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• (1530)

[English]

The Chair (Robert Morrissey (Egmont, Lib.)): Good afternoon.

[Translation]

I call this meeting to order.

Welcome to meeting number 12 of the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

[English]

Pursuant to the motion adopted on September 18, the committee is meeting with respect to youth employment in Canada. Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders, meaning that members and witnesses are in person in the room or appearing virtually. The clerk has advised me that those participating electronically have passed the sound quality test, so we're ready to go.

Before we begin, I would again remind members to please silence their devices and refrain from tapping the boom on the mic, because it can cause popping, which is harmful to our translators. As well, I remind all participating to address all questions through me, the chair. Please wait until I address you by name before speaking.

You have the option of choosing to participate in today's meeting in the official language of your choice. In the room, we have interpretation services. To avoid any disruption, please familiarize yourself with the channel of the language you'll be participating in. If you are attending virtually, you can click on the globe icon at the bottom of your Surface and choose the official language of your choice. If there is a disruption in the interpretation, please get my attention by raising your hand, and we will suspend while it's being corrected.

Before I introduce today's witnesses—we have only two—I want to get approval on two minor housekeeping items.

Would the committee approve that the analysts prepare a press release soliciting briefs on our study of the Canada Labour Code, which is next up, and a second press release for the TFW program study? We would ask for briefs, we're recommending, by January 30 for the Canada Labour Code study and by February 13 for the temporary foreign worker program study. Do we have agreement from the committee to draft those releases?

Some hon. members: Agreed.

The Chair: Okay, and with those timelines.

Analysts and Clerk, we have the approval as presented.

Thank you, committee members.

Today in the room we have Mr. Andrew Tarr, business manager and financial secretary, United Association Local 787, HVAC&R Workers of Ontario; and we have Mircea Vultur appearing online as an individual. He is a professor.

We'll begin with Mr. Vultur for five minutes, please.

[Translation]

Mircea Vultur (Full professor, As an Individual): Thank you, Mr. Chair.

Mr. Chair, vice-chairs and members of Parliament, it's an honour to appear before the committee as part of this study on youth employment and unemployment. I will structure my presentation in three parts. First, I will provide a numerical overview of youth unemployment in Canada. Second, I will address the causes and consequences of the phenomenon. Third, I will make a few recommendations to the government.

Right now in Canada, the unemployment rate for youth aged 15 to 24 is about 14%, and in some groups it is over 17% or even 20%. This is the highest unemployment rate since 2010, excluding the early years of the COVID-19 pandemic. The overall unemployment rate for the entire labour force is around 6% or 7%, which means that, for young people, it is nearly twice as high as the national average.

In June 2025, for example, for those returning to school, the unemployment rate was 17.4%, up from 2024. This level of youth unemployment is typically seen only during recessionary periods, and it contrasts with the resilience of the labour market seen in other age groups.

Several factors contribute to this phenomenon.

The first is economic uncertainty and the slowdown in job creation in some sectors of the economy. While the overall unemployment rate remains moderate, growth has weakened. Businesses are more cautious, and youth-friendly sectors such as retail, accommodation and food services, which typically employ a lot of young people, show lower activity and, as a result, a reduction in hiring.

The second factor is lack of experience and the mismatch between employment and training. Many young people do not yet have the required experience, and their skills are poorly aligned with available positions. One indicator of this is the high proportion of overqualified young Canadian graduates, which is over 33%.

The third factor is the effects of artificial intelligence. Some companies and organizations have adopted AI tools to automate some tasks, which has reduced hiring for entry-level positions. In fact, there has been a decrease in the number of summer internships offered to young people. In addition, automated résumé sorting lowers the chance of young people with no experience being recruited.

The fourth factor is strong competition among young people. There are fewer available positions, but more applicants. Competition has been heightened by the significant increase in the number of international students and temporary permit holders in the Canadian market. This has widened the supply of labour and potentially increased competition for entry-level positions. This does not mean that they are the main cause of high youth unemployment, but their presence is a contributing factor in an already strained environment.

Youth unemployment is generally short-lived. It doesn't have a negative impact on their career in later years, but the delay in acquiring skills and experience following a prolonged period of unemployment has negative consequences for young people and for society as a whole.

I think about the individual consequences first. Prolonged unemployment at the beginning of a young person's career can have lasting effects on their salary, employability and career progression. We see a "scarring effect" among young people starting their careers during a recession. Their career prospects are limited, which can accentuate intergenerational inequalities, especially since young people today are more in debt than previous generations and have more trouble repaying their debts.

Then there are mental health impacts: The feeling of not being able to enter the workforce is stressful for young people. It affects motivation and leads to a loss of self-confidence.

Finally, youth unemployment is a waste of human resources and has economic costs for Canada. Indeed, young people represent a talent pool full of innovators and potential workers in all areas of the economy. Their unemployment reduces overall productivity and increases the required social benefits and government supports.

In closing, I have a few recommendations, of course, that I invite the committee to consider.

First, we need to strengthen and target education-to-employment bridging programs, create and expand programs that guarantee paid internships or quality summer jobs for young people, and promote

greater accessibility for young people to the employment insurance program.

Second, we need to better align training and skills with market needs and revise training programs to better integrate digital and cross-sectional skills as well as real-world business experience. Partnerships between schools and businesses should also be encouraged to ensure that young people gain relevant experience before entering the labour market. In that sense, I also recommend funding research programs on the impact of artificial intelligence on youth employment, because there is a serious shortage of them.

• (1535)

Third, companies should be given incentives to hire young people. Targeted grants or tax credits should be offered to small and medium-sized businesses, in particular, for hiring young people through potentially renewable term contracts. We also need to encourage the hiring of young people in growth sectors, such as technology, services, the green transition and digital infrastructure.

Fourth, we need to stimulate the creation of quality jobs and sustainable jobs in the economy—

• (1540)

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

[English]

Mr. Tarr, go ahead for five minutes or less, please.

Andrew Tarr (Business Manager and Financial Secretary, HVAC&R Workers of Ontario Local 787 (United Association of Journeymen and Apprentices)): Hello. I'm the business manager of HVAC&R Workers of Ontario U.A. Local 787, and also the joint training and apprenticeship committee trustee.

The HVAC&R Workers of Ontario represents 5,300 heating, ventilation, air conditioning, refrigeration mechanics and building maintenance professionals. Our geographical jurisdiction is the province of Ontario, covering all HVACR sectors: manufacturing, residential, commercial, industrial and institutional. Most of our membership hold Cs of Q in 313A, refrigeration and air conditioning systems mechanics, and 313D, residential systems mechanics, along with gas licences. We currently have 340 signatory contractors with U.A. Local 787, and they're represented by the Ontario Refrigeration and Air Conditioning Contractors Association, or ORAC. Through a joint effort, the union and contractor association operate a training facility that is dedicated to preparing, training and upgrading our membership. Currently, we sign up between 300 to 350 new apprentices yearly.

I'm honoured to be here today to talk about youth unemployment. My experience with youth unemployment is normally with those who are seeking to start a career in the HVACR industry and may have taken a form of post-secondary education or had exposure to the trade through an Ontario youth apprenticeship program. Weekly, on average, the union will receive 80 requests to join, and approximately 50% of those people trying to join the union are new entries to the workforce. We do not track the age of the applicants but, judging from the lack of experience, they are 25 years or younger. There are more applications received to join the union than the union and employers can offer apprenticeships or jobs to.

This has changed over the years, as various governments have spent a lot of time and money on opening people's eyes to the value of the trades. In the past, trades were a second-choice career; today, the trades are becoming a first-choice career. We should be proud that we are changing how the trades are viewed, but there is also a sign of trouble. As we turn people away because we don't have the jobs, they are getting increasingly frustrated and giving up.

The question around why our youth are experiencing a high unemployment rate is not an easy question, and I can't cover it in five minutes, but as you dig, you will find that there are multiple factors that are contributing to higher youth unemployment.

One reason, which has been around forever, is that employers prefer to hire people with experience. This saves money on training, and, in most cases, a new employee with experience generates revenue right away. This is creating a unique situation in the HVAC industry: People with experience are making lots of money, and it's getting hard for people to enter the industry.

