faced with the phrase youth employment is training. Training, employment, and ultimately success are all inextricably linked. Show me a group of young people with little or no access to the right kind of training, and their employment prospects aren't hard to decipher. Show me a group of young people with access to information about training options and actual training for actual jobs in the economy, and the story is quite different.

Employment and prospects for employment all rest on the education and training available for consumption. The way in which these training opportunities are intertwined with industry is the linchpin. In law, you need an LL.B. to be a lawyer. In the skilled trades, you need a J-O-B.

Here are some quick public policy measures we think would drastically improve youth employment prospects in Canada.

We need to incent companies to hire apprentices. In construction, in our universe, fewer than 20% of companies hire apprentices. The business case is clear for apprentices. Companies can make more money on apprentices than they can on journeypeople. The margins are higher on those employees, and then they can charge their clients more money to have apprentices on site.

In terms of opponents who say that investing in young people is pointless because of poaching or because their company is too small to be able to train, it's all bogus. If the work is good and the people are properly trained, no one is going to leave over a \$2-an-hour increase to go to another employer. People stay at jobs because of a company's investment in their development. Research shows that employee engagement and retention increases with investment in the people side of your business, a self-fulfilling problem around poaching.

Following are some of the key learnings from Germany, as part of the delegation.

One of the things that I found most interesting was that small companies join together in a consortia led by the chamber of commerce. These consortia and the chamber of commerce have a role to train young people and a responsibility to train young people and to plan. We think this kind of concerted effort in Canada is needed, by either the Chamber of Commerce in Canada or some other group that could add value to the system by taking the lead, much like is done in Germany—something that's easily implementable into our system in Canada.

The second thing we noticed in Germany is that there are government-funded trainers who ensure that the knowledge from journeypeople—they call them *meisters* in Germany—to apprentices is transferred properly. In construction, journeypeople aren't necessarily teachers. They're the people who have worked their way up through the ranks. They have the skills and they have the licences, but they're not necessarily good at transferring skills to other people.

I hope you guys didn't hear this yesterday.

Did you know that in Germany 50% of young people go the skilled trades route, and 50% go the academic route? There are off-ramps between the systems for kids as they move through the system

• (1535)

The Chair: You have one minute.

Mr. Christopher Smillie: If one of the streams isn't working they can move back and forth. In Canada this mix is more like 15:85, so 15% go into skilled trades.

We have about 100,000 apprentices in the building trades system right now in Canada. They're working full time. They're making \$30 an hour, and as they move through they get 10% to 15% increases. We can't get companies to take on more of these kinds of people. There are 85,000 construction companies in Canada and this doesn't include two or three-person shops.

For every apprentice who we took on with one of our employers, there were four people who didn't get a spot. Imagine those people reading the newspaper about a skills shortage or about skills mismatches in Canada. So for every one we took in, there were four people we turned away.

We'd like to see a change to the way the education system is managed in Canada. We need outcomes linked with the job market and linked with the economy, not training for training's sake. We need a central government to hold the provinces to account for the funding that they get. I can address some of these thoughts in questions as we move on.

Thank you very much.

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

We'll go to Ms. Woloschuk please.

Ms. Dianne Woloschuk (President, Canadian Teachers' Federation): Good afternoon.

On behalf of the 17 member organizations of the Canadian Teachers' Federation, who together represent more than 200,000 teachers, I thank you for the opportunity to present this brief.

As a teacher, I have worked for 30 years in Saskatchewan secondary schools. Many students I worked with were employed part time while in school. Some of them were sure of what they wanted to do in life, while others really didn't know and needed guidance and support.

I'm also a mother of three children, one of whom just started his first job in the field of his choosing, though it is part-time. He works a second job to be able to make ends meet. Our second son and our

daughter are both still in university. The current context of high youth unemployment and underemployment in Canada gives my husband and me reason to be concerned about them and their future.

The statistics are worrying: a 13.7% average youth unemployment rate in 2013, 2.3 times the rate for workers aged 25 to 54, which is the second largest gap since 1977; underemployment as a growing problem, calculated by the Canadian Labour Congress for the 15 to 24 age group at 27.7%, more than double the reported unemployment rate; and increasingly, available jobs that are precarious, temporary, and with lower wages and few or no benefits.

Young Canadians are struggling to find meaningful work that pays well and enables them to live productive lives. All people should be able to earn a living wage. In my profession, for example, in certain parts of the country it can take as long as five years of precarious employment on temporary or part-time contracts before a young teacher desiring full-time permanent employment attains it. Even where work is available, other factors may come to bear on accessibility of employment. For example, in the north you may find work, but there's no available housing.

Education has an obvious role to play in assisting children and youth to develop a set of skills that will serve them well in their future work and personal lives. Educational attainment has a direct bearing on a host of indicators of success, including good jobs, better health, more stable relationships, and low rates of incarceration.

Canadian students have the benefit of a high-quality publicly funded education system that has performed consistently at a high level on international measures such as the Programme for International Student Assessment, conducted by the OECD. Canadian students are leaving secondary school with a fundamental flexible skill set in critical thinking, problem solving, research skills, and lifelong learning.

On Tuesday of this week, *The Globe and Mail* reported that Canadian students ranked first among their English-speaking peers on a PISA international test of problem-solving abilities. According to Alberta Education Minister Jeff Johnson, who chairs the Council of Ministers of Education, Canada, "The report also confirms that Canadian 15-year-olds who do well in problem solving also tend to do well in the core subject areas, suggesting that how mathematics, reading and science are taught in Canadian classrooms prepare students well to solve real-life challenges".

In the future, Canadians will be well positioned to adapt as the economy generates new types of work. Canadian youth is well prepared for work, but there has to be work for them. Employers must be willing to take up where the education system leaves off, with paid training, opportunities for apprenticeships, and other types of opportunities for the specific work they need as employers.

The CTF therefore makes the following recommendations.

First, that the Canadian government develop a national job creation strategy with an emphasis on addressing the unemployment and underemployment of youth. This strategy must be developed in partnership with employers and labour organizations and consider a broad range of social programs, including the elimination of unpaid internships as part of the solution to youth unemployment and underemployment.

Second, that existing and newly developed statistics from Statistics Canada be utilized to depict more accurately the true nature of unemployment and underemployment, based on internationally recognized standards of measure.

Third, that changes be made to the employment insurance program and other government job-related programs to increase access and availability for youth, including explicitly connecting youth to industries seeking workers and enhancing funding for apprenticeships and other paid job training.

Thank you.

• (1540)

The Chair: Thank you for your presentation.

We'll now hear from Mr. Moist, please.

Mr. Paul Moist (National President, Canadian Union of Public Employees): Thank you, Mr. Chairman.

Let me begin by commending the committee for taking on this subject matter. It's CUPE's privilege to represent about 625,000 Canadians, tens of thousands of younger workers in all aspects of the public service. We think the public service is a viable option for young Canadians who aspire to it.

The committee has heard in your previous meetings all of the statistics in every corner of Canada. Youth unemployment rates are two and a half times larger than the measured unemployment rate, and it's argued by some that underemployed youth exceed the number of officially unemployed youth.

As my colleague just said we don't know how many unpaid internships there are in Canada. Recent literature pegs it at between 100,000 and 300,000 unpaid internships. The vast majority would be younger workers in those internships. TD Economics puts a huge price tag on this, 1.3% of GDP for youth unemployment and \$20 billion annually. It should be an issue for all Canadians, including trade unions.

What is government to do about this? We have four brief things to say and we'll be open to any questions.

First, provide better employment opportunities for young workers within government where possible and don't seek to create a two-tier federal public service.

Second, don't take away job opportunities that would otherwise go to youth through other labour market policies or through lack of other important social programs. By that we mean there are many aging workers staying in the workforce because they don't have access to a viable pension plan. *The Globe and Mail* has joined us along with most others in saying that an expansion of the Canada

pension plan would allow for people to ease out of the work market and free up some of those jobs for young workers.

Before Mr. Carney departed for the U.K., he had a lot to say about the temporary foreign workers program—specifically, what it was never intended to do. It wasn't intended to subsidize any employer in Canada with low-paying jobs.

Third, provide proactive national labour force planning and training to generate quality jobs in collaboration with industry, labour, educational, and research organizations.

We want to acknowledge and compliment the federal government. There have been some positive moves to expand financial assistance available for apprenticeships through grants, the apprenticeship loan program, and tax measures. We collectively as a society, including the federal government at all levels, need to do something to enable all students to get qualified and educated, including the cost of tuition fee in post-secondary settings.

The federal government should provide funding for organizations that support long-term collaborative planning. We've seen the elimination of sector councils, the Canadian Council on Learning. In the long run we see this as counterproductive.

Lastly, Mr. Chairman, federal and provincial governments should increase direct support for youth employment. Federal funding through the youth employment strategy should be expanded.

Canadian governments could consider providing young workers with a youth guarantee. We're reading things about the European Council guaranteeing \$6 billion for a Europe-wide youth guarantee. Austria has been the first jurisdiction to put pen to paper. This is worth reading and considering as a society. It might seem to be expensive—\$10,000 per young worker—but I think it pales in comparison to the price we're paying for youth unemployment. The European initiatives are well worth our considering here in Canada.

Thank you, Mr. Chair.

• (1545)

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

We'll go to Ms. Reynolds now, please.

Ms. Joyce Reynolds (Executive Vice-President, Government Affairs, Restaurants Canada): Thank you.

I'm very pleased to appear before you today, for the first time, on behalf of Restaurants Canada. As Chair Rajotte mentioned, I've represented the industry many times before this committee with the Canadian Restaurant and Foodservices Association, or CRFA, and we're very excited to have a new look and new name. We still represent one of the largest sectors of the Canadian economy with \$68 billion in sales and over 1.1 million employees. That's more than fishing, forestry, utilities, mining, and agriculture combined. An additional 257,000 people are indirectly employed as suppliers to the industry. Our 30,000 Restaurants Canada members include independents and chains in full-service and quick-service restaurants, caterers, pubs, and institutional food service providers in schools, hospitals, and other institutions.

Restaurants provide more first jobs than any other industry; 22% of Canadians got their career start in the food service business. No other industry helps more students to pay their way through school, or works with more young people to develop valuable job skills. Canada's restaurants currently employ nearly 488,000 young people under the age of 25; that's one in five youth jobs. Restaurants are a great training ground for all careers. These jobs teach the soft skills valued by employers that may be more important to a young person's career and working life over the long term than some occupational skills, things like dependability, communication, personal responsibility, teamwork, as well as problem solving and creative thinking. Our industry provides that all-important first step on the career ladder for thousands of Canadians.

