

RESCON: Skilled trades crisis is looming

Richard Lyall - Nov 12, 2021



As the recovery from the pandemic takes hold, more skilled trades and workers with specialized skill sets will be needed to build infrastructure and much-needed housing.

The work force could see a 10,000 worker deficit in skilled trades; more young people are needed to pick up the tools.

Employers are a critical component of the training system for both compulsory and voluntary construction trades in Ontario.

For compulsory trades, they provide the practical on-the-job component of training which accounts for up to 90 per cent of an apprenticeship program.

For voluntary trades in the residential sector, they help provide specialized on-site instruction and are often the only source of training.

Employers, in effect, are really the gatekeepers of the system so it's only fitting that they be sufficiently supported and incentivized to invest in training.

While the province has taken major steps in the right direction to improve the apprenticeship and skills training system, the time has come to re-examine the role of incentives, particularly for those who employ voluntary trades with specialized skill sets such as house framing, high-rise forming, basement forming and finishing.

The Ontario Skilled Trades Alliance (OSTA) recently released a report called *Going Further Examining Employer Incentives in Ontario's Skills Training System*, that calls on the province to ensure that employers who bear most of the burden of training and associated costs, are incentivized to invest in skills training to develop the next generation of workers.

The report, prepared by Dawson Strategic, suggests there is an opportunity for government, industry and other stakeholders to build on the recent reforms to Ontario's apprenticeship and skills training system and work together so that employers continue to invest in skills training over the long term.

I couldn't agree more.

As the recovery from the pandemic takes hold, more skilled trades and workers with specialized skill sets will be needed to build infrastructure and much-needed housing.

Multi-billion-dollar investments are being made in infrastructure and, on the residential side, there is pent-up demand for housing. Research done by the Smart Prosperity Institute indicates Ontario will need 910,000 new homes over the next decade.

However, a skilled trades crunch is looming in Canada. The workforce will see a 10,000-worker deficit in 56 nationally recognized Red Seal trades over the next five years, a scarcity that could be widened tenfold when 144 provincially regulated trades are added into the mix.

Our economic recovery strategy hinges on being able to build the infrastructure and housing that our province needs. It is imperative, then, to get more young people to take up the tools.

And, to ensure there are opportunities for apprentices and workers with specialized skill sets, employer incentives need to be front and centre.

However, as the OSTA report suggests, because of high up-front costs and other barriers, employers may underinvest in skills training. There is strong public policy rationale, then, for governments to provide incentives to employers to help ensure a steady flow of new entrants through the system.

The incentives could be financial via tax benefits or grants for firms providing training, or non-financial by reducing complexity or setting up initiatives to promote careers in the skilled trades.

Presently, the province offers two direct financial incentives to help employers with the costs associated with training registered apprentices in the compulsory trades – the Achievement Incentive and the Group Sponsorship Grant. However, these grants are not for those in the voluntary trades.

This means employers who hire workers with specialized skills in voluntary trades face a vastly different experience and are excluded from accessing the training and hiring grants.

About three-quarters of Ontario's construction industry is comprised of voluntary trades and employers, so a large segment of employers is not benefitting from the available suite of incentives.

With plenty of work on the horizon and the possibility of trades shortages looming over the industry, there is no time like the present to support employers who are investing in skills training.

Policymakers should take a good, long look at the incentives – both financial and non-financial – to back construction employers who provide training opportunities for both voluntary and compulsory trades.

Richard Lyall, president of RESCON, has represented the building industry in Ontario since 1991. Contact him at media@rescon.com.