Another reason is that, for the last number of years, we have heard all the calls for more workers within the skilled trades, for fear of not having enough people to meet the future. As I stated earlier, increased interest in the skilled trades is due to the recent push, from various governments, that encouraged people to consider the trades instead of colleges or universities. Along with this increase, we are also seeing series 900 SINS—or, in other words, temporary residents. This is something that I had never experienced until about five years ago. This creates further competition for very limited jobs. Beyond competition for jobs, the temporary residents are very motivated, as the life that they are offered in Canada, in most cases, is better than what they had in their homeland. They will do anything, and, in many cases, they prefer to work for cash.

To understand how this affects the industry, we need to understand what the industry is. The industry is broken down into industrial, institutional, commercial and residential. Industrial, institutional and larger commercial, due to liabilities, tend to have licensed, insured contractors with certified workers. Residential, on the other hand, tend to chase the lower-cost and, in many cases, will use what is known as “the underground economy”. The residential HVAC industry, when it comes to people it employs or could employ legally, is five times larger than the industrial, commercial and institutional sectors combined, and in many cases is the entry experience for those in the industrial, commercial and institutional sectors. When people are turned away, whether they apply to the union or to a non-union contractor, they will do what they know best, which is to go into business themselves, and the first step is the un-

derground economy, taking away entry-level jobs. This becomes a vicious circle.

• (1545)

Thank you.

The Chair: Thank you, Mr. Tarr.

We'll begin the six-minute round with Mr. Genuis for six minutes, please.

Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Thank you, Chair.

Thank you both for your testimony.

Mr. Tarr, our Conservative youth unemployment plan has four pillars: unleash the economy, fix immigration, fix training and build homes where the jobs are. We've been calling on the government to implement that plan as part of their upcoming budget.

I want to drill down on the second pillar of that, the immigration piece, and the fixes that are needed to immigration.

You alluded to that in your testimony, but I wonder if you would be interested in saying a bit more about where you think the immigration failures have been and what you think we could recommend that the government do differently in light of the dynamic you're describing, which is that there is intensifying competition from temporary residents that is crowding out opportunities for young people.

Andrew Tarr: I think it has to be monitored better. I think people abuse the temporary foreign worker program. They put job searches out. I have found that, for a lot of the job searches, the wages are posted lower than what a person could live on in Ontario, so they should have to use the prevailing wages within the area where they're looking for workers.

There has been a lot of funding to bring international people to Canada. My office is in Brampton. If you drive around Brampton, on almost every corner there is a recruitment agency. I get calls all the time that they want me to sponsor people to come into the country. When a lot of these people send me emails, they have funding from the government.

If we spent the money to train our people and offered more training, we wouldn't need as many international people.

Garnett Genuis: In the past, there has been discussion about our having a skill gap and having to bring people from outside, but, if we have unemployed people here, what you're saying is that we could put resources into training people who are here to be able to take those positions.

You talked about training in terms of the gaps in training, saying that there are fewer positions available to be trained in than there are people who are looking at going into these positions. Does that suggest that we need to expand investment in training, or is that just a reality of the fact that there is not as much market demand for that work as people might think?

Andrew Tarr: I think there are two different things.

I referred to not having enough jobs. The reality is that there are piles of colleges—and I'll use that term lightly—training people and giving them basic entry-level qualifications. They then go out looking for a job. There are not enough jobs. That's the reality. You can train as many people as you want, but if there are no jobs, there are no jobs.

We have to be concerned, because workers are retiring, but I think we need to better evaluate the situation. When people say that they can't get employees, is it because they aren't paying enough, or is it because there are not enough people?

Garnett Genuis: Yes, thank you.

There are challenges in immigration and some mismatches in training, but you're highlighting what's effectively the first pillar of our plan, our proposal to unleash the economy based on the fact that there aren't enough jobs. I think there are things we need to do on the training front, but, fundamentally, if we have a situation in which various taxation and regulatory barriers are making it harder for businesses to start, invest and grow, then there are fewer jobs and fewer jobs available for young people.

I wonder if you can speak a bit to that point. What do you think is required in the space of government policy that would unleash economic growth and create more job opportunities for your members, your prospective members and other Canadians?

• (1550)

Andrew Tarr: I think there are red tape regulations that are slowing things down—permits and stuff like that, for sure. I am going through that right now with the training centre in Mississauga. We have lots of challenges.

I think we could find ways to speed things up. Things are challenging right now. In the last week or so, a lot has changed, but I think the government needs to work to free up some resources to help get things going.

Garnett Genuis: Thank you.

Removing red tape, unleashing the economy, freeing up resources, fixing immigration, fixing training....

In the time you have left—40 seconds—can you tell us a bit about that training centre you're working on in Mississauga and some of the challenges but also the opportunity you see with that centre?

Andrew Tarr: Currently, we have a 35,000-square-foot training centre. We're upgrading it to a 70,000-square-foot training centre so that, hopefully, we can train all our members and do some pre-apprenticeship training.

The challenge we're running into is just the long time it takes to get permits. We've been working at it now for over a year, and it seems like it just doesn't.... It's like watching paint dry.

Garnett Genuis: Yes, I think that's a concern we hear a lot.

I think that's my time. You're being very generous today, thank you.

The Chair: Thank you, Mr. Genuis. It's a most interesting topic.

Madam Koutrakis, you have six minutes.

Annie Koutrakis (Vimy, Lib.): Thank you, Mr. Chair, and thank you to our witnesses for being with us today.

Interestingly enough, yesterday I held a round table discussion with 13 different institutions and colleges under Polytechnics Canada, including some employers.

Before I left that meeting, I asked them one question: If there was one demand, one request that I could bring back to the government and specifically to the ministers involved in this file, what would it be? They said, "Space. We need the resources to open up more spaces for students."

The reason they said that was that, according to them, half a million students graduate from their programs every year, and they have waiting lists for students who want to join these programs.

I look to each of you. When you're dealing with this issue, is your experience the same?

Andrew Tarr: I guess I'll go first.

If you're going to support a college, I think you should look at the types of colleges that are being supported, because there are a lot of colleges. Private career institutes would be a better description, where they're privately owned, run for profit and turn out as many people as they can.

Those 80 people I get applying per week have had some sort of training, and they're looking for a job. I don't think it helps to train people when they aren't going to get a job because there are not enough jobs.

[*Translation*]

Annie Koutrakis: Professor Vultur, would you like to add anything?

Mircea Vultur: Can you repeat the question?

Annie Koutrakis: Yesterday, I met with 13 representatives of institutions and colleges, including employers. They told me that, every year, about 500,000 students complete their programs and would like to find a job, but there are no job opportunities. There are students who want to work, but they have trouble finding a job.

Have you heard the same thing?

• (1555)

Mircea Vultur: Yes, it's the phenomenon of post-graduation work-entry difficulties. Many young graduates are looking for jobs but cannot find them. There are job postings for positions that require degrees lower than university or college degrees. Most of the available jobs are in the secondary economy. As a result, today, a large number of young people are overqualified for their jobs; 33% of young people have jobs that do not require their level of training.

I think an adjustment needs to be made in that regard. As the other witness said earlier, we need to reassert the value of vocational training. That is where most job offers are, while fewer jobs require college or university degrees. There is an overproduction of graduates whose fields of study do not correspond to the needs of the economy.

Annie Koutrakis: Thank you.

[*English*]

I'm wondering, Mr. Tarr, if you could expand further. You mentioned to free up some resources. What resources, specifically, are you referring to?

Andrew Tarr: I mean to get people employed. Right now there is a stall in the market. There could be funding to help get things going, like building houses and stuff like that.

Annie Koutrakis: The Government of Canada has announced the build Canada strong. We've announced quite a few measures, actually, that are going to be covered in the budget on November 4. I'm sure you are familiar with those announcements.

I look to you. Do you think those announcements that we've made to help skilled trades particularly, and the UTIP, because you said that employers hire people with experience...? Under the UTIP program, we announced more funding. We're getting a great response to the measures that the government has announced.

Would you agree that the government is announcing the right things in the budget?

Andrew Tarr: I haven't seen all the releases, but I will agree that the UTIP is important. UTIP is directed to the union training centres, and most people who are in the union training centres have jobs or will have jobs.

That's one thing the unions do: We don't bring people in we can't keep employed. Our goal is 100% employment. When things get slow or technology changes, we train them, so that they're employable.

The UTIP fund goes directly to the taxpayer or working people, so it's a very useful fund, yes.

[*Translation*]

The Chair: Thank you, Ms. Koutrakis.

Mrs. Gill, you have the floor for six minutes.