According to a recent Statistics Canada study entitled "Unemployment Dynamics among Canada's Youth", a significant proportion of unemployed youth are people entering the labour market for the first time, most often after having completed their education. These young people have never worked and most often experience a period of unemployment of varying duration before finding a first job. In 2012, more than 28% of unemployed young people between the ages of 15 and 24 were youth who had never worked. The point is that you cannot underestimate the resumé-building experience that jobs in the restaurant industry provide. Youth who gain work experience while studying are more likely to find employment, whether it is in another field or advancement in my sector. There are many career paths in the restaurant industry, from chefs to accounts to owners to CEOs.

So how do we improve youth employment outcomes? I have a couple of recommendations. Restaurants Canada members have consistently identified payroll taxes as an obstacle to job creation because they are a tax on jobs, but they are also the most regressive form of taxation. Those individuals at the lowest end of the payroll scale pay the highest amount proportionately. Young people under the age of 25 make up a high percentage of low-earning Canadians. This is because they tend to receive lower wages until they have built up work experience and skills. In addition, they often prefer flexible arrangements, such as part-time shifts, as they balance their work and education.

Young people under the age of 25 are the most vulnerable to the vagaries of high payroll taxes. They are the most likely to get passed over for jobs and suffer an above-average share of job losses. The regressive nature of payroll taxes contributes to their woes by providing a disincentive to hire them because the tax rate, compared

to their wages, is disproportionately high. Canadian youth suffer from an unemployment rate that is consistently more than twice as high as the adult unemployment rate. In February 2014, it was 13.6% compared to 5.9% for those over 25.

As a result, Restaurants Canada proposes a youth new hires program to replace the hiring credit for small businesses that was in place in 2011, 2012, and 2013. This would mean that employers could receive an EI premium tax credit for the payroll of new hires, 25 years of age and under, when measured against their payroll for youth in the previous year. A more long-term solution would be a year's basic exemption in the employment insurance program, modelled after the year's basic exemption in the CPP program. It is a cost-effective way to provide targeted payroll tax relief to the groups most punished by this form of taxation: entry-level workers and labour-intensive businesses. At the same time, universal application makes it fair and easy to administer.

The YBE refers to the annual earnings level in which premiums are not applied, and could be in the range of \$2,000 to \$3,000. The timing for the introduction of a YBE is excellent since the EI fund is scheduled to be in surplus by 2015. It would assist employers in expanding payroll to provide more young people with entry-level positions and retain them in these jobs.

• (1550)

To conclude, restaurant jobs are often portrayed as being inferior or less valuable to society than other jobs are, when in fact they provide long-term career opportunities and a springboard to careers in other fields.

I have two United Way ads here. We need policies that reflect this vision of the restaurant industry and not this other vision. I'm going to pass these ads around.

If you see our jobs as a training ground and a gateway to opportunity, please consider our recommendations for modifications to the EI program.

The Chair: Thank you very much, Ms. Reynolds.

We'll hear from Ms. Uchida now, please.

Ms. Susan Uchida (Vice-President, RBC Learning, Royal Bank of Canada): Thank you.

Good afternoon, Mr. Chairman and members of the finance committee.

Thank you so much for inviting me to appear before this committee on youth employment.

I'd like to begin my presentation by sharing three key findings from an August 2013 Ipsos Reid poll of recent university and college graduates that RBC commissioned. In it, 73% of graduates surveyed said that a lack of job experience was a barrier to them finding their first job; 77% said that lack of connections and a network was a barrier to finding their first job; and among those who found work, nearly half of recent graduates indicated that having applicable job experience helped them in starting their career.

These facts clearly show that making the transition from a formal education to finding meaningful work and making a contribution in the workforce present many challenges to young people today. Resolving this challenge will require a concerted effort by many of us to commit to youth employment.

At RBC we believe in investing in today's youth. RBC's five-year, \$100-million Believe in Kids pledge supports a wide range of programs for developing well-rounded kids and youth in Canada. We have a strong record for hiring youth. We hire more than 2,400 youth annually into permanent positions, and we provide more than 900 internship, co-op, and summer experiences every year.

Today I am proud to present a new program that complements what we already do to address youth employment, which is a year-long paid internship opportunity RBC has created for recent graduates, called the RBC career launch program. We believe this intensive program will help solve the no-experience, no-job cycle that's facing so many young graduates today.

First I'd like to outline the structure and format of the career launch program, and then I'll describe three key ways it will help recent graduates find meaningful employment.

RBC is offering 100 paid internships to recent college and university graduates aged 24 and under, from any program or discipline. In our first year we have positions in four provinces and 13 cities across Canada. The internship is 12 months long and designed around three rotations. First, a six-month rotation is intended to provide a core customer sales and service experience in our retail banking branch network. Next, a three-month rotation is a unique part of our program. Participants, as contract employees of RBC, will be assigned and dedicated to a local Canadian charity chosen by RBC. Finally, a three-month rotation provides hands-on experience in a professional corporate environment.

Participants in the program will work on a variety of project-based assignments and gain exposure to the wide variety of roles in our functional group, such as finance, HR, and operations, roles that exist in large corporations today.

Now that I've explained the structure and format of career launch, let's look at how we attempted to solve the education-to-employment challenge I outlined earlier. It does so in three ways. First, it helps participants gain business skills such as collaboration, communication, and critical thinking. It accomplishes this through work experiences that demand these skills, as well as providing dedicated mentorship and support. Second, it gives them access to a network and an ability to build relationships with seasoned and influential professionals. Third, it gives them exposure to and practical hands-on work experience in retail banking, in the not-for-profit sector, and in a large corporate setting.

Ultimately participants in this program will be able to point to a meaningful experience that's comprehensive, that helps them personally to make decisions about their careers, and that is attractive to future employers.

Our enthusiasm for the program was definitely shared by Canada's youth. We received nearly 5,000 applications over a two-week period, and through a robust selection process we hired 100 recent graduates who started with us on January 27.

In summary, the RBC career launch program helps resolve a key challenge facing recent graduates—finding their first meaningful employment. We certainly realize that 100 internships alone won't solve the challenge, but it was important for us to take the first step in getting there. We encourage other organizations in the public and private sectors to join us in this endeavour to instill confidence and enthusiasm for young graduates entering the workforce.

We would be happy to share all elements of the program publicly.

We look forward to making a positive impact on youth employment in Canada and to supporting tomorrow's leaders.

I thank you again sincerely for the opportunity to speak with you today.

• (1555)

The Chair: Thank you very much for your presentation.

Colleagues, we'll begin members' rounds.

[*Translation*]

Mr. Dubé, you have the floor.

Mr. Matthew Dubé (Chambly—Borduas, NDP): Thank you, Mr. Chair.

I would like to thank the witnesses for being here today.

Mr. Moist, you spoke about pensions. At the last meeting, we heard a little bit about this matter of two-tier pension systems for young people. It is an increasingly evident problem.

Do you think this kind of pension worsens the situation of underemployment insofar as young people want to prepare for their retirement and are willing to take jobs that don't pay as well? What do you think about that problem?

[*English*]

Mr. Paul Moist: Thank you very much for the question.

In the whole pension debate, we reject the notion that this is a payroll tax. Pension contributions by workers and employers throughout their lives are not a payroll tax, it's deferring a portion of one's wages for the inevitable, when we all retire. That's the first point.

Secondly, the notion that the economy in Canada could not withstand a CPP premium hike—we say CPP, because there won't be a private-sector solution to the sponsorship of defined-benefit plans—that it would be injurious to the economy.... That did not happen when Mr. Martin increased premiums to stabilize the fund in the late nineties, and there's new evidence that the government is in possession of that. That wouldn't be derelict to the economy right now.

There are two separate issues at play here. Do we want to take positive steps to arrest youth unemployment, and secondly, throughout our working lives... Somebody mentioned before we started today the financial literacy task force that was chaired by the former head of Sun Life, his name escapes me right now—Don Stewart. I appeared in Winnipeg in front of him.

We think it's a prudent move, a conservative move. It's fairly radical to think that people should start working and at age 40 start thinking about retirement. We're much more conservative in the trade union movement. We believe there should be no debate that all of us should start saving for retirement from the day we begin working, with a contribution from ourselves as workers and a contribution from employers.

A separate issue is the shockingly high rates of youth unemployment, and we think other measures need to be happening.

The last thing I'll say is that we bargain on behalf of young workers. They don't have the same benefits as full-time workers, but we like to bargain for a living wage for young workers. In Gatineau, we went to the Quebec labour board and asked why 1,200 swimming instructors could not be represented by CUPE. We succeeded in front of the pay equity tribunal in Quebec. They went from \$10 an hour to \$18 an hour, and \$18 an hour is not an extreme wage for the certifications required to be an instructor, and secondly to pay for university.

Mr. Matthew Dubé: What has your experience been with wage scarring? The one study that keeps coming back on that impact is from TD Bank. It talks about the plight of young workers. Have you folks in CUPE seen that more and more with the unemployed, particularly the wage scarring and the long-term consequences of that, whether it's related to pensions or just the basics of young people buying homes and starting families, and all those things that strengthen our communities?

Mr. Paul Moist: I think it takes a lot longer to get started nowadays, and as my colleague from the building trades said, the worst thing that can happen to any of us, whether you're a middle-aged worker or a young worker.... Everything I've read in three decades of doing this for a living.... If somebody is injured and we cannot reintegrate them back to work and they go a year or two without being at work, it's 10 times as hard to reintegrate them.

The European example that I spoke of earlier talks about a guarantee. Their youth unemployment situation is arguably worse than ours, and I don't know much about it—I've just tried to prepare for today—but the youth guarantee in Europe, four months after leaving school or losing a job, people under 25 should receive a good quality offer of employment, further education, or an apprenticeship or traineeship. Where did they come up with four

months? It's because every day that you're not working after that mark, it's harder to get you back to work.

• (1600)

Mr. Matthew Dubé: We're talking about reintegration. When you say it's been a year or two that someone hasn't been working and how difficult it is to reintegrate them, does that philosophy apply as well to a recent graduate? Is that a correct understanding of what you're saying?

