



RESCON Deputation for Bill 100
Wednesday, May 8th, 2019

Good morning Chair Crawford and members of the Finance and Economic Affairs Committee. RESCON appreciates the opportunity to speak in front of you today in favour of Bill 100, *Protecting What Matters Most*, or the Budget Bill. My name is Andrew Pariser and I am the Vice President of RESCON.

RESCON (Residential Construction Council of Ontario) represents over 200 residential builders of high, mid, and low-rise buildings in the province, with a focus on the GTA. Our members build Ontario's communities, homes, and future. We are committed to providing leadership and fostering innovation in the industry through the following six core focuses:

- (1) Labour Relations
- (2) Building Science and Innovation
- (3) Building Code Reform and Technical Standards
- (4) Training and Apprenticeship
- (5) Health and Safety
- (6) Government Relations

Schedule 40 and Background Information

My comments today will focus on Schedule 40 of Bill 100, *Modernizing the Skilled Trades and Apprenticeship Act, 2019* and proposed amendments to the training and apprenticeship system in Ontario.

In our pre-budget submission, RESCON noted that the GTA is experiencing a chronic housing supply problem in which the total number of homes built has consistently trailed demand including in 2017 when the shortfall was approximately 11,000 units. This is problematic for many reasons including, but not limited to the shortages impact on:

- Ontarian's ability to buy or rent appropriate housing including young families.
- Negative economic impacts as companies looking to invest, and pick markets with better levels of housing affordability.
- Reduced future economic growth.
- Reduced purchasing power for residents in the GTA.

To complicate the matter further, several studies on labour supply including the most recent report from BuildForce projected that 91,000 skilled trades workers are scheduled to retire in the next 10 years (40,500 of those from the GTA). We are currently not building enough housing in the GTA and our demographic situation is projected to worsen.

Why Schedule 40 is Needed – *Modernizing the Skilled Trades and Apprenticeship Act*

Ontario's training and apprenticeship system has not lived up to its potential and this has had negative effects on employers, workers, and the general public. One main example was the Ontario College of Trades (OCOT) which had an admirable goal, but marred in red tape, jurisdictional disputes, and essentially was taking Ontario on the wrong path. While changes were occurring and senior

management had set a new tone, its governance structure was fundamentally flawed, and the only solution was to wind it down.

As discussed below, OCOT did not fully understand or embrace Ontario's seven sectors of construction and relied upon an antiquated training model based upon Scopes of Practice which no longer reflected the on-site realities in Ontario. One specific example is the bricklayer's Scope of Practice which was last updated before Neil Armstrong and Buzz Aldrin walked on the moon. Many things have changed in Ontario including the way we build.

Moving forward, Ontario deserves and will depend on a modern training and apprenticeship delivery system which:

- Meets the needs of employers and creates a system in which jobs can be easily created, workers can be trained, and Ontario can be successful.
- Utilizes modular, stackable, training programs to provide people with the skills and abilities needed for jobs that exist.
- Recognizes that each sector of construction is unique and respects onsite realities including the need and prevalence of composite crews, specialization of sub-trades, and organization of work.

The Construction Industry and Training and Apprenticeship

The *Ontario Labour Relations Act*, Section 126, offers definitions which are specific to the construction industry in Ontario. Included is a definition for the word 'sector', and this definition breaks construction in seven distinct sectors which are recognized by industry, government, and various pieces of legislation.

These sectors are:

- 1) Industrial, Commercial and Institutional (ICI)
- 2) Residential
- 3) Sewers and Watermain
- 4) Roads
- 5) Heavy Engineering
- 6) Pipeline
- 7) Electrical Power Systems

It is important to note that the construction industry, compared to other sectors, has higher rates of unionization, especially in the GTA. As a result, the evolution of construction in Ontario has been heavily impacted by unions, collective agreements, and labour relation activities in general. This has resulted in special legislation (under the *Ontario Labour Relations Act*) for the construction sector, but also for individual sub-sectors including both ICI and residential. For example, in each of these seven sectors, the issue of overtime has become increasingly specialized and unique.

The stakeholders involved have acted differently for each sector and include owners, builders, and developers; sub-trade primes and contractors; and workers (through labour unions). The way work is performed, buildings are built, or projects are constructed varies and is unique in each sector. The result is that each sector has varying workforces, work rules, and work environments across Ontario. This does

not mean that there are seven types of each skilled construction trade – rather that the environment in which a trade works is distinct and unique as each sector has specific actors and influencers.

The success of our industry is dependent on attracting and retaining a skilled and stable workforce. However, our industry over the next decade is facing a skills shortage that has continued to grow worse as skilled workers retire without adequate replacements.

RESCON was happy to see a focus on improving the training and apprenticeship system through promotion of the skilled trades, and group sponsorship in the Budget. These elements were of great importance to us and were reinforced in our pre-budget submission.

RESCON shares the values reflected in the budget allowing for training and certification between trades through portable skills training. This aligns with RESCON's long-held advocacy on allowing for stackable, modular training and certification. RESCON would like to reiterate the importance of engaging with employers to ensure that government policy and programs are reflective of employer's current needs and the labour market. There is a fundamental need to improve all elements of career guidance frameworks and career options models in high school.

In the spring of 2019, RESCON released two reports on recruitment and retention in the skilled trades.

The first report, *Retaining Employees in the Skilled Trades*, is based on a comprehensive survey of over 400 construction workers in the GTA. The report found that compared to workers in most other sectors in Canada, construction workers are happier, more satisfied, and more fulfilled.

Key recommendations from *Retaining Employees in the Skilled Trades* included:

- Leverage the Industry's Massive Network in Recruitment
- Integrate Construction Early in the Education System
- Invest in High Quality Media Production
- Mobilize Companies and Associations to Address Retention

The second report titled, *A Behavioural Economics Approach to Recruitment in the Skilled Construction Trades*, applied a Behavioural Economics (BE) approach to recruitment. This second report stemmed from the simple fact that the first step in retaining a good employee is hiring one. The report recommended that young people need earlier and more sustained exposure to skilled construction work as a viable and equal option with college and university, which is reinforced in budget through promoting apprenticeship and the skilled trades as a pathway choice for all students from kindergarten to Grade 12.

Other recommendations from this report included:

- Providing young adults as well as their influencers¹ with good information, which is easily accessible, attractive, social, and timely will improve career decisions.

¹ Influencers are groups who have a strong influence upon young people's career perceptions and choices and include: family, peers, educators, employers, labour unions, non-profit associations, and governments.

- Skilled jobs are good jobs and effort is needed to remove the current stigma associated with careers in the trades.
- Apply BE principles and metrics to evaluate the effectiveness of current skilled trades programs.
- Commit to BE testing of initiatives and adjust programs and tactics to reflect its results.
- Improve Longitudinal Metrics of Young People's Paths after high school

We encourage everyone to read through the reports and key findings which can be applied to Ontario's training and apprenticeship system. We have copies of the reports available for the committee members.

In closing, we believe the initiatives undertaken by the government over the last several months, including the budget proposals are all timely and incredibly necessary. We encourage the government to continue down this road because there are such incredible career opportunities in trade. We will continue to work with the government to provide assistance and be a partner in fixing the barriers that have prevented the trades from evolving to meet the modern market requirements.

Thank you for your attention and time and I would be happy to take any questions you may have.

Andrew Pariser
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RESCON