Marilène Gill (Côte-Nord—Kawawachikamach—Nitassinan, BQ): Thank you, Mr. Chair.

Thank you to the witnesses for being here today. I have a lot of questions for them, so I'll be quick about it.

Mr. Vultur, you said that the youth unemployment rate was 14%, but that it could be as high as 17% or even 20% in some cases. You're a rigorous academic and expert, and it's very interesting to see all the work you've done.

Do you see any distinctions between the regions of Quebec and Canada, between age groups, between urban and rural areas, between job sectors for which there is a shortage of young people, and so on? There is an endless number of distinctions. Do you see a difference in the unemployment rates in these categories?

Mircea Vultur: Yes, unemployment rates differ from region to region. Some regions are more affected by unemployment. We don't have statistics on different sectors, because unemployment is not divided up by sector. We have the employment rates, though. We see that some employment rates have declined, for example in the accommodation and recreation sectors, but have increased in sectors such as health and social services. We can measure demand based on the employment rate.

In terms of the differences between the various groups, the people who were most affected this year were those who were back in school, meaning those who were enrolled in university, had summer jobs and then went back to university. Their employment rate was almost 20%. Summer jobs have been hit hard by the unemployment rate among Canadian students, and that's due to the many phenomena I mentioned earlier.

• (1600)

Marilène Gill: It would be useful to have data divided up by sector, I would imagine.

My next question is about employment insurance, which you talked about. We've touched on this at the committee. Of course, we don't want young people to be unemployed, especially for an extended period of time. In addition, these young people often live precariously. We even raised the idea that it could undermine the educational goals of some young people.

What would be your recommendations in that regard? You didn't get a chance to finish your recommendations earlier, but you will likely forward them to us.

Mircea Vultur: We see that long-term unemployment has a very negative effect on young people. Short-term unemployment has a less significant impact. When you're unemployed for two or three weeks, or even two months, it doesn't have a significant impact, because the period of unemployment is transitory.

In June 2025, we also found that almost 22% of job seekers had been looking for work for at least 25 weeks, or more than six months. The year before, it was 17%. Young people are taking longer and longer to find a job. This is a worrisome phenomenon for all unemployed workers, but especially for young people, because, as I explained, it can have a very negative impact on their burgeoning careers. In particular, it causes a great deal of discouragement. Young people who finish their studies, who want to enter the labour market and who can't find a job are greatly affected in the long term in terms of wages, but also in terms of mental health. They become discouraged and lose self-confidence. Then they find themselves in the trap of long-term unemployment. Therefore, we must at all costs prevent these young people from remaining unemployed for more than six months or a year. That is one of my recommendations.

Today, young people are increasingly in debt. In the category of young people aged 18 to 34, 66% are in debt and 35% of them are having trouble repaying their debts. Therefore, we should also facilitate access to employment insurance for young people, adapt it to non-standard, seasonal and temporary jobs, and ensure a better rate of pay. Today, the cost of living is high, and young people are having a hard time coping. According to recent statistics, approximately 40% of young people born in the early 2000s have experienced food insecurity. With this in mind, I recommend easier access to employment insurance for young people.

Marilène Gill: Since I'm short on time, I'll have to wait for my next turn to ask you my next questions, but I'll tell you the topics right away to give you time to think about them.

First of all, you talked about automated résumé sorting, and that caught my attention.

I would also like to talk about the mismatch between training and the labour market. I see a possible link there with retirements and the positions they may leave unfilled.

Thank you.

Mircea Vultur: Thank you, too.

The Chair: Thank you, Mrs. Gill.

[English]

Ms. Falk, go ahead for six minutes.

Rosemarie Falk (Battlefords—Lloydminster—Meadow Lake, CPC): Thank you to the witnesses for being here this afternoon.

I would like to start with Mr. Tarr, if I may.

I notice with the conversation, the government is leading on to anticipation of what's in the budget and that it is going to do something when it comes to building.

I just want to be on the record noting that it's one thing to announce something, but it's another thing for the rubber to hit the road and for things to happen and get built. We've been in a housing crisis for a while now, and we're still in a housing crisis. We know, and we've heard at this committee, that we need tradespeople in order to build those houses, ironically.

In your opening remarks, you made a comment about the residential economy choosing the lower cost and “what is known as the underground economy”.

What do you mean by an underground economy?

• (1605)

Andrew Tarr: That's when people work for cash. They don't pay taxes. They typically don't pay into the system. They don't pay WSIB, health tax or income tax, but then they actually enjoy the benefits of a system that is paid for by taxes. If they get hurt, they go to the hospital. They don't claim a WSIB claim, but they use our hospital system and get fixed.

The underground economy is rampant. In 2019, the OCS did a study. It's on their website. It's the Ontario Construction Secretariat. Don't type in “OCS”, because that's the Ontario Cannabis Store.

Some hon. members: Oh, oh!

Andrew Tarr: Go to the Ontario Construction Secretariat's website and just type in “underground economy”. In 2019, they did a pretty in-depth study on it.

Rosemarie Falk: Has the underground economy increased in recent years?

Andrew Tarr: I would say it has. It's increased in a couple of ways with Facebook Marketplace and technology whereby you can do searches. What I've noticed is that some of the temporary foreign workers or new Canadians come from cultures that are all about cash. We're all about cash, everybody is, but they're more so.

I have two buildings where I get work done. If I call up and get a locksmith to come in, they give me, a business, the option of paying cash. Why does a business need to pay cash?

Rosemarie Falk: Would you say that the rising cost of living and everything being more expensive is contributing to that?

Andrew Tarr: I would think so. I honestly think that people are just trying to feed their families.

Rosemarie Falk: That's right, and we have heard that 2.2 million Canadians have accessed food banks, so I definitely understand that people are just trying to put food on the table.

I do want to make note, too, that under Prime Minister Harper, the Conservatives had a home renovation tax credit. I know that there was a lot of positive feedback on that to curb the underground economy, because, in order to receive that tax credit, you had to get a receipt; therefore, you had to get services from a Red Seal tradesperson.

Do you have any comments about that?

Andrew Tarr: I don't know if that always works, because usually, when a company does business, they can give a receipt, but it's very common that the companies will have people who work for cash.

Rosemarie Falk: Okay, so the company is hiring people to work for cash.

Andrew Tarr: Yes, and they're not necessarily qualified. On the recent heat pump grant that was given out, to get that heat pump grant, you had to have a legitimate company install the heat pump.

When the companies came to install the heat pumps, it doesn't mean qualified people were installing the heat pumps. The reality is that 60% of all heat pumps in Ontario, when they were being installed, were installed wrong. I even have figures to show that, on the residential side, less than 30% of the people are properly qualified for the work they're doing.

Rosemarie Falk: I'm sorry; can you repeat that number?

Andrew Tarr: Less than 30% of the people are properly qualified to do the work they're doing in the residential sector.

• (1610)

Rosemarie Falk: If something is installed inappropriately or by somebody who isn't qualified, does that cause increased costs down the road?

Andrew Tarr: Yes. Normally, if a person's not properly trained, they don't understand the system. They don't understand how to install things properly. What ends up happening is that you have shorter equipment life.

Mike Holmes made a living off pointing out poor workmanship.

Rosemarie Falk: That's right. Thank you very much.

The Chair: Thank you, Ms. Falk.

[*Translation*]

Ms. Desrochers, you have the floor for five minutes.

Caroline Desrochers (Trois-Rivières, Lib.): Thank you, Mr. Chair.

Thank you to both witnesses for joining us this afternoon for our very important study on an equally important topic.

[*English*]

We continue to broaden and move the goalposts.

I'd like to start with Mr. Tarr.

You talked about training, the importance of UTIP and how it's been helpful. We've just announced an additional \$75 million over the next three years to continue that program, especially because we want to make sure that we have the right labour, the right workers, to contribute to the Build Canada Homes program and all the investments we're making in building affordable housing. Would you like to comment on that?

We have other programs extended, such as apprenticeship grants and EI supports. What you said seems to be that youth are getting the training, but they're not able to necessarily gain employment after that, unless they are trained by the unions, I guess.

Andrew Tarr: I think there are two different things that are going on. UTIP is money that's directed to the union training facilities and that has been used to upgrade the facilities, buy training material and stuff like that. The unions are basically training their mem-

bership, which I would say... I can speak solely for my union, but we make sure the people are properly registered and qualified.

Caroline Desrochers: Do you have any temporary residents who are union members?

Andrew Tarr: Yes.