For someone who just graduated, let's say, and for a year or two they're underemployed essentially because there's nothing available, there's a degradation of skills. We've heard about that problem from other witnesses. Is that a similar phenomenon to, for example, older workers who have been injured and have to reintegrate into the workplace?

Mr. Paul Moist: I think it is. It has not been studied as much in Canada as it should be, but 10% of CUPE members work in a post-secondary setting, many of them teaching classes. At York University, where we had a strike, unfortunately, for 13 weeks, 58% of the teaching is done by CUPE members who are teaching assistants and can't get tenured positions. The average wage is less than \$30,000 a year. That's 58% of York's teaching, and York is a renowned institution. The 65,000 CUPE members who work in universities across Canada are not all teachers, but many of them are. It's taking them longer to get started in life.

[Translation]

Mr. Matthew Dubé: In wrapping up, Ms. Reynolds, you spoke about changes to employment insurance based on the needs of your sector. Perhaps I missed something, but I'm not sure I understand what your specific requests were. Could you expand on that quickly?

[English]

Ms. Joyce Reynolds: What I'm referring to concerning the youth hires program is very similar to what was in place for the small business EI credit. If you were to hire additional employees and you were under a certain size of business and in the next year you increased your payroll over that of the preceding year, you would get a credit. I'm suggesting that this be applied specifically to youth, so that if you increase the number of youth on your payroll from one year to the next, then you get a credit.

The other is the year's basic exemption, which already exists in the Canada pension plan. Right now, if you make \$2,000 per year, you can get your EI premiums back through your income taxes. Only 23% actually do. With the year's basic exemption, if you make \$4,000 per year, then you only pay premiums on \$2,000, rather than

The Chair: Thank you.

I'm sorry; we're over time.

Colleagues, I'll just remind you that we are extending round time today, but let's make sure we leave enough time.

Ms. Reynolds, we will come back to this, I'm sure. I know that other members will ask that.

Mr. Saxton, please.

Mr. Andrew Saxton (North Vancouver, CPC): Thank you, Chair.

Thanks to our witnesses for being here today as well.

My first question is for Dianne Woloschuk, from the Canadian Teachers' Federation.

Dianne, in your opening remarks you suggested that we consider eliminating unpaid internships. If we were to eliminate unpaid internships and those positions were not replaced with paid internships, aren't you concerned that youth might miss an opportunity to get valuable experience?

Ms. Dianne Woloschuk: I think they should be replaced by paid internships. One thing we would hope to see is employers becoming more involved in that sort of thing.

This isn't directly an internship, but just to give you an example, at the Canadian Teachers' Federation every summer we hire a co-op program student. One thing we became aware of this year was that there were a number of students for whom the program was seeking positions but for whom there were no employers available or willing to take them. We received repeated requests, although we had taken a student already.

It seems to me that those kinds of opportunities for young people need to be available. In my experience from the programs that we have at the secondary level in school, whereby students are participating in work experience kinds of programs, the employers usually are very pleased with the work the students do. To participate in those programs is great experience for the students. It often leads to employment for them, and generally it creates a lot of excitement among young people too, particularly those looking for trades education.

So I would suggest paid internships.

• (1605)

Mr. Andrew Saxton: You said that you think they should be replaced, but there is no guarantee that they would be replaced and there's a good chance that many of them would not be.

Listening to what you have to say, then, I gather you're very much in favour of the Canada job grant, because it is going to be offering opportunities for young people.

Ms. Dianne Woloschuk: Apprenticeships...yes.

It seems to me that the kind of question you're raising would connect to the first recommendation we made, which has to do with developing a national strategy to address youth unemployment and underemployment. These are the kinds of matters that I hope could be addressed in such a strategy.

Mr. Andrew Saxton: Thank you.

My next question is for Susan Uchida from RBC Learning.

Susan, in your opening remarks you talked about RBC launching 100 new paid internships. I commend you for that. I think it's great news. As you know, we recently reached an agreement with the provinces to go forward with the Canada job grant. This will of course bring the federal and provincial governments as well as business into a partnership for training.

Can you explain how RBC would take advantage of or help to contribute to the Canada job grant?

Ms. Susan Uchida: Well, currently this particular program or indeed any of our internships are self-funded within the organization. They're paid out of the corporate citizenship budgets that we have. We're not participating or requesting funding from any government sources.

Mr. Andrew Saxton: Right, but for skills training within the financial sector... RBC obviously has thousands of employees and requires a lot of training every year. Do you see an opportunity to become involved with the Canada job grant for that training?

Ms. Susan Uchida: It's not my area of expertise, but I would say that predominantly we have managed those experiences through our own funding and our own budgets.

Mr. Andrew Saxton: Okay, thank you very much.

My next question is for Joyce Reynolds.

Welcome, Joyce.

You mention in your opening remarks that young Canadians often get their first jobs in the restaurant industry. I was one of those Canadians, at one time, and I can tell you that I learned a lot of very valuable skills in the restaurant industry. I learned how to serve people, for one. I learned how to deal with different types of individuals—sober people, inebriated people, and others—and skills that have taught me a lot for my job today, actually.

The Chair: Present company excepted.

Some hon. members: Oh, oh!

Mr. Andrew Saxton: It was a good experience, and I can tell you that it's great training for young Canadians.

I want to ask about how the Canada job grant could impact the restaurant industry as well,

Ms. Joyce Reynolds: We have a real variety of jobs in our industry. We have a lot of entry-level jobs, as I've already mentioned, and we have semi-skilled to highly skilled jobs, so it's going to be used by different members in different ways.

We provide a lot of on-the-job training. It's not going to apply to those particular jobs, but for some of our higher-skilled jobs, and our cook and chef apprenticeship jobs, I think it will be very helpful.

Mr. Andrew Saxton: Thank you.

You also brought up in your opening remarks the CPP enhancement that has been proposed by some opposition parties as well as by others who are here today. Paul Moist, for example, recommended an enhancement of the CPP.

Our studies and other people's studies show that this would potentially kill many jobs. In fact, 70,000 jobs could be at stake, from what our empirical studies have shown.

What are your thoughts on enhancing the CPP?

Ms. Joyce Reynolds: As I mentioned in my remarks, payroll taxes have been job killers in our sector, and we have concerns about increasing payroll taxes. Yes, I understand that it is a contribution to retirement funds for the individual, but for the labour-intensive business, there's a significant cost attached to CPP and EI premiums, although I think there are things that can be done to help labour-intensive businesses. I mentioned a couple of them in my remarks.

• (1610)

Mr. Andrew Saxton: Thank you.

Chair, how much time do I have?

The Chair: You have 30 seconds.

Mr. Andrew Saxton: Very quickly, Mr. Smillie, can you tell us about the wonderful things you learned about the German apprenticeship program while you were there with Minister Kenney?

The Chair: Yes, in 30 seconds, tell us about Germany.

Mr. Christopher Smillie: Oh, my time's up. No, I'm just kidding.

Some hon. members: Oh, oh!

Mr. Christopher Smillie: The most important key learning was that not a single bit of training goes on in the German system without an employer at the other end who has already agreed to hire that person. Be it in a high school, a community college, or even at the university level, there are no programs existing that train for no reason. Everything is linked to an employer, and the employers are there with the educators and with the governments determining curriculum and determining what skills will be needed for those businesses.

My time is up.

The Chair: Okay, thank you.

I'm sure we'll return to this as well.

We go to Mr. Brison, please.

Hon. Scott Brison (Kings—Hants, Lib.): Thank you.

Mr. Smillie, what can we do federally to address the issue of apprenticeship completion rates in Canada, and what do you see as the key problem driving it?

Mr. Christopher Smillie: For the benefit of the group, in terms of apprenticeship completion, we have lots of people registering in apprentice programs, but a good number of them aren't finishing. There are really two ways to assist apprenticeship completion. We need to incent these people to move through the system. The apprenticeship incentive grant is good in years one and two. We can easily extend that to year three and year four. Most apprentices in the

country are doing four- or five-year apprenticeships, and that grant doesn't apply to them.

The second issue is mobility. If there's an apprentice in your home province who, for financial reasons, can't get to where the work is in Saskatchewan or Alberta, we ought to try to assist them to get to where that work is. There is a learning advantage and there's an economic advantage. That apprentice in Nova Scotia gets off employment insurance and goes to work and starts paying income taxes right away. Be it through a tax credit or through some sort of grant on EI at the front end, get them to where the work is so they can do their hours. These days hours are interchangeable between provinces, so you could go from Ontario to work in Fort McMurray, and your hours working at Syncrude will count toward your apprenticeship in Ontario.

Hon. Scott Brison: Thank you very much.

Ms. Woloschuk, throughout Canada, I believe, in most provincial systems we're graduating more teachers than there are positions. There's a bit of a mismatch in terms of the current job market and the number of teachers we're producing.

On top of that, we're hearing from a number of groups that have met with the committee, including the community colleges and organizations representing trade schools, that the quality of guidance counselling in schools across Canada is not as robust as it once was. Could you reflect on that for us? It's being proposed that there may be a role for a national government to provide more up-to-date labour market information to help inform the important decisions made by young people—in terms of career and education paths—which is required as a result of the diminution in the quality of guidance counselling.

Ms. Dianne Woloschuk: I can't comment on specific programs in every province, but I can tell you about my own experience in my province. Career education begins in a very formal way when students are in grade 9, but there's also work that's done even earlier. There's a lot of work done in assisting students to develop portfolios, to become aware of the job market, to do the kinds of self-assessment activities where they learn their strengths, what their likes are in terms of the kind of workplace they would enjoy, all of those kinds of things, to try to get them organized to know what type of work they might like to do and what the requirements are for getting into that field.

There's always a need for good information, and if that were available from the federal government, I think that's something that would be valuable for schools to use.

Hon. Scott Brison: Yes, the latest market information from Statistics Canada, as opposed to Kijiji, for example....

• (1615)

Ms. Dianne Woloschuk: Yes. My understanding also is that in a number of provinces, career education has a higher profile and has become a priority. So I think the provinces are also working on that.

Hon. Scott Brison: Thank you very much.

Ms. Reynolds, the Conference Board of Canada reports that the growth in reliance on temporary foreign workers in the food service industry may have contributed to declining youth employment rates between 2008 and 2012. Is that the case?

You've mentioned some public policy changes that may help, but has the growth in temporary foreign workers contributed to a decline in youth employment?

Ms. Joyce Reynolds: Temporary foreign workers represent less than 2% of our 1.1 million workers. The most critical needs, those critical labour shortages, tend to be in western Canada, specifically in northern Alberta. There are pockets throughout the country, but our stress areas are in western Canada, where employers really have no other option. They would welcome youth workers in those communities, but they just don't exist, or they're not available for work in those communities. Yet we have a situation in Toronto where a teenager looking for a job is going to have a hard time finding one in our industry.

So it really varies depending on what geographic region you're talking about across the country.

Hon. Scott Brison: It's a challenge for industry to attract and retain workers in restaurants. Typically, do entry-level employees have pension plans? Are they provided by your employers or not?

Ms. Joyce Reynolds: Again, because we have such a diverse industry, it depends on the position. For most entry-level positions, no, we do not. Part-time employees, students who are saving for and contributing to their education, they're not interested in paying into a pension plan. Some of them—

The Chair: You have 30 seconds.

Ms. Joyce Reynolds: —who are hired have the intention of really only working while they're in school in the industry.

Hon. Scott Brison: One could argue that an expansion of the CPP may help level the playing field and make it easier for your industry to attract and retain employees if they actually had access to a liveable CPP retirement.

Did you say 30, sir?

The Chair: You had 30 seconds.

Mr. Scott Brison: I had 30 seconds.

The Chair: You have about 10 now.

Hon. Scott Brison: I want to commend Royal Bank, but we have to get more companies doing this.

Is there another round?

The Chair: There will be other rounds, but you may not get another round.

Voices: Oh, oh!

Hon. Scott Brison: Tough words.

The Chair: We'll have to leave that as a commendation, and we'll come back.

Hon. Scott Brison: Ms. Uchida certainly hopes I get another round.

Ms. Susan Uchida: Yes.

The Chair: Thank you.

We'll go to Mr. Keddy, please.

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Thank you, Mr. Chairman.

Welcome to our witnesses.

I think for all of us on committee this is has been quite a fascinating study. We're hearing a lot of good ideas. It'll be interesting to try to put this report together.

My question is going to Ms. Woloschuk.

I think we're all in agreement that we have a pretty good and fairly robust education system in the country, but it's not directing students well enough to eventual careers. I don't have a silver bullet for that, but it's a legitimate question. The example that's been used a couple of times, and the community college system, who presented here, has said that 22% of their graduates and 22% of their students are former university graduates. Those young men and women have been directed through their high school education process to university, to a degree that would not give them a job. They had to turn around, take those four years with them—and one can argue that education is not a heavy burden to carry, but it's an expensive one—and then go into the community college system.

They would have been much better off, quite frankly, to go into the community college system at the beginning of their career, and then be able to use those two years that they graduate with towards an undergraduate degree, if they decide to go back and get one. The system's just backwards.

How do we go about fixing that?

• (1620)

Ms. Dianne Woloschuk: I would say the purpose of the elementary and secondary public education system is to provide students with a set of skills that they can use in any area of study that they choose to pursue or any workplace. In terms of some of those I mentioned, problem solving and critical thinking, and all of those sorts of things, some of the information that we've received in recent years has been that students need to have that basic skill set because they may end up changing completely the type of work that they're doing over the course of their lifetime several times.

Mr. Gerald Keddy: If I can interrupt you for a second, I think we're all in agreement that it won't be a single career path, that most people will change jobs four or five or six times, or even more, outside of a very few careers. The difficulty becomes, and the complaint, frankly, that we've been hearing about the education system, is that guidance counsellors are there for guidance but we don't really have a system set up for career counselling.

How do we make the career counselling separate from guidance counselling and more robust?

Ms. Dianne Woloschuk: Actually, in a number of schools that I know of in my own province they have a career education specialist. I'm not sure of the extent of that in other provinces, but that is something we've used.

I think the point is that students do need help with good information about the labour market. It would be very useful for them also, looking at the third recommendation, that there be these job-related programs to connect them to industries that they might be interested in. Students don't get steered into one career or another by their career counsellors. What we really try to do is to help them to discover what would best suit them, and then take it from there. But the information about where the needs are in the economy for different types of careers would be very useful to students.

Mr. Gerald Keddy: I guess the type of example I'm thinking about is that in Atlantic Canada in the 1980s we drilled a number of oil and gas wells in offshore Nova Scotia and Newfoundland. We knew we would have a demand coming for low-pressure gas technicians. When they were needed, they still weren't educated. They came in from other provinces. There wasn't a program set up in the community college system. There was no direction from the school system. Those workers simply weren't available.

Somehow we need to have industry, our education system, and government, of course, all sit down together and do a better job with outcomes. I'm not trying to blame any one area. I think we're all guilty together here, quite frankly, but so far we've been unsuccessful at that.

Do I have time for a question on the German—

Ms. Dianne Woloschuk: If I could go back to that national job creation strategy—

Mr. Gerald Keddy: Oh, I'm sorry.

Ms. Dianne Woloschuk: —a part of that could be identifying areas of the economy where there is a need that's not fulfilled, and—

Mr. Gerald Keddy: The difficulty with that, of course, becomes jurisdictional. Education is a provincial responsibility, and somehow the province has to recognize the need within their own province. In the case of Nova Scotia, we recognized the need, but we just didn't do anything about it. That was the example I was using.

In Germany, Christopher, when you were there, how did they manage to have.... I'm coming in as an employer and I need architects, or I need pipefitters, or I need engineers....

Mr. Christopher Smillie: It's all coordinated through the local chamber of commerce. They represent all of the local businesses in that local market.

I'll just address this really quickly. At the school level they would have a local employer council, which would sit in conjunction with the school—

Mr. Gerald Keddy: At the school level? Wow.

Mr. Christopher Smillie: Yes, at the school level. It would meet with the school on a regular basis. Also in Germany, the ministry of education sits on that board as well, from the state. That council operates very locally with local businesses to determine local economic needs.

For example, the Stihl factory in Stuttgart sits on a local education council with the high schools in Stuttgart. They know that they need CNC operators, so they can pick and grab out of the high schools people who are suited to that or who are interested in it at that time. It's all done when the students are 12 or 13 years old, and then they

have a number of re-evaluations along the way, based on the local economic conditions. It's about partnerships from very early on, and it's very effective. They have a 4% youth unemployment rate.

• (1625)

The Chair: Thank you very much.

Thank you, Mr. Keddy.

Mr. Rankin, please, for your round....

Mr. Murray Rankin (Victoria, NDP): Thank you, Chair.

Thank you to all of our presenters. This is very interesting indeed.

I'm going to start with Mr. Smillie, if I may.

I want to ask you to elaborate on behalf of the building and construction trades about your experience in Germany, continuing on Mr. Keddy's point. You mentioned that everything is linked to an employer, so what happens if you change employers? If they don't like you as a worker or you don't like them, what happens then? Is there a substitute somehow created?

Mr. Christopher Smillie: Well, I was talking about the link to training. Let's take HVAC, for instance, the heating, ventilation, and air cooling industry. There would be a pool of 50 or 60 companies in the local market, in the Stuttgart area, say, and they would work with the community colleges, which would deliver this training, paid for by the state, by Germany. They are paid to deliver and to train employees for that industry. This is in high school. The students would go to the high school three days a week, and two days a week they would go to work.

It's not sitting in a classroom. It's actual practical stuff. It's what our members who are apprentices do in their late twenties or early thirties. These students are doing it in the local market when they're 16 or 17 years old. They actually go to work. The HVAC companies take them on at the high school level and then work with the various councils.

Mr. Murray Rankin: Okay.

You talked about the need to incent people by the apprentice incentive grant. What is your organization's view of the government's proposed apprenticeship loan program?

Mr. Christopher Smillie: For a long time, apprentices in construction were not eligible for the Canada student loan program because of the short duration of the training. Generally to get a Canada student loan you had to have a 16- or 18-week training program to qualify.

Now there's no length of time, so you could be on a four-, six-, or eight-week training stint for your B-ticket welding, and you're eligible to write off that community college cost or apply for a Canada student loan. It's bang on. It's what needed to be done.

Mr. Murray Rankin: I know your organization has done a great deal of work on the temporary foreign worker program. Many voices have expressed concern that allowing lower wages for foreign workers would perhaps hurt Canadian workers. I would have thought that would be particularly true with respect to young workers.

I wonder if you have any concerns regarding the temporary foreign worker program from your perspective?

Mr. Christopher Smillie: One thing we've been pitching for, which we think is really important, is if companies are going to use the temporary foreign worker program, which is a legitimate HR tool, it should be linked back to training.

So if construction company A is bringing in 500 welders from Ireland, the next time they go to use the TFW program, have they shown the government that they've done something to train Canadians to fill those gaps? It should be linked back.

We've been pushing pretty hard on Minister Kenney's office to do something. So if companies are going to use the program, that's fine. It's legitimate. But what are they doing, what's their training plan in terms of finding Canadians? It can't be used as a full-time HR strategy.

Mr. Murray Rankin: Right, thank you.

My next question is for Ms. Woloschuk of the Canadian Teachers' Federation. You have three recommendations in your really excellent brief and the second one, I just need you to elaborate on it a little bit more. It deals with Statistics Canada and depicting more accurately the true nature of unemployment and underemployment based on international standards. That would seem to suggest that you think the current Statistics Canada approach is inadequate. What would you do to change it, if I'm right?

Ms. Dianne Woloschuk: What I would suggest is that Stats Canada use the internationally recognized standards of measure for those two items, particularly underemployment. The current statistics that they're developing don't use those measures so it would aid in terms of comparability.

Mr. Murray Rankin: Okay, thank you.

The next question is to Mr. Moist of the Canadian Union of Public Employees. Sir, before I ask my question, I just want to salute your personal leadership on the issue of pensions. It's been really superb and really quite inspirational. So thank you.

The thing I wanted to ask you about.... You gave a number of recommendations in your remarks. The second one was I think you suggested we needed to avoid a two-tier federal public service, if I wrote that down correctly. Could you elaborate on what you meant by that?

•(1630)

Mr. Paul Moist: Throughout the public sector and including.... We don't represent employed federal employees directly, but I'll speak to more of Parks Canada employees. There's been an offensive launched by the minister responsible for Treasury that sick leave needs to be changed and any number of things need to be changed in collective agreements.