Caroline Desrochers: What would you say is the percentage of all your members?

Andrew Tarr: We have 5,300 members, and we currently have about 100 or 101 series-900 SIN numbers in our system.

I know that because we found out... I honestly don't know what.... If someone has a SIN number, we bring them into the system; we put them in the system. When we started trying to train these people, sending them to ministry school—in Ontario, we are a training provider for a ministry school—we were finding out that we couldn't register them because they had series-900 SIN numbers. That's a temporary worker, and we needed special papers for that.

Caroline Desrochers: I know I'm running out of time here, and I do want to get to Mr. Vultur, but just before I do, I'll just go back to the underground economy. I just want to clarify something. We're not saying.... We know that there are Canadians who are also part of the underground economy. Is that correct?

Andrew Tarr: Yes.

Caroline Desrochers: Okay, so, we're not just blaming that on immigration.

Andrew Tarr: No, no, I'm not blaming. It's a big problem in the residential industry. If the people who are applying—who have gone to colleges to get pretraining—don't get into the trade, they go and start working for cash, installing furnaces, and that's everybody.

Caroline Desrochers: How do we solve that? The issues seem to be more on the employer side, so how do we solve that?

Andrew Tarr: Well, the underground economy has been around.... You could go out and get people, go to the wholesalers and wait, go to Home Depot and watch all of the trucks that pull up, and see if people who are doing stuff have business numbers. It's everywhere.

Caroline Desrochers: Okay. Thank you.

I have one minute. Okay.

[*Translation*]

Mr. Vultur, I don't have much time left, but I'd like to ask you a question.

You talked about young people's precarious work situation. Do the existing programs help make things less precarious for young workers?

• (1615)

Mircea Vultur: Are you talking about government programs?

Caroline Desrochers: Yes.

Mircea Vultur: There are not a lot of programs for young people. There are internship programs and the Canada summer jobs program, for example. There are also internship programs in the public service. However, these programs are few and far between.

I think in that respect—

Caroline Desrochers: Do you think there should be more?

Mircea Vultur: We need to have more and draw inspiration from certain international models, for example by giving direct subsidies to employers to hire young full-time workers while training them. That's what's missing in Canada. I mean, there are very few jobs.

Caroline Desrochers: Okay.

Thank you, Mr. Vultur.

The Chair: Thank you, Ms. Desrochers.

Mrs. Gill, you have the floor for two and a half minutes.

Marilène Gill: Thank you, Mr. Chair.

Mr. Vultur, I'll ask you another question.

You said that there's a mismatch between labour market needs and youth training, and that youth are often overqualified. You've repeated that 33% of youth are overqualified. Based on what I'm hearing, we should actually say "overeducated". Since the Quiet Revolution, the proportion of college or university-educated people has increased tremendously. That's the case in Quebec, and it's the same in the rest of the country.

I wonder whether there's a link to be made with the fact that a lot of workers are retiring. I'm reminded of my father and grandfather who worked as labourers in the industrial sector. As you said, we need to fill the void left by people leaving the labour market. You said we need to encourage young people to take an interest in the trades and become electricians, plumbers and so on.

Do you think education is something that needs to be addressed as well? Let me give you an example. I know this falls under provincial jurisdiction, but should there be quotas for certain trades? Do you have solutions to fill positions in the trades, which are unfortunately being ignored?

Mircea Vultur: I don't think quotas should be imposed for university programs. I wouldn't go that route. Students should have the freedom to choose what they study. However, they need to know that they might have a hard time finding employment with certain degrees. They often have several degrees with skills no one's looking for. They're just going to school for the sake of going to school. It's popular nowadays to have several degrees. They're encouraged to continue their education, but that education doesn't always match labour market needs.

I think the government should focus on telling youth which trades are most in demand. There's a lack of information in that regard, and that explains why 33% of young university graduates work in a position that requires only a college degree. What's more, 15% of them work in a position that requires only a high school degree. That's a waste of human resources. It should be noted that high rates of graduation or education contribute to a country's growth. However, economic growth wouldn't necessarily be stronger if everyone had a degree. The number of graduates at all education levels needs to be adjusted. I think we need to strongly promote skills training, and that is where the government should invest.

The Chair: Thank you, Mr. Vultur and Mrs. Gill.

[*English*]

Next is Madam Goodridge for five minutes.

Laila Goodridge (Fort McMurray—Cold Lake, CPC): Thank you, Mr. Chair.

Thank you to the witnesses for being here.

[*Translation*]

Mr. Vultur, I represent the riding of Fort McMurray—Cold Lake, and we have a lot of tradespeople in our community. I used to work in the oil sands sector, and I often saw people with university degrees learning trades.

Based on your research, is that happening across the country?

• (1620)

Mircea Vultur: Yes. More and more people are taking a new career path. Some university graduates turn to shorter programs to get a degree that better meets labour market needs.

Others have training in a certain field, but work in a completely different one. That, too, is happening. Someone with a degree in Chinese literature, for example, could work as marketing director for a company. It's more and more common. After all, knowledge is not the only thing you get from a degree; you also acquire skills such as critical thinking and the capacity to adapt.

Laila Goodridge: Thank you, Mr. Vultur.

[*English*]

Mr. Tarr, I really appreciate your being here today and the work that many unions do to train people up. Generally speaking, from the experience I've had, oftentimes union training halls do a good job because they are not training for jobs; they are training for jobs that the market actually needs.

From your experience, do you believe government or the private sector creates more jobs?

Andrew Tarr: I think it's the private sector. I think we are better off with jobs created by the private sector. It's a better sign in the economy.

Laila Goodridge: Are you seeing red tape coming from the government? I know that the variety of anti-development and anti-energy laws that have been brought forward for the last 10 years by the Liberal government has created all kinds of complications in expanding any kind of energy development. Has that had an impact on jobs in the union sector?

Andrew Tarr: I think it has, yes.

Laila Goodridge: Based on that, do you believe that has had a direct impact on youth unemployment?

Andrew Tarr: I think it would. Ultimately, you don't bring in new people if your membership is not working.

Laila Goodridge: No, and I think that's an exceptionally important point. I come from Fort McMurray, and we used to see people coming from all across Canada and the world because of the opportunity. We see less and less of that. There just aren't those same opportunities. For the last 10 years, this is what they've heard from the government: "We want to transition you away from those jobs. Those are bad jobs. Don't invest there," so companies have invested elsewhere.

What would you say to a youth looking at starting their career? What would you recommend they pursue?

Andrew Tarr: I encourage them to get into the trades.

I'm a tradesperson. The trades have been good for me. My son's in the trades. I encourage people to get into the trades, because it's something that keeps on giving, but it is tough right now.

Laila Goodridge: I think it's really tough, especially when our society has so much focus on the idea that if you go to university, you will find success.

My dad was a very proud Red Seal machinist. He could fix just about anything. If he couldn't fix it, he could make it, which was kind of fun and cool.

I'm very proud to have grown up in that kind of a household. I think more needs to be done to show youth that this is a great career.

I will give you the last minute to give a pitch as to why HVAC&R.

Andrew Tarr: Thanks. You're putting me on the spot.

I think tradespeople in general, in good times and bad, can find work.

We mentioned the underground economy, and I'll be honest: When I was first married, I bought a house, and I had to put a roof on my house, so I did a side job or two to pay for the roof, because things were slow. If I hadn't been a tradesperson, I probably wouldn't have been able to do that.

Trades give people the ability to do things that a person who goes to school for accounting can't do.

I'm a tradesperson, so I believe in trades 100%.

Laila Goodridge: Thank you.

The Chair: Thank you, Ms. Goodridge.

You're hard on the accountants, Mr. Tarr.

Some hon. members: Oh, oh!

• (1625)

Laila Goodridge: He didn't call you a [*Inaudible—Editor*].

The Chair: I accept that.

You made very valid points.

[*Translation*]

Mr. Joseph, you have the floor for five minutes.

Natilien Joseph (Longueuil—Saint-Hubert, Lib.): Thank you, Mr. Chair.

Good afternoon, Mr. Tarr. Thank you for being here with us for this meeting on youth employment in Canada.

Before I begin, I'd like to say that I was a refrigeration engineer by trade, similar to my colleague who was an electrician by trade. I'd like to take this opportunity to say a few words to my former colleagues, whom I might work with again someday. This is for the men and women who work in a skilled trade in construction: Every day, using your hands, intelligence, passion and dedication, you build and repair, helping our society move forward, and for that, I thank you immensely.