Typically what's happening in the public sector—like the private sector—is that those of you who had this system and were hired before 2013, you're okay. There will be some inferior level of benefit later on. To us as a trade union, that's selling out the future workforce.

Mr. Murray Rankin: Your comment on the youth guarantee in Europe was fascinating. I think you indicated you didn't, at this point, have a lot of information. If you do happen to get some, would you be willing to share that with the committee? I think that could be very helpful.

Mr. Paul Moist: We'll absolutely send that to you.

Like my colleague from the building trades, we're fascinated with some of the European experiences. There is a tripartite approach to labour force development. Canada doesn't have anything remotely like it. I do think we can use the tax system in ways to incent people to make rational decisions.

The current premier of Manitoba, Greg Selinger, spent 10 years as minister of finance. He created a budget in 2002 that my son benefited from. If you graduate from an apprenticeship and if you file a tax return in Manitoba after graduating from an apprenticeship, over the next four to ten years, you can receive back 75% of your tuition and your books. So there's an incentive to complete your apprenticeship, number one. There's an incentive to stay in Manitoba, which thankfully my son has decided to do.

Lastly, on the question earlier about completion rates, a friend he graduated with never completed his apprenticeship. He works in the oil sands. He makes \$12 an hour more than my son. They're both heavy duty mechanics. My son is in Winnipeg.

Employers in Alberta, where we have the lowest graduation rate of apprenticeships, incent their workers to stay working. They don't want them going down for education for eight or ten weeks. That's a crime. If the economy takes a downturn my son's friend who is a good hard worker with no credentials—

Mr. Murray Rankin: What should be done about that?

Mr. Paul Moist: Number one, I think more employers in Canada should opt for what some employers are opting for and that is, don't rely on the EI system, pay people through their apprenticeships. Many workers can not afford to wait for their EI cheques. My son could. He lived at home and no problem.

But many young workers, if the boss says I'll pay you the trades rate, don't go down there for eight weeks and wait for your EI.... If you're not a well-resourced young person with supports, you're going to make the rational decision to stay working. Hence, Alberta has great workers and the lowest rate of apprenticeship graduation.

Mr. Murray Rankin: I have 10 seconds?

The Chair: You have 10 seconds.

Mr. Murray Rankin: Thank you to the Royal Bank, Ms. Uchida, for the work you're doing. I wonder if anybody else is following in your footsteps with the program you've discussed today, or do you know?

Ms. Susan Uchida: We are beginning to share the program design. Since it's just started, we wanted to get our feet under us, but absolutely we're sharing with partner organizations and seeing how we can help support and have a roll-on effect from the 100 that we're starting with ourselves.

Mr. Murray Rankin: Thank you.

The Chair: Thank you.

We'll go to Mr. Harris, please.

Mr. Richard Harris (Cariboo—Prince George, CPC): How much time do I have?

The Chair: You have a seven-minute round.

•(1635)

Mr. Richard Harris: Thank you, Mr. Chair and presenters. I appreciate your input today, and it's been interesting.

I want to start off by congratulating the Royal Bank and the restaurant association, the tradespeople, and every employer that's recognized the immense benefit of taking a chance and providing some training to new employees so they're going to be able to do the job better and stay longer. The employees, of course, realize that it's just good for business as well, because if you have good employees who know what they're doing, your company is going to have a whole lot of benefit from your involvement in programs like that. I really applaud any company in Canada that's doing it.

I'm sorry Mr. Brison left, because he and I sat on the finance committee way back in the day.

Oh, there you are.

Voices: Oh,oh!

Mr. Richard Harris: Gone but forgotten. Where did you go? I was looking over there.

The Vice-Chair (Hon. Scott Brison): I'm here earning my massive vice-chair salary.

Mr. Richard Harris: There you go.

Mr. Brison and I sat on the finance committee some years ago. He's not as old as I am, so he'll probably remember even more easily.

The Vice-Chair (Hon. Scott Brison): I remember it fondly.

Mr. Richard Harris: We talked about this same thing. We talked about the German model, as a matter of fact, and how good it was and how the employees were linked to the education program and they were sitting there waiting for graduates to come out of the schools and go into the trade schools and then come into their companies. It was a beautiful program, and we all agreed on it. But, Scott, nothing got done about it. This is 15, 20 years ago. That was one thing we talked about.

We also talked about the guidance counsellors in the schools. I'll tell you a personal story. In the 1980s, my youngest son was in school, about grade 10. He went to a guidance counsellor, that was his big day, and when he came home, I asked him where he was going. He said he didn't know. I asked what they told him. He said to do whatever I wanted to do. This was at a time when you didn't have to be a rocket scientist to see that there was going to be a huge void in the skilled trades sector. It was going to start in about 10 or 15

years, and it did start. But because it seemed back in those days that guidance counsellors were deathly afraid to tell a student that maybe they should consider going into a trade instead of going to university, that was never done.

I believe a lot of students made a wrong decision. They went to university and they had trouble there because they weren't prepared academically for that type of challenge. As a consequence I can tell you, since I've been an MP I've had a lot of students come to me and say they got a university degree and can't get a job. They asked what I was going to do about it. In 21 years I've never ever had a Red Seal certificate holder come into my office and say they're out of a job, never.

I think we have failed our young people in areas like that, in guidance, in connecting employers with the education sector, and it's something we have to do aggressively. I think the job grant program is a good start. It's going to provide incentive to business and schools. The Canada apprentice loan is going to help, but, boy oh boy, we sure have to—I'm going to ask for your comments, I don't want to talk.

Mr. Gerald Keddy: We were wondering who was the witness here.

Mr. Richard Harris: We have to get government, the education system, and the employers all working together. I think if we can do that—and I know there are different jurisdictions—we're going to go a long way to solving this through the job and employment programs.

Now I've used all the time. But whatever time is left I would like to hear comments.

The Chair: Who would you like to comment?

Mr. Richard Harris: How about Mr. Smillie first?

The Chair: Mr. Smillie.

Mr. Christopher Smillie: When I went to high school, maybe sooner than some of the other people around here—I guess I can say that without getting things thrown at me—I went to high school in Oakville, southwestern Ontario. There was nothing in the high school in terms of shop class or construction or anything so there was no exposure to it.

We think guidance counsellors should come from industry. We think guidance counsellors potentially shouldn't be solely teachers. They should be linked to the local job market. We think there is perhaps a gap that can be filled there. There's nothing wrong with teachers of course but we think that providing information to students around career options in the local community is not necessarily a vocation for a teacher. We need to get people lined up with jobs in the local marketplace and it's not at the expense of my colleagues beside me. If we had people from the trades actively as guidance counsellors.... How many guidance counsellors are from the trades? I would say none because they are not teachers.

We have to do a better job at this kind of thing. We don't have to reinvent our apprenticeship system in Canada. We have a strong system and we can make it better. There are three or four or five really good things that we can do that we learned on this trip that can be easily done. The Canadian Chamber of Commerce and major employers have to want to do it. Companies have to want to train young people. They have to commit to it. If they don't, nothing will happen because you need a job in order to be an apprentice.

The community colleges aren't here but Algonquin College here in Ottawa received a large sum of money from the Government of Ontario in the \$20-million range to build a building trades training centre. They have 150 seats and they get 5,000 applications a year and they're not training to Ontario apprenticeship standards. It is a pre-apprenticeship training program where kids come out of that after a year or two and they still are not registered in an apprenticeship program. It is a pre-apprenticeship "have fun swinging some hammers" course, no offence to those people.

Thank you.

• (1640)

The Chair: Thank you.

Thank you, Mr. Harris.

Mr. Caron, please.

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Thank you, Mr. Chair.

I found the last few minutes quite informative. We are getting into some fairly interesting information.

Ms. Woloschuk, I was just going to ask you a question about guidance. Mr. Smillie made some interesting comments. It's important to recognize—and I don't disagree with what Mr. Harris said about guidance—our capacity to advise and steer young people toward much more profitable areas. I don't think that people should just consider the economic side to determine what they are interested in. However, it still must factor into it, and people need to be able to provide direction.

What do you think about Mr. Smillie's recommendation? Do you have any recommendations for improving the process and quality of guidance that young people get in school?

Ms. Dianne Woloschuk: Guidance programs have improved significantly in recent years. A number of provincial governments have identified careers, particularly trades, as a priority. I know that, in general, some schools put much more focus on information about trades than they did 10 years ago. It's important that students know about these trades and have the opportunity to take courses in school to explore them.

As for programs of study, it is important to note that the number and variety of courses offered, such as welding, depend on the resources or funding that schools have access to.

Since PISA was started and since we have been focusing on science and literacy in general, school curricula have become narrower. However, the type of courses we just described are not as available as they were before.

There is one last thing I would like to mention. In Germany, students are steered toward certain careers at age 12 or 13. The situation is different in Canada. The provincial and territorial governments have asked us not to steer the students too much, especially at a young age. Students who are 12 and 13 years of age and in Grade 6 or 7 are steered toward a certain trade, when they are really too young to know which career they want to pursue.

It is very important that schools be fully informed. I would also like to point out that guidance counsellors do more than give career advice. The mental health needs of young people is something that schools are now quite aware of. They must have teachers who are trained in this area and can help students, as well as advise them on careers.

• (1645)

Mr. Guy Caron: Thank you very much.

How much time do I have left, Mr. Chair?

The Chair: You have three minutes.

Mr. Guy Caron: There are so many questions coming up on this issue and I really need to ask them.

You mentioned that there was a lack of resources for certain programs because of the focus on the PISA curriculum. Is that the case for all provinces or is it different from one to the other?

Ms. Dianne Woloschuk: It varies.

Mr. Guy Caron: Which provinces are doing the best when it comes to these professional programs?

Ms. Dianne Woloschuk: Through the funding they receive from their department, the school boards make every effort possible to keep the programs. However, I couldn't tell you exactly which provinces do better.

Mr. Guy Caron: You mentioned the assistance provided by guidance counsellors. You also said that the program in Germany steers students at too young age, about 12 or 13.

When I was in school, there were technical courses in secondary 1 and 2, which is the same as Grade 7 and 8. This is probably still the case. Through these courses, we were able to see if a specific trade was going to interest us. In secondary 3, so the equivalent of Grade 9 or thereabouts, we could even take a long or short technical course.

There isn't much difference between Grade 7 and Grade 9. If the German model works, why not try to incorporate it and make our program more flexible?

Ms. Dianne Woloschuk: I think it is important for young people to have a good understanding of their skills and abilities as they grow up. There's nothing wrong with helping and supporting them as they explore various possibilities. It's certainly positive.

It's also possible in Grade 9 and 10 to take courses that are geared more toward the trades. The ability to develop that already exists. There are usually also programs in Grade 11 and 12 that give students the opportunity to be paired with an employer.

We mentioned previously that German students could attend school three days a week and then work for two. Some programs at my school let students attend their regular classes in the morning and then work in the afternoon for one term. They are prepared and are then paired with an employer.

The Chair: Thank you, Mr. Caron.
[English]

Mr. Van Kesteren, go ahead, please, for your round.

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): I thank you all for coming here. It's a fascinating discussion. I think all of us agree that this is probably one of the best engagements we've had, especially for the past few weeks.

Ms. Woloschuk, regarding the trade mission to Germany, did they invite the secondary school segment or was it basically a trade? Do you know whether or not they were invited?

Ms. Dianne Woloschuk: They did not to my knowledge, but I just don't know.

Mr. Dave Van Kesteren: I don't hear that, and that's unfortunate.

We've been doing this every day, and yesterday we had an interesting scenario. We had to go and vote, and we came back to quite a mix of witnesses. We had the Federation of Independent Business, Confédération des syndicats nationaux, Merit Contractors Association, Progressive Contractors Association of Canada, and Unifor. Generally these guys are like oil and water, but it was amazing. We came back and they said they had had a great discussion.

I'll refer to an old song, "There's a New Day Dawning". I think people see the need, and I really believe there's a willingness to work together collectively. I'm wondering if you're sensing that too. I won't just pick on you. I'm going to ask everybody if they're getting that kind of feeling.

In the eight years I've been here, there has been a really adversarial relationship between labour and management. It seems to be melting, and there seems to be a willingness. Am I just a dreamer, or is this something...?

Some hon. members: Oh, oh!

Mr. Dave Van Kesteren: I don't want a commentary. I want to just ask Mr. Smillie, please.

• (1650)

Mr. Christopher Smillie: The proof will be in the pudding if the Merit Contractors Association and the Progressive Contractors Association of Canada work with the building trades to train people in a non-partisan way and if they'll work with us and let us train their people through the Canada job grant. We have the training infrastructure with 150 training schools across Canada for the trades.

If those nice gentlemen from Merit Contractors Association and the Progressive Contractors Association of Canada will send us their

employees to get their welding ticket or their carpentry ticket, a new day has dawned. If they won't, because they still fear us and want us not to exist in the unionized sector, then we're back to where we were.

We're willing, and we really want them to agree to take on apprentices. Those gentlemen who were here from the non-unionized sector tend not to hire as many apprentices as the unionized sector does.

Mr. Dave Van Kesteren: I'll ask you a question because you were there.

In Germany, there is that collaboration between the unions, isn't there?

Mr. Christopher Smillie: Yes.

Mr. Dave Van Kesteren: So there is a model. We don't have to reinvent the wheel.

Mr. Christopher Smillie: No, we don't.

Mr. Dave Van Kesteren: We're not Germans. We're Canadians, and I know we have a different history and probably a different starting point, but generally you agree that it can be done.

Mr. Christopher Smillie: Everybody sits at a table like this in Stuttgart, in Dusseldorf, or in Berlin, and they decide what's going to happen in industry. It doesn't matter what your political leanings are; it's about the economy.

Mr. Dave Van Kesteren: Ms. Woloschuk, what do you think?

The other problem thing—and we've heard this repeatedly—is that the biggest problem we have in this country is that we have an easier time trading with other countries than we do among the provinces. There's that jealous guarding of jurisdiction.

Do you think there is a willingness in the school boards to maybe start looking at this on a national scope?

Ms. Dianne Woloschuk: I can't speak for the school boards, but I do know that teacher organizations are very interested in maintaining positive working relationships with the school boards in their provinces and territories, and also with their ministries of education and their governments. If we can work together to identify the issues that need to be addressed, then seek solutions together and work on achieving them together, then that to me is the most effective way of getting things to happen and getting things to change in a positive way.

Mr. Dave Van Kesteren: Mr. Chair, how much time do I have?

The Chair: You have two and a half minutes.

Mr. Dave Van Kesteren: I'm going to be a dreamer again because first of all I want to ask Ms. Reynolds about the question that was raised, and all of us recognize that something has to be done in the pension area.

Can you afford an increase in the CPP tax as a restaurant association? If we're going to do this, obviously the money has to come from somewhere. Can your organization—

Ms. Joyce Reynolds: We think there are alternatives to expanding the CPP that will achieve the same purposes, and we would like to see some of the provinces get on board with the voluntary structure that was put in place a couple of years ago.

One of the things—I didn't finish responding to Mr. Brison—for our entry-level workers who are working part time as they are going through school is that the worst five years of your CPP contributions are not included when it comes to determining your pension at retirement age. Therefore, they don't want to have those first few years where they are earning very little to be.... They would rather have their other earning years not included in part of the part of the CPP program.

Mr. Dave Van Kesteren: Very quickly, as I don't have much time with this, I have this crazy idea and I've shared this with some people. I don't know if people realize this, but if we took all of our contributions to the CPP, if we took all the public sector contributions, if we took all of the OAS and the GIS and lumped them all into one big pile, every Canadian worker would get about \$24,000 a year.

Shouldn't we start talking about something like that? We all want a good, fair pension for everybody. Is that something we should start to discuss?

The Chair: Who was this for?

Mr. Dave Van Kesteren: It's for anybody who wants to take a crack at it.

The Chair: Okay, one person can answer because we have 30 seconds

• (1655)

Mr. Paul Moist: A guaranteed annual income in retirement is worth talking about. It's not going to happen in the current realm.

My colleague talks about the PRPP option put forward by the federal government that kind of has been rejected by eight out of ten provinces, and the other two are sitting on the fence. There has been a kind of unilateralist approach to federalism recently: the Canada job grant and the saying no to CPP expansion. Canada can only work if government, employers, and trade unions actually sit around the same table.

You raise an interesting idea.

Mr. Dave Van Kesteren: We'll talk about it some other time.

The Chair: Thank you, Mr. Van Kesteren.

Mr. Goldring, for your round, please....

Mr. Peter Goldring (Edmonton East, CPC): Thank you very much, Mr. Chairman.

I'm very sorry I wasn't here for the first part of the presentation. It's absolutely fascinating.

I have to relate to you more of my own experiences, and the high school experience was one. I went to high school in Whitby. Henry Street High School was academia, and Anderson Collegiate was trades. There was a discrimination between the two.

First of all, I got my training through the military—from the RCAF—in electronics, but when I started my own company there was a difficulty. I needed people with technical experience, but you need them with tickets, too, in the fire alarm area, the suppression system area, and the extinguisher charging area. You need them with tickets.

They had a program then that worked well. I was able to hire five or six people, graduates from NAIT, who didn't have experience. They didn't have tickets. They just had that electronic background that I could use to mould them into these more complicated systems and train them on the job. It was the government system that paid, if my memory serves me, 50% of the wages for a three-to-six-month period of time.

What I would do in return for that was get them their fire alarm ticket. I would get them their extinguisher ticket. I would get them their suppression system ticket and training in some other areas too. These tickets were portable so they could take them with them. It wasn't on specific systems. They were generic tickets in those particular fields. Without them they were having a hard time getting employment, and I was having a hard time hiring these people with these tickets and experience, so it worked out very well.

I'm not sure if this program is headed in that direction.

Mr. Smillie, could you comment?

Mr. Christopher Smillie: You're talking about encouraging employers to hire apprentices. You missed it, I know, but what I said in my opening remarks is that's what we need to do more of. Be it a wage subsidy—it's a bad lingo in this town—be it some sort of incentive for the learner, we need to incent the system: trainers, employers, and the learners. I think it's close to 16% or 17% of Canadian employers who take on apprentices in the industries that have apprenticeable trades. At the end of the day, you're talking about a way to encourage employers to want to do it. So it sounded like you wanted to do it, there was something in it for you, and you had made the business decision that made sense for you.

That's what we need to communicate to the employer community. We have to have companies that want to do it. They can make a tonne more money. The margins are much better on people who don't have their full qualifications because those people aren't as marketable. You can take somebody as an apprentice and charge your client more for their...you make more on the spread than you would on a fully qualified person.

Mr. Peter Goldring: It's not only that. I know the discussion was whether they're working with tools or not working with tools. I think perhaps I'm a bit of an example. My company eventually was up to 50 employees. I would also note that several of those employees are running their own companies now in Edmonton.

Mr. Christopher Smillie: If I may interject again, the gentleman from the CFIB came with us on the study tour and his pitch was that small employers can't afford to train. They're afraid to train because of poaching and that kind of thing. I think this is a perfect example of how that doesn't have to be the case.

Mr. Peter Goldring: I could afford to keep them and train them because I was getting a small return on it that allowed me to spend the extra time with them that they needed, because they were green or right out of school in these specific areas. At the end of the day, they had tickets that were portable and that they probably still have to this day.

As I said, the other thing, too, is that there are three or four companies in Edmonton that were started by employees of mine who started in this fashion too, so they're doing well as well.

• (1700)

The Chair: Thank you.

Mr. Andrew Saxton: Mr. Chair, is there any more time?

The Chair: There are about two and a half minutes.

Mr. Andrew Saxton: Can I just have a quick question and intervention?

The Chair: Mr. Saxton, yes.

Mr. Andrew Saxton: The topic of our study is youth employment, yet at the same time retirement security was brought up by a number of people on the panel today. I can tell you that I think the biggest shock that a young person has when they get their first job and they get their first paycheque is to see all the deductions that are taken out of their paycheque. Those who are advocating for enhanced CPP are advocating for even more deductions to come from those paycheques.

The young people who I know, their priority is to save money for a down payment on a house. It's not to put more money into a pension plan that they're going to see 45 years down the road. So I just don't understand how people can justify increasing CPP, payroll tax, whatever you want to call it, for young people, because that's who we're really talking about today. We're talking about young people.

When we talk about retirement security, probably the biggest item on retirement security is home equity, and we haven't talked about that. Young people want to save for a down payment to buy a house, and the equity in that house will eventually become probably the biggest retirement security they have of all. In addition to that, we have the OAS, GIS, CPP, RRSP, TFSA, and PRPP. We have to look at the whole package and not just look at CPP and say, let's increase those deductions on young people. I don't think that's fair.