Mr. Tarr, you talked about the importance of labour mobility. On that point, the federal government funds the red seal program, which supports the adoption of common interprovincial standards for tradespeople skills through tax measures, and facilitates labour mobility. Would greater harmonization between the federal and provincial systems help youth find jobs faster? How would that type of harmonization fit in your idea of a national strategy for trades?

[*English*]

Andrew Tarr: The last little bit kicked out, so I didn't hear it, but I think you're asking about harmonization and how it would help young people get jobs.

[*Translation*]

Natilien Joseph: Yes. My question is about harmonization.

[*English*]

Andrew Tarr: I think harmonization is important, because it's holding back our country as a whole.

When I think of harmonization, I'm thinking of certifications, safety training—all that stuff. Typically, what I find is that for young people who are not working in the field, harmonization wouldn't affect them.

Andrew Tarr: Harmonization is important to enable everybody to travel between provinces to follow the work. Right now, for someone to go from Ontario to Alberta, it could take six days for them to get the proper training, even though they had the training in Ontario.

I think harmonization as a whole is very important.

[*Translation*]

Natilien Joseph: It's also important for Quebec.

[*English*]

Andrew Tarr: Yes, it is, for Quebec, for all of the provinces.

[*Translation*]

Natilien Joseph: Thank you, Mr. Tarr.

Mr. Vultur, thank you for joining us and for your remarks.

Since we've started this study, the Conservatives have wanted to talk about everything, except youth unemployment. When you look at how they've voted in the past, you can understand why. Most of my colleagues on the other side voted against Bill C-79, for example. The purpose of the bill was to give appropriations to the Department of Employment and Social Development, among others. It provided grants and contributions for essential programs, such as Canada summer jobs and skills for success.

Could you talk about those essential federal programs for youth and how they actually help youth?

Mircea Vultur: Do you want me to give you details on the programs?

Natilien Joseph: Yes, please.

Mircea Vultur: I don't really know the programs in detail, but I've heard of them. I think they help youth. I'm thinking, for example, of the tax credits for businesses that hire youth. Today, at a time when unemployment rates are high, the government needs to improve its programs for young people. That said, I haven't analyzed the programs to assess how effective they are.

Today's youth are facing some insecurity. As another MP said earlier, we need to promote programs that support the construction and industrial sectors. However, it must be noted that the precarious jobs of previous generations, those that required little skills, are not today's precarious jobs. Before, they were factory and construction jobs. Today, they are jobs in the food industry, home care, logistics and trade.

• (1630)

The Chair: Thank you, Mr. Joseph.

[*English*]

I want to get direction from the committee at this time. We have concluded the first hour, as per the way we do this. What is the will of the committee? Do you want to continue on? We just have the same two witnesses.

Laila Goodridge: That would be standard, Mr. Chair.

The Chair: That's why I'm asking for direction from the committee on continuing on into the second hour with the same two witnesses. Is it the will of the committee to continue?

Garnett Genuis: Yes.

The Chair: Okay. Then we will move to Mr. Reynolds.

Mr. Reynolds, you have five minutes.

Colin Reynolds (Elmwood—Transcona, CPC): Thank you, Mr. Chair.

Thank you, witnesses, for coming here today. I appreciate your time.

My question is for Mr. Tarr. I just want to circle back to this underground economy thing. I think it's very interesting.

We can talk about side jobs and a guy who puts a light in for his neighbour, or something like that, but would you say there's a large underground economy? What I'm getting at is this. Are there contractors who are hiring multiple people for cash as full-time employment?

Andrew Tarr: In the underground economy, there are contractors who say that they're contractors, but they're actually not contractors by definition, because they're not registered. That's very common.

If you go to Brampton and look it up on Facebook Marketplace, you'll get hundreds of them.

Colin Reynolds: That's unfortunate. We have an expression for them in Manitoba. We call them "trunk slammers".

Andrew Tarr: Yes, we use that here, too.

Colin Reynolds: Do you have the same expression in Ontario?

Andrew Tarr: We have the same expression.

Colin Reynolds: Is there a path for temporary foreign workers or for permanent residents in Ontario to do an apprenticeship? I know in Manitoba you cannot get into Apprenticeship Manitoba unless you are a permanent resident—a temporary worker cannot. Is there a path for temporary workers in Ontario to get into the apprenticeship program legitimately?

Andrew Tarr: I believe that refugees, as long as they are registered refugees and they have paperwork with their SIN numbers, can do an apprenticeship, but everybody else....

I had a situation where a person came from Australia. They were issued a temporary foreign worker permit to work in Ontario for a particular contractor to perform refrigeration work, but the Ontario government requires that you have a licence. Even though he had the paperwork from the federal government, it wasn't legal for him to work in the province of Ontario. He wasn't allowed to take training, because it specifically said on the document that he was not allowed to train.

I do know that for refugees there is something. I'm not too familiar with it. I just found about this two weeks ago, while I was getting a training session on series-900 SIN cards.

Colin Reynolds: We're learning things new every day.

These contractors are hiring all these people without a legitimate path to a Red Seal or an actual career. It's just cash for hire on a daily basis.

Andrew Tarr: Yes.

Colin Reynolds: Kind of drawing a line in the sand between ICI—industrial, commercial and institutional—and residential, do you see this primarily in the residential industry?

Andrew Tarr: It's primarily residential and what I would consider to be light commercial. Strip malls—every mall in Burlington, say—won't use non-right-licensed people. It's when you get into small mom-and-pop malls or business units or residential or small restaurants that there's a lot of cash business.

• (1635)

Colin Reynolds: On that side of things, is it more predominant in residential?

Andrew Tarr: Yes.

Colin Reynolds: Do you think in Ontario there is a lack of enforcement? We have lots and lots of regulations in Manitoba. People are required to have Red Seals in various industries—piping trades, HVAC, refrigeration. Is there a lack of enforcement out there?

Andrew Tarr: I believe there is, yes.

Colin Reynolds: I know that in Manitoba we definitely have a lack of enforcement.

Obviously, we need to build more homes in this country. There's a lot of talk about building more homes. Do you think injecting billions of dollars into our housing construction industry, without taking into account that maybe we need some more enforcement to regulate some of this construction, will make this problem worse?

Andrew Tarr: It could; it could. I don't know about dumping piles of money into the housing market without looking at other things that are going on in the market. Yes, we need more houses. I personally believe we need to stop speculation in houses. I think if you got rid of speculation in houses, you'd still have a housing crisis, but it wouldn't be as bad.

That's my uneducated opinion.

Colin Reynolds: Is that it for me, Chair?

The Chair: You have an extra half-hour.

Voices: Oh, oh!

An hon. member: You mean an extra 30 seconds.

Laila Goodridge: If you give him an extra half-hour, he'll take it.

Voices: Oh, oh!

The Chair: No, no. I just find this line of questioning interesting and fascinating.

Ms. Fancy, you have five minutes.

Jessica Fancy (South Shore—St. Margarets, Lib.): Thank you very much.

It's nice to see you talking shop, being from the trades area. With my line of questioning, I'm going to change it up a bit in terms of the future and looking at regional job markets.

I have two questions for Mr. Vultur first, and then I have a question for you both.

Mr. Vultur, thank you very much for coming today. I'm thinking about what you said about AI and automation and how as Canadians we pride ourselves on our AI development as being one of the best in the world. I'm looking at the future with youth within those job sectors.

How do you think automation, AI and green transitions are shaping the jobs that will be available to young people in, say, the next 10 or 20 years?

[*Translation*]

Mircea Vultur: One of the main issues we have is we don't know the impact AI is having on youth unemployment. There really aren't any studies on that. I've recommended the committee con-

duct such a study, because it would be helpful to know the impact the advent of AI has had on youth.

We know that the automation of basic tasks has led to a decline in the number of entry jobs available to the youth. One example is internships for both low-skilled youth and qualified university students. The number of articling students, for example, is dwindling, because AI can search through huge databases of case law and statutory instruments, then synthesize and analyze the information. These entry jobs are disappearing. There are fewer interns, but their role is changing. They can run AI tools and verify the output, giving them more time to acquire other skills and learn new responsibilities.

We also noted that young people are proficient at using tools their future employers are still unfamiliar with, which is an advantage for them. This means they can get hired for reverse training, meaning they can teach their employer how to use AI. It's becoming more common in the labour market. AI will generally create new jobs, but the first impact of AI will be a loss of jobs, which will affect young people.