Mr. Moist, you seem to be thinking otherwise. What is your opinion?

Mr. Paul Moist: I think you mentioned earlier empirical evidence that a hike in CPP might cost 70,000 jobs. I think it was Postmedia that recently got the background to that comment. That was if the hikes in premiums were imposed in one year. Nobody from the labour movement, nor the P.E.I. finance minister, not one single proponent of CPP expansion has talked about imposing hikes over one calendar year. There's no evidence that it would cause unemployment.

Secondly, in terms of home equity, this is not a deduction from a paycheque, and retirement security shouldn't be the focus of this panel. I would agree with you on that, but I want to say absolutely crystal clearly that all Canadians benefit from having one of the

world's best pension systems. There is no private solution. There are no takers among the provinces for the PRPP solution. The Quebec government passed enabling legislation. They may be done as of Monday. There are no jurisdictions in Canada, so if federalism is going to work on any front in Canada surely to goodness there should be consent from the provinces for a Canada job grant program. It's been fixed up now by Minister Kenney and others, but there's been no consultation from day one.

The Chair: Very briefly....

Mr. Paul Moist: On Canada pension plan, the advice from *The Globe and Mail* to the new finance minister, the Saturday after his appointment, was to "revisit the CPP, Government of Canada". It's the Government of Canada that's an outlier on CPP right now; everybody else has come to a consensus point.

Mr. Andrew Saxton: That is so untrue.

The Chair: Okay, Mr. Saxton, you will have another round if you want to respond.

[Translation]

Mr. Caron, you have the floor.

Mr. Guy Caron: As Mr. Saxton mentioned, this isn't really the topic of our discussion. However, if the government agrees, it might be interesting for the Standing Committee on Finance to do an independent study on retirement income security. It would probably be very interesting to study. We could really focus on that.

In any event, today we are talking about youth employment. I would like to come back to the exchanges I had with Ms. Woloschuk, but turn to Mr. Smillie this time.

Ms. Woloschuk said earlier that 12- and 13-year-olds in Germany are encouraged to choose one path or another. She felt that it might be a little too early for these young people.

Do you agree with Ms. Woloschuk? Is that the impression people in Germany have?

[English]

Mr. Christopher Smillie: What they do to alleviate that concern or that stress on the system is that they have re-evaluations every couple of years. So if you're moving through and you find it's not of interest to you, you can switch to the other stream. So you can go from the vocational back to the academic, and your vocational experience—or your academic experience if you're on this side—works towards your certification on the other side. So there are various off-ramps after a number of years to alleviate that concern. So if you get partway down, and you're 15 or 16 and you're doing the HVAC stuff on the vocational side, and you decide to do the academic stream because you want to be a scientist or an engineer, because you believe you have the competencies to go beyond what you're doing on vocational, you can switch, and it counts.

Try doing that in Canada, right? When you're in a trades situation, can you switch to a university easily? No. Do your credits at a community college count towards a bachelor's degree? No. So there are various off-ramps.

It sounds like I drank the wine, but it's a flexible system. People say it's rigid and streaming, but there are lots of choices to be made by everybody: by the institutions, employers, students, and parents. Parents play an important role in this process. We haven't talked about that today and the education process around what parents need to be doing for their kids.

• (1705)

[Translation]

Mr. Guy Caron: We are hearing a lot about the advantages of the German system, but we live in Canada. Our political system is different, as is the culture of our economic system.

What do you think are the main obstacles to implementing a similar system in Canada?

[English]

Mr. Christopher Smillie: We have to have provincial governments that want to do it. They have to decide to do it and they have to execute it. They receive, through education transfers from the federal government, in the tens of billions of dollars, not only for post-secondary but also for primary education. There are billions of dollars at play. So you have to have provincial governments that want to do it, to have a dual system, and then I believe you have to have a federal government as the funder or the writer of cheques, that's saying, "These are the things we want you to do."

Imagine giving your child a \$10-billion cheque, sending them to the grocery store, and they come home with just Cheetos. You can't be mad at them because you didn't give them a list. So as the funder of education systems in Canada, the federal government has a right and a responsibility to direct how that money is spent in some way. I'm not talking about centralization of education policy; I'm talking about direction for federal funding. So if the provinces want results, and are serious about getting results, and the federal government is serious, they will say, "For your \$4 billion that you get next year, you must institute a system that produces these results", and if you do not get those results out of the system, perhaps the \$4 billion is in question the next time. It has to be a results- and an outcome-based system.

Imagine a company that transfers money to subsidiaries but doesn't require any results at the end, or there's no policy prescriptions to that subsidiary. The provinces act at will, and I think maybe we need some nudges.

Mr. Guy Caron: Would you also agree that this frame of mind, the way that we're thinking of approaches, is actually crucial? I'm just thinking about what I heard today, and I heard about what's going on in Germany, and I heard about the whole path and the whole.... They are really

[Translation]

...surrounded and supervised...

[English]

While on the other side, when we're looking at some other professions, we're talking about unpaid internships as being the way to get experience.

Do you see that emphasis in Europe or in Germany on unpaid internships that actually give the experience, rather than, I think, a

well-designed system...? I don't see an emphasis here to go toward a well-designed system that will actually accompany our youth along that kind of path.

Mr. Christopher Smillie: Those 16 year olds who are working for the HVAC company in Stuttgart get paid two days a week. So they're not.... They're paid by the company and assisted by the state, so it's a relationship that exists.

Unpaid internships aren't the way to go in Canada. We need to get more people involved in the active economy. Imagine asking somebody to be a construction apprentice unpaid. So four years of your life, 80% of your work is done on the job, but you have to be unpaid. It's not the way to go. We need good paying jobs for people and at the end of the day, the systems that are getting it right incent people to get results.

The Chair: Okay.

[Translation]

Mr. Guy Caron: Mr. Smillie, what approach would you take to change the thinking in Canada?

It's one thing to say that we want to move in that direction, but it's another to get an entire culture to think that way.

[English]

Mr. Christopher Smillie: There are buzzwords around about parity of esteem around various careers, etc., but at the end of the day, we need help promoting that these are valuable occupations. The people I represent make twice as much as I do. We have to get the word out. We have to do a better job and industry has to do a better job as well, the big construction companies, the big energy companies, saying your future probably isn't typing at a keyboard, but it's welding a pipe, reading a blueprint, or being an operation engineer at an oil sands facility or at a nuclear plant.

Those are some of the messages we need help delivering. We can't do it alone in industry. We could do a better job, but we also need better partners to create that parity of esteem in terms of messaging.

I would add quickly, the guy that's a carpenter today is an entrepreneur tomorrow. That second-year apprentice we're helping move through the system will be running his own crew one day, so we need to be talking about entrepreneurship. We need to be talking about starting a small business and that's the kind of messaging that could have a real impact on getting people involved. It's not just swinging hammers; it's running your own company.

• (1710)

The Chair: Okay, thank you.

Merci, monsieur Caron.

I'm going to take the next round as the chair and I want to echo all of the comments from my colleagues that this has been a fascinating and very helpful discussion.

Mr. Smillie, I'll just continue with some of your points. You talked about how in Germany it was 50% academic, 50% skilled trades. In Canada it's 85% and 15%, which shows a very marked difference. When I was in high school many years ago, I was geared toward the academic route and it was right for me. For many of my friends who went through working in careers for 10 or 15 years, many of them went back to institutions like NAIT, did construction, engineering, and now they are working as CEOs. They started off at a relatively low entry level and then worked their way up, so I think that's an important point as well.

I think we also want to say for guidance counsellors it's very hard. It's a lot to put on them to say they have to know about every single occupation, every single career. This is why I really applaud initiatives like what RBC is doing in terms of providing opportunities for young people.

But let me throw something further at you. I was at a school in Harlem, New York, where a bank actually put a branch in the school. I was astounded by this and I thought, I don't think this will work. So I walked in and what the bank did, the logic of it was, it was part financial literacy, but it actually put a branch in with a branch manager where the people who would run the branch were the students.

So it was designed to give them employment opportunities. It was designed to teach them about some financial matters. They would work there for the school year and every summer they were placed at a different branch of that bank, somewhere else in the city. These were all kids from Harlem and the Bronx. So they would work in Manhattan in the summer and then they would go back to finish their high school there.

It was a fairly radical concept, but it even went further I think, Mr. Smillie, in what you're saying about bringing everybody together. It actually put industry right in the school and provided some good opportunities. The teachers I spoke to said it was a fantastic experience. A lot of the students with very challenging backgrounds said, now they work. They love going to school. They love going to work. They see the opportunities available to them.

That's one sector, that's the financial sector, but you can do that for many others as well. Is that something we should be looking at here in Canada at this committee?

I'd open it up to anyone, but perhaps I'll start with you.

Ms. Susan Uchida: Yes, I could address that, certainly.

As another example of what you mentioned, we also offer work experience like that in disadvantaged communities. Perhaps not quite in the school, but the school relationship does exist.

I would echo some of the conversation around the table as well. Obviously, as one of Canada's largest employers we're frequently called upon to provide an opinion on what more corporations and businesses could do. I sense a growing desire and intent around collaboration, educators, government, and business coming together to foster some ideas and address it, because there does seem to be some very great passion and concern around youth in Canada and how to address that.

Outside of this relationship with RBC, I also sit on the Learning Partnership's board, which is a not-for-profit association seeking to link government, educators, and business. They do the take our kids to work program.

You see it similarly through those forums as well, the deep desire to work with our colleagues for the betterment of all Canadians.

The Chair: Okay, I appreciate that.

Ms. Woloschuk, do you want to comment on that?

Ms. Dianne Woloschuk: I think there are a lot of interesting and original things going on in schools right now that may not be all that well known. For example, I can think of a program at a high school near where I worked where they had taken the physics 20-30 program and merged it with a program helping kids to get their pilot's licence.

Their study of physics was then applied to the work they were doing to get their pilot's licence and by the time they finished their grade 12, they had their pilot's licence. I can think of other programs for students getting credits for theatre arts. It was an integrated program, and they did it by mounting a theatre production, an actual production that people paid to see, and on a grander scale than what you might expect from a high school theatrical production.

• (1715)

The Chair: They do that in my area.

Ms. Dianne Woloschuk: There's a lot of really original, creative stuff going on in different schools across Canada. I think we're always willing to look at partnerships and collaboration. One principle we would hold to is that in a publicly funded education system, the basic principle is equity for all children, and we would certainly want to see that remain the cornerstone.

The Chair: Okay, thank you.

Mr. Smillie, I want to go to you on this because when I went through school there was an industrial arts program and there was also a home economics program. I took the home economics program, which I thoroughly enjoyed, but it seems to me there are fewer of these alternatives. That's just my impression, and it may not be correct. But it's also a challenge I think to find a lot of educators who have that background. Similar to what a bank would do in my example, from your perspective is this something you could do in the school, to run the IA program?

Mr. Christopher Smillie: I'm working on a live example right now. NAIT is trying to deliver a crane operator course at their facility. I can't remember if it's at Fort Mac or Edmonton. They've come to us and asked if we had a current operator, someone who's working in industry who would be willing to be an instructor, because they have an instructor need over the next two years. We're living examples like that.

The Chair: That's at the post-secondary level.

Mr. Christopher Smillie: That's right, so this person has to have a boom truck operator licence and a heavy crane operator licence to teach that to other students. Through our membership, we're seeking and grabbing those people and putting them in.

Your bank teller example in Harlem, there would be an apprenticeship program for those bank tellers. I used to work at RBC and was a bank teller a long time ago. I would have been involved in a formalized training program with a set curriculum, which I would have learned. Even a salesperson at a department store would have an apprenticeship for that occupation, so you can see the slice-and-dice way the training system is set up.

We need to get better at connecting industry with our education system, absolutely.

The Chair: Okay, I'd like to continue, but my time is up. As I cut everyone else off, I will cut myself off and go to Mr. Brison for a seven-minute round.

Hon. Scott Brison: Thank you, Mr. Chair.

Ms. Uchida, I too want to commend RBC for what you're doing. I had a conversation a few months ago with one of your RBC directors, Michael McCain, about unpaid internships. I asked whether Maple Leaf Foods uses unpaid internships. He said that they don't, and he went further to say that he believes that there is basic honour and importance to paid work. In fact, he has five children who have had opportunities to do unpaid internships, but he urged them not to do them, saying that they would be better off working at something entry-level that actually paid, because of the basic respect implied in the employer-employee relationship by paying someone.

I'm pleased to see RBC funding 100 internships. I'd be interested in ways in which we can provide leadership or encourage more companies to provide paid internships. For instance, are other banks doing the same? Is the Canadian Bankers Association or the Canadian Chamber of Commerce, these organizations that represent some very large companies that are important in the Canadian economy...? Are there initiatives within those organizations to expand these kinds of paid internship opportunities?

Ms. Susan Uchida: I don't have that level of detail, Mr. Brison. What I know is that certainly all of our internships would be paid. That is our policy, and that is how we administer it and live it every day. We could find out for you what the other organizations do.

But I agree completely with your spirit, about honest pay for honest work. There's a real lesson and livelihood in that, and it's what we believe as well.

• (1720)

Hon. Scott Brison: It's also fundamental to equality of opportunity.

Ms. Susan Uchida: Absolutely.

Hon. Scott Brison: If someone is privileged or from a privileged family, they can afford to take a swish, unpaid internship that may look good on their CV, whereas somebody else who can't afford to do that.... We deepen the inequality of opportunity.

What would be the pay for each of your 100 paid internships? What is the duration, and what would be the total pay package for them—

Ms. Susan Uchida: The duration is for 12 months. They're paid completely, whether they're working physically for us or at the not-for-profit.

Hon. Scott Brison: —for the internship.

Ms. Susan Uchida: The pay is commensurate with market compensation rates for the roles that they do in the branch. I can't disclose the amount, because our privacy policy would not permit me to do that, but it is very market-fair.

Also, because they're contract employees it addresses the fact that they do not have benefits, so it's comprehensive from that perspective. Of course, they have time off for vacations as well as part of that 12 months.

Hon. Scott Brison: Summer jobs are important as well in building work experience. Last summer, the summer job market was one of the worst we've seen in about 40 years. It was just a tough market for summer jobs. In 2005, the Canada summer jobs grant created 70,000 jobs. In 2013 it created 35,000 jobs. The program has changed.

Would you agree that increased funding for the Canada summer jobs program would be one way to address, in a tangible way, the need for young people to get job experience now?

You may have an opinion on this, but others may have a view on it as well.

Ms. Susan Uchida: I'm nodding because I believe it goes back to the point you originally made about payment being important—about honourable work and being paid for it.

For some organizations, this might be the best way they can access funding to give that experience. Whereas we can do it through our corporate citizenship fund, other smaller organizations may not have that.

Hon. Scott Brison: Even community organizations in small town Canada could have access to it.

Ms. Susan Uchida: Absolutely.

Hon. Scott Brison: On the CPP issue—and I know we've gotten off the youth employment issue a little bit—the proposal by P.E.I., for example, would I believe exclude from any expansion of contributions employees making less than \$25,000 per year.

That would address, Ms. Reynolds, some of your—

Ms. Joyce Reynolds: My understanding is that the real pressure point concerning future payouts of CPP is for the middle- and higher-income workers who are not going to have saved enough. It's not so much for the lower-income workers. I think the real risk in CPP premium increases is what it will do to youth employment and whether it really will help those employees over the long term.

In fact, we actually are supportive of the proposal that was put forward by P.E.I.

Hon. Scott Brison: So there are proposals on the table that your members would find viable.

Ms. Joyce Reynolds: Yes.

Hon. Scott Brison: Another example of public policy around the area is that of the U.K., wherein they've expanded their pension plan, but they did it with an automatic membership in the plan and a voluntary opt-out. Yet 90% of the members of the plan actually stayed in. So something like that would provide some flexibility to those who are fundamentally opposed to participating, but it would encourage more people to participate.

Left to their own devices, people aren't saving enough. Even if they save enough there are very few long-term investment plans that are better than the well-diversified—geographically, across asset class and across industry—Canada pension plan. It's a very good low-fee structure approach. Regardless of what we do in terms of financial literacy, we're not going to turn all Canadian investors into Warren Buffetts, as much as that might be a good objective.

The Chair: This is the last question.

• (1725)

Hon. Scott Brison: How much time do I have?

The Chair: You have 30 seconds. Don't ask the origin of the universe.

Hon. Scott Brison: I think you just made that up.

I will give my time to somebody else, Mr. Chair, just to show the kind of fellow I am.

The Chair: That is very gracious of you.

Mr. Scott Brison: I'm a Liberal, I share.

The Chair: You are a wonderful vice-chair.

Mr. Keddy, please, wrap it up.

Mr. Gerald Keddy: I'll take your 20 seconds, Scott, and I appreciate them.

Hon. Scott Brison: He's a fellow Nova Scotian.

Mr. Gerald Keddy: I'm going to try to bring it back to youth employment, and some of the challenges that we're facing.

Mr. Smillie, you made a comment about the difficulty of going from the trades to university. From the witnesses we're heard, I think we're actually headed in what I believe is the right direction across this country. It is actually easier to do than it was 10 years ago.

My comment earlier was that in Nova Scotia, if you have a Red Seal trade—two years of community college—you can actually work at that and make a very good wage. You may not be finished your apprenticeship because you may not have enough hours, but you can go back then to university, and your first two years of university will be already covered. I think that's a step in the right direction, and it's actually easier, not more difficult—at least in some jurisdictions.

That was my point.

I just want to go back to the guidance counsellor again, because I don't think anybody around the table has said it. What I hear from teachers all the time is that the profession has changed dramatically. Teachers don't tend to deal with discipline in the classroom as they did at one time; there might be a shift in that. The guidance counsellor is very busy doing guidance. Often it's psychological guidance. They have a whole realm of responsibilities that they didn't have in the past, and they have less time to deal with career guidance.

This is my first question, for anyone who wants to chip in. I'm wondering if we really need to separate out those two positions. Obviously, they have to talk to one another, but should we have career counselling and guidance counselling as two different things?

Go ahead.

Ms. Dianne Woloschuk: We do have career practitioners in my province. They come to the schools and their focus is strictly on careers and working with students on careers. Having said that, it's not an easy thing. You can't just draw a line down the middle of a kid, part of it is psychological and part of it is what are they going to do with their lives. They are whole human beings, and when you're talking about those sorts of things there is no doubt there's some overlap there.

In my experience, there's a much higher priority on career education in secondary schools than there has ever been. There's a lot more priority on education being done with respect to the trades than there has ever been before—again, in my experience. So I would agree with you that we're moving in a good direction.

Mr. Gerald Keddy: But we are moving, and that's different from how it was 20 years ago.

Ms. Dianne Woloschuk: Yes.

Mr. Gerald Keddy: That's the point I'm trying to make.

The other point concerns what the chair mentioned, that you could take shop, or when I was at school you could take woodworking or home economics. Then they took shop and that home ec program out of the schools in Nova Scotia totally. For at least 15 years, they were gone; however, now in the junior high schools, in the new schools that are being built, they are back. They give young men and women an opportunity to explore some of those areas.

Here is the other question I have. It didn't come up today, but one issue we've had a lot of discussion on, especially from the student groups, is the cost of student loans and the burden of them. Education comes with a price tag. One of the issues that really pushes the students in a major way is that working detracts from what you can get as your student loan.

I wonder whether we need to change direction here to put a greater incentive in place for students to work, and not take it back from their student loan.

The Chair: Ms. Woloschuk.

Ms. Dianne Woloschuk: That's really not my area of expertise. I'm more in the area of the elementary and secondary school system and teachers.

• (1730)

Mr. Gerald Keddy: We now allow students to have a car—

The Chair: We're at 5:30, Mr. Keddy.

Mr. Gerald Keddy: We're done?

Mr. Chair, you just like cutting me off.

The Chair: I do enjoy it. Yes, I do.

Mr. Gerald Keddy: I had Mr. Brison's 20 seconds there.

The Chair: I want to thank all of our witnesses today for an outstanding presentation and discussion.

Thank you so much.

We had some more recommendations come out during the discussion. If you want to present anything further, please submit it to the clerk. We'll ensure that all members get it.

Thank you.

The meeting is adjourned.

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

SPEAKER'S PERMISSION

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 Parliament of Canada Web Site at the following address: <http://www.parl.gc.ca>

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

PERMISSION DU PRÉSIDENT

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 du Parlement du Canada à l'adresse suivante : <http://www.parl.gc.ca>