• (1640)

[*English*]

Jessica Fancy: That's wonderful. Thank you, Mr. Vultur.

I have a second question.

When you were beginning your own opening statement, you talked about needing a stronger federal-provincial coalition. You've called for a stronger federal-provincial coalition. You also mentioned about better tracking data and targeted investments to address the structural challenges faced by youth through different economies and shaped through our different digital platforms and AI. You were reinforcing that federal action and evidence-driven policy are critical for improving job quality and long-term mobility with Canadian youth.

I was wondering if you could expand on that a little, please.

[*Translation*]

Mircea Vultur: There are two important things the federal government could do for youth.

First, it could provide subsidies or targeted tax credits to support the hiring of young people, such as a tax credit for first jobs. Quebec does it, and the federal government could do the same. It could develop first-job programs for young graduates. It could also grant partial payroll tax exemptions to employers that hire workers younger than 25.

Second, in good economic times, youth do well, so the government could promote the innovation industry to create skilled jobs for young graduates. One example would be supporting technology incubators and start-ups. I talked about the new and growing AI sector. The government could implement an intergenerational mentorship program, where, for example, former executives work with and coach young entrepreneurs. It could also offer seed grants to young start-up founders in the AI sector.

Those are just a few ideas.

The Chair: Thank you, Mr. Vultur.

Mrs. Gill, you have the floor for two and a half minutes.

Marilène Gill: Thank you, Mr. Chair.

Mr. Vultur, I have time to ask you two short questions.

First, I'd like to hear more about the automated sorting of resumes. It puts youth at a disadvantage.

Second, I'd like to know what you think about research funding, especially regarding today's subject, and how that could provide potential solutions.

Mircea Vultur: Your first question relates to the automated sorting of resumes. We see more and more businesses doing this. They use AI to automatically sort resumes according to specific criteria, including job experience. This obviously reduces the likelihood of inexperienced youth being hired. I just want to point out the indirect impact AI can have on youth hiring.

If you could please repeat your second question, I would appreciate it.

Marilène Gill: You talked about research funding. I'd like to know which research topics you're talking about specifically and what solutions you think such academic research could provide.

Mircea Vultur: Society always benefits from investment in academic research.

Is that what you were asking?

• (1645)

Marilène Gill: Perhaps I didn't quite understand your recommendations. I thought you were talking about investing in research in this specific area. I was wondering whether any topics, projects or research groups would be especially relevant.

Mircea Vultur: All right. I see.

I am recommending that the government fund research programs on the impact AI has on youth. It's an issue that's been discussed extensively, and there's a lot of speculation. However, there is little in the way of Canadian data on the subject. I think it's a good idea to conduct a Canada-wide study on AI and youth employment.

Marilène Gill: Thank you.

The Chair: Thank you.

[*English*]

Mr. Genuis, go ahead for five minutes.

Garnett Genuis: Thank you, Chair.

Both witnesses today have zeroed in on a critical issue around training and jobs: Training should be seen as a means to an end. Training is valuable insofar as it prepares people for, and leads them to actually having, a job. One of the problems in this sort of infrastructure is that there's been too much mistaken thinking that sees training as an end in and of itself instead of a means to having a good career—as a means to having a job.

Both of you talked about different kinds of mismatches.

Mr. Tarr, you highlighted how, for unions in particular, you train people you can employ. You have a clear connection between training and employment. That connection, of course, does not exist in many other kinds of programs. You have people coming to you who have received other kinds of training and who have been disappointed that training has not led to a job.

Mr. Vultur, you talked about this phenomenon of people with post-secondary qualifications that they are unable to use in the labour market because of this mismatch between training and employment—people thinking about and treating training as an end in and of itself instead of a means to employment.

That's why one of the key pillars of the Conservative youth jobs plan is fixing training. The goal is to bring training into sharper alignment with the needs of the labour market. One of the things we propose is having relatively greater student financial assistance going towards students working to acquire in-demand skills. We've also proposed—and we proposed it long before the government started talking about it—significant increases in funding to UTIP. We believe that's important, and we've been proposing it for a very long time.

I want to hear from both of you. Maybe Mr. Vultur can go first.

How can we fix training to bring it in alignment with the labour market, in order to ensure people are being trained for jobs that exist and not just for the sake of training?

[*Translation*]

Mircea Vultur: That's a topical issue, considering the alarming figures on the overqualification of university graduates.

It's worth noting that research shows about a third of young people go to university not knowing what they're going to do when they graduate. In other words, they go to university without a specific career objective in mind. Therefore, I think the government could guide young people in their career choices by providing financial support, grants or scholarships for example, to those who choose to study in the most in-demand fields. The financial support has to be significant, however. Quebec had a similar program, but it didn't provide students with much financial support, so the uptake was very low. It's an idea that I think could work.

[English]

Garnett Genuis: I have a quick follow-up question for you. Your advice to young people watching would be not to study something just to study it, but to think about the career you want and then pursue a course of study that aligns with that career objective.

You're nodding. Thank you.

If you don't have anything to add, I'll go to Mr. Tarr, because I'm running short of time.

Do you have anything you want to add as a comment on this misalignment in training and how we can fix it?

Andrew Tarr: In our industry, we deal with a lot of private career colleges that are taking government funding. I think the big downfall with this is that they don't track the people who are getting the training. They should track everybody who gets government money and determine how successful they are.

If a college is doing a good job and getting people jobs, no matter who they are, you want to keep them going, but there are a lot of colleges out there, private career colleges, that are taking the money and aren't getting anybody jobs.

If you give money to someone, track them. If the college fails, take them out of the program or quit funding them.

• (1650)

Garnett Genuis: Very briefly, Mr. Tarr, following up on this issue of young people having a career plan in mind before they start their studies, how can we do more to get vocational programs into high schools and get younger people thinking about the kinds of career options that you're involved in?

Andrew Tarr: I think they need to make it easier for a tradesperson to teach in a high school. Right now, a person who goes to trades....

I'm a tradesperson. If I wanted to teach in a high school—although I think they make exceptions—a lot of times they require a teaching certificate.

Garnett Genuis: It's interesting, because you could be an instructor at a post-secondary institution, but you can't teach in a high school.

Andrew Tarr: That's as far as I know. I'm not too familiar with it. I just know they have trouble getting people there.

Garnett Genuis: Yes, it's a problem. I agree.

The Chair: Thank you, Mr. Genuis.

[Translation]

Ms. Koutrakis, you may go ahead. You have five minutes.

[English]

Annie Koutrakis: Thank you, Mr. Chair.

Mr. Tarr, in your comments earlier, you said that currently many colleges that are taking government funds are not doing a good job.

Do you know that to be a fact, or is that something that you are assuming?

Andrew Tarr: There could be some assumption, but some of these colleges that we see operating are tied to immigration services, so they partner. A lot of times, they have government funding on the bottom of their emails.

A lot of training money goes out to different colleges, and whether it comes from the provincial government or the federal government, I think we need to track it better to see who's successfully training people.

Annie Koutrakis: With respect, I will push back a little on that.

Earlier in your testimony, you said that there's a lot of red tape and that processes are in place as well. If there's a lot of red tape and there are guardrails in place, then how can we just assume that if funds are leaving the government coffers to go to colleges that are tasked to train the future skilled tradespeople, the colleges are not doing their job?

It's either that the government guardrails in place are doing a good job and are finding the colleges that may not be doing what they're supposed to be doing and giving the results that are needed, or not. I fail to see how it could be both.

Andrew Tarr: I just see some of the colleges getting funding and then.... To be fair, before this meeting I didn't go and look at all the colleges to see what training they're giving.

There could be some assumption, and it could be some provincial money, but in all, I think that when the government gives money for training, they should track it better.

Maybe provide the students that are taking the courses with a way of complaining if they aren't getting jobs.

Annie Koutrakis: I'm sure there are mechanisms to that effect.

[Translation]

Mr. Vultur, are there countries that stand out on that front, countries Canada could draw some inspiration from? Are there any helpful experiences you can share with us?

Mircea Vultur: Yes, other countries use models, various programs, for example.

I mentioned New Zealand. There, employers get direct subsidies to hire young people for full-time work, while providing on-the-job training. We don't have that model here.

If we look across the country, Quebec's youth employment centre model is quite good and could be expanded nationally.

Great Britain promotes crossover skills; through technical and vocational training, young people learn a wide range of skills to help them enter the workforce.

Dual training is another model, and much of the focus is on work placements. It's the model Germany has adopted. As part of the training, students spend half their time in the classroom and half their time working in a business. I think Canada could apply that model, in order to achieve better alignment between training and labour market needs. It's worth noting the difference between the two types of training. They have different goals. The goal of a university, for example, is to produce graduates, and the goal of the labour market is to produce qualified workers with skills that can be applied immediately to the labour market.

Those are some models Canada could draw on, but obviously, there are others.

• (1655)

Annie Koutrakis: If you had one recommendation for the government, what would it be? What is the first thing it should do to improve the situation?

Mircea Vultur: I would say better alignment between the skills gained through training and the skills needed on the labour market.

Annie Koutrakis: All right. Thank you.

[English]

Mr. Tarr, if you had to make one recommendation to the government about where we can be more helpful in making sure that we have the skilled tradespeople we need for our economy—construction, building and Red Seals—what would that be?

Andrew Tarr: Support the apprentices who are in the system. Right now, the EI system is very difficult and can create problems. An example would be that, if an apprentice.... In the construction trades, it's very common that workers in the construction trades leave a job to go to another job. If the employer puts "quit" on their ROE, they can't collect money for going to trade school. An apprentice can apply to unemployment, to go to trade school, to subsidize their wages while they're going to trade school for eight weeks. If they haven't worked enough and built up the 52-week bank, they can't collect, so maybe look at creating a special class for apprentices, because, sometimes, they might be unemployed or not be fully employed. When I was an apprentice and I was unemployed, I'd go to trade school. If things were slow, you'd try to get into trade school. Just fix the unemployment system to help the apprentices, because, typically, they are the first ones unemployed when things start slowing down.

The Chair: Thank you, Mr. Tarr. I did not want to cut you off, because you were making valid points about the system.

Ms. Falk, you have five minutes, please.

Rosemarie Falk: Thank you very much, Chair.

Mr. Tarr, I've heard you say, a couple of times throughout this meeting, that there are not enough jobs. Why are there not enough jobs?

Andrew Tarr: There are not enough jobs compared to the...people who are applying. There are a lot of people looking for work in the trades—piles of people. I imagine that the 80 applications I get a week are just a fraction of what's going on in the province of Ontario. We don't have the work, and I get that from these people ap-

plying. I sit and talk with some of these people, and they complain that they can't get work. Well, there's no work.

The reality is there's only so much work out there, and there are people who are capitalizing on the labour shortage. It's no secret: When you go out and watch TV, they're talking about the shortage in trades, so people are going into the trades because they think there's a lot of work. Then, they get to the trades, and there's not enough work. Right now, in some of the unionized trades, they're experiencing 30% unemployment, because there's no work. The housing market in Toronto is slow, and they're experiencing an unemployment rate. It comes and goes, so it....

Rosemarie Falk: Like Ms. Goodridge, I come from an area where energy and agriculture are big economic producers and drivers within my riding. A lot of people will come from out east—from the Atlantic provinces—to work. A lot of them are trades-oriented people who are coming for well-paying jobs to provide for their families.

I know that within the last 10 years of this Liberal government... We've heard it, too, from different witnesses who have come to this study to testify to how the government sort of talks about certain industries, which seems to be deterring Canadians and young people from going into their industry. Definitely, in my neck of the woods, it's energy. We've heard this with forestry.

Ms. Goodridge brought up the just transition, where the government talks about doing that and basically says that these jobs you do aren't good, so they're going to train you in something better, which is then deterring youth from going into these areas.

It's interesting that you say that there's just a lack of jobs and work for people to do. Would that be contributing to a lack of productivity in these different industries and different areas?

• (1700)

Andrew Tarr: No, it's not, necessarily. I think what happens is that when we go out, do research and listen to employers and they say they can't find people, they aren't always asking all the right questions.

I am concerned that in the long term we're going to have a problem filling in the need for tradespeople, because of the retirements. There's a lot going on in the industry. When I need 150 people to apply for a job, there are thousands. Ontario is a big place, and you can give only so many people.... It's very hard to explain how that's working.

I don't think the data is always accurate when they say there are not enough people for the jobs. Sometimes the jobs don't pay enough for people to be attracted to them.

Rosemarie Falk: Thank you.

Mr. Chair, with my remaining time here, I believe that you'll find agreement among committee members if I move this motion:

That, notwithstanding the usual practices of the committee concerning access to and distribution of documents,

a. up to three associate members of the committee per party be authorized to receive the notices of meetings and notices of motion and be granted access to the digital binder;

- b. the associate members be designated by the offices of the whips of each recognized party and sent to the committee clerk; and
- c. the provisions of this motion expire as of January 26, 2026, unless otherwise ordered.

I hope we don't even have to go to a vote. I think we just celebrate.

The Chair: This motion has been adopted at other committees. Do I see a consensus and unanimity that the committee adopts the motion put forward by Madam Falk?

(Motion agreed to)

The Chair: We'll move to the next questioner.

[*Translation*]

Mr. Joseph, you may go ahead for five minutes.

Natilien Joseph: I won't be using all my time, Mr. Chair.

I would just like to ask Mr. Tarr a two-part question.

First, in your experience, why do young people choose a career in your sector and what deters them from doing so?

Second, are there any temporary foreign workers in your field?

[*English*]

Andrew Tarr: We are getting a lot of young people coming to our industry. I don't think people are discouraged. I think people get discouraged when they come to us and we can't give them a job.

A big part of my concern is that we're spending a lot of time trying to attract people, and we don't have the jobs for all the people. There are people who come to the industry. It's just that we can't keep them, or we can't give them jobs.

As for temporary foreign workers, currently we have a little over 100 in our system. I'm learning a lot about them, because it's creating some training problems for us. There are quite a few temporary foreign workers within the HVACR industry—union and non-union. I couldn't give you a number, though.

• (1705)

[*Translation*]

Natilien Joseph: You just said there were a hundred in the system.

[*English*]

Andrew Tarr: I'm sorry. Can I have that repeated?

The Chair: Mr. Joseph said that you.... Do you have it?

Andrew Tarr: Oh, I'm sorry. The 100 are within my union. I can do a search in our member management system. I have just a little over a hundred 900-series SIN numbers, which are for temporary foreign workers.

[*Translation*]

Natilien Joseph: Do you think the construction industry could continue to operate normally without foreign workers?

[*English*]

Andrew Tarr: My part of the construction industry could, yes.

[*Translation*]

Natilien Joseph: There is currently no labour shortage in your sector, then.

[*English*]

Andrew Tarr: No. There's a shortage of very experienced workers, but there are a lot of people wanting to get into the trade.

[*Translation*]

Natilien Joseph: Why don't you hire those people?

[*English*]

Andrew Tarr: I don't have the work.

[*Translation*]

Natilien Joseph: Okay. I see.

Thank you.

[*English*]

The Chair: You have a minute and a half, Madame Desrochers or Monsieur Joseph.

Jessica Fancy: I think I can tag in, because I had three questions last time, and I didn't get to the last question.

I'll start with Mr. Tarr.

I'm a former educator, a principal, and we've worked really hard in my province of Nova Scotia on skilled trades and whatnot. My colleagues across the floor were saying how they're from out west and a lot of easterners—I'm from Nova Scotia—go out west for work. My question is, how do we keep them home?

A lot of young Canadians don't live inside urban centres. I'm looking for that kind of regional rural lens on how we keep them home in terms of where the job market is and in training and infrastructure. I'm looking for more of a rural-centric lens on how we keep skilled trades programs open for youth from those areas.

Thank you.

Andrew Tarr: I think people tend to go to where the work is, so if there's no work.... I know that the east has had some issues over the years. I had to move from my home. I moved only four hours away, but I still had to move. You go to where the work is, I guess.

Jessica Fancy: If given the time, I'd also like Mr. Vultur to answer that question in terms of how we keep kids in the rural and remote communities where they've grown up.

[*Translation*]

Mircea Vultur: We've done studies in Quebec on the migration or outflow of young people, meaning the abandonment of rural areas. We found that, contrary to what Mr. Tarr was saying, young people don't leave their regions for jobs alone. They also leave to pursue an education or to live independent lives somewhere else. Many return to their regions. Ultimately, what matters most is having a stable job and starting a family. We have to invest in rural areas to help create good jobs and make it possible for young families to have a better quality of life. That is the key to keeping them in rural areas.

[*English*]

Jessica Fancy: Thank you very much, Mr. Vultur.

● (1710)

[*Translation*]

The Chair: Thank you.

Mrs. Gill, you may go ahead for two and a half minutes.

Marilène Gill: Thank you, Mr. Chair.

Mr. Vultur, I have one last question for you.

You're a professor in the sociology department at Université Laval. Among your publications, you've written two books about overqualification, but also a book that is somewhat the result of a comparative study on young people's relationship to the world of work in France and Quebec.

Extrinsic factors such as the economy and access to higher learning come up a lot, but did you note any intrinsic factors? By that I mean factors originating with young people themselves?

Making young people aware of certain fields is one possible solution, but why aren't jobs being filled? I don't mean to say that young people are responsible, but I'd like to know why they are unwilling to take jobs in fields that could potentially be worthwhile for them and society as a whole.

Mircea Vultur: To explain the youth employment situation, I have to talk about their new values. These workers aren't like the ones in the 1960s. Back then, 70% of young people worked to serve the collective good. Older generations strongly equated work with a moral duty. Among the youth of today, that figure has dropped to 4%. The perception of work as a moral duty no longer exists. What matters to them is personal fulfillment. Today's youth aren't necessarily looking for a stable, good-paying job. They want good working conditions, a comfortable job, good relationships with their co-workers and a certain degree of independence. That intrinsic dimension of work matters a lot to them. I really want to stress the idea of quality employment, because today's young people won't go to work on an assembly line just for a paycheque, like older generations did. They don't want to work to live; they want to live to work.

[*English*]

The Chair: Thank you.

We are entering our last two slots.

Ms. Goodridge, you have five minutes.

Laila Goodridge: Thank you, Mr. Chair.

Mr. Tarr, I feel the need to clarify a few things.

I did a quick Google search. It turns out that, in September 2025, the federal government's Employment and Social Development organization put five post-secondary institutions under review and considered suspending their federal student financial assistance eligibility, citing financial risk to students and the government.

You are not incorrect in stating that there are training colleges out there getting federal funds that, perhaps, were not doing it. If that wasn't the case, I do not believe ESDC would have suspended those five institutions' funding. I just want to put that on the record. I think you said something that a lot of people feel. I hear about it in my region. There seems to be a mismatch. They say, "Why is this getting some of the government's funding when I don't necessarily see the outcomes?"

That's one of the overall issues I have with the Liberal government right now. They are very focused on how much money they are spending—which is a lot—but they're not very focused on what they are delivering for that money. You talked about how there's a shortage of skilled tradespeople. I think there's an issue with the pipeline. They don't seem to understand that, if you don't support the first-year apprentice, it's really hard to have a second-year apprentice. If you don't have a second-year apprentice, you can't have a third-year. If you don't have a third-year, you can't have a fourth-year. If you don't have a fourth-year, you can't get a Red Seal. It shouldn't be rocket science. It's very basic, simple math.

Is that something you're seeing in your union?

Andrew Tarr: Yes. That's why I mentioned fixing EI, so that it matches the apprentices. We have people turning down trade school because they can't afford to go, since it's two months without pay. If we could change EI so it supports apprenticeships better, we could possibly fix that bottleneck. The bottleneck, sometimes, is that people can't go to school because they can't afford it.

● (1715)

Laila Goodridge: I talked to tradespeople going through apprenticeship. They have put it off because they have a young family to feed. They point-blank cannot afford that piece, even though going to trade school means they will make more money once they achieve that schooling.

Do you have any suggestions as to how the Government of Canada can get out of its own way so we can get these people into the education they need?

Andrew Tarr: Just support them better. You're dealing with two systems. The provinces deal with apprenticeships. The finance part is the federal part, which is EI. If we support them better through EI, they are able to go to school.

Laila Goodridge: Do you have any ideas as to what the federal government could do to make EI more responsive to tradespeople and apprentices?

Andrew Tarr: Make a different classification, or make it a training fund instead of EI. Here you have working people who must collect unemployment insurance to go to school. Why can't you turn it into a training fund? Just as we have apprenticeship grants, turn it into a training grant or something that could support the apprentice, so they don't lose a paycheck the week they leave work. They could then go to trade school. They wouldn't be subject to the rules of EI, because they are going to trade school.

Make a different classification for the apprentices.

Laila Goodridge: Thank you. I really appreciate that. I'm really proud to come from Fort McMurray. In Fort McMurray we've actually had registered apprenticeship programs in high school since before I was even born.

Do you believe there are enough registered apprenticeship programs in high schools across Canada?

Andrew Tarr: I can't speak for outside of Ontario. I know in Ontario the school system is doing a pretty good job with what we call OYAP, the Ontario youth apprenticeship program.

Laila Goodridge: How many students are in that, approximately?

Andrew Tarr: I couldn't—

Laila Goodridge: If you don't know, no worries.

I really appreciate this.

Do you have any final thoughts?

Andrew Tarr: No, I'm pretty good.

Laila Goodridge: Thank you.

The Chair: Thank you, Ms. Goodridge.

We will turn to Madam Desrochers to conclude for five minutes.

Caroline Desrochers: Thank you.

I'll start, but then I'll probably share my time here.

Thanks to the member on the other side for bringing up the example of the five colleges ESDC is looking into that perhaps are not following the rules correctly. It just speaks to what my colleague was talking about, the guardrails in the system.

Mr. Tarr, when you said earlier there were some colleges, we do have a system in place to look into how the recipients are receiving those funds and using those funds, and I think that points to that.

There's also been some discussion around action with respect to the actions we've taken to build things and to put people to work. I would just point to Build Canada Homes. I think we've been very clear that we're getting back into the business of building affordable homes. These are going to be real projects that are going to put real

people to work. There's a first round of 4,000 that have been announced, and we're putting federal lands to use.

I am getting somewhere with this. It's the same thing with the Trans Mountain pipeline. I know that our Conservative colleagues like to say that we are the anti-energy party. We are not. We are the party for responsible development of our resources, and the Trans Mountain pipeline resulted in thousands of jobs during its construction and continues to help the energy industry out west.

I was intrigued by what my colleague, Mr. Genuis, said earlier about loans and grants to support students. We already have quite a generous federal loan program for students. I do very much like the idea of how we can better support students going into trades. Do you think that additional loans, or maybe better loans with better rates, or grants would be more helpful? Maybe it's a question for both of you.

Mr. Tarr, do you want to start?

• (1720)

Andrew Tarr: I don't know how many apprentices are taking the loans. I know they get tool grants and they get completion money when they go to trade school. In trade school, typically they aren't getting loans for tuition or anything. That falls under the Government of Ontario's ministry of training.

Caroline Desrochers: I'm not saying it would necessarily be the federal government, but do you think that this is something that would be helpful to do? We're trying to drive more students toward doing this. What is stopping them? Is there something that the government at any level should be encouraging?

Andrew Tarr: I think the biggest thing would be to change the EI system, so that when they go to school they have money. They're out of work for two months. Some trades are two and a half months. The way mortgages are and everything today, it's hard for them. They get 66% of their wages to pay a \$3,200 mortgage. Changing the EI system so it's a training fund would be a lot better.

Caroline Desrochers: Thank you.

[Translation]

Mr. Vultur, do you have anything to add?

Mircea Vultur: I think increased financial support to guide students towards in-demand jobs is the way to go.

I think the affordable housing construction program is also useful, because it helps young people, first and foremost. They need housing, so they can start a family. There's a direct connection between various government programs and young people. Not only do they need jobs, but they also need a place to live where they can start a family. They are Canada's future.

[*English*]

The Chair: There are 30 seconds left.

Jessica Fancy: I have only 30 seconds. Okay, I'll be really quick.

Mr. Tarr, you've highlighted the importance of mobility. Because the federal government helps fund interprovincial Red Seal alignment and labour mobility tax measures, do you think that greater alignment between federal and provincial systems would help you find work faster?

Andrew Tarr: It could if they had to travel to get work. It would make things easier.

Jessica Fancy: How's that for 30 seconds there, Mr. Chair?

The Chair: You're a second over—very good.

I believe that concludes this round.

I want to thank the witnesses for spending the full two hours with us. You can see that the discussion was very engaging, so thank you for appearing before the committee and putting recommendations and options on the table.

With that, is it the will of the committee to adjourn?

Some hon. members: Agreed.

We are adjourned.

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