



Job Creation for the People: Ratio Modernization

Summary

Ontario is facing a skilled labour shortage, with the Ontario Chamber of Commerce issuing a report that found 60% of its members who tried to recruit a worker in the second half of 2016 struggled to find one with the proper qualifications. Moreover, Skills Canada estimates that 40% of new jobs in the next decade will be in the skilled trades, but only 26% of young people are considering a career in this area. Furthermore, the Auditor General has found that less than half the people who begin an apprenticeship in Ontario complete it.

This “skills mismatch” is already prevalent and will become an even bigger issue as the Province’s population grows older, with seniors projected to account for 25% of Ontario’s population by 2041. This lack of skilled labour is a significant threat to Ontario’s future prosperity since without workers, projects get stalled or scrapped and the economy does not operate at its full potential.

The Ontario College of Trades (OCOT) was created to try to address Ontario’s skilled labour challenges, but the Province remains one of the most restrictive in the country when it comes to journeyman-to-apprentice ratios. Changing this would be an important step in enhancing the opportunities for young people to pursue a career in the skilled trades, while also allowing the economy to operate more efficiently.

Current Situation

OCOT sets the apprenticeship ratios for the skilled trades in this Province. OCOT was rightly criticized in the past for maintaining an artificially high journeyman-to-apprenticeship ratio of 3:1. To put that another way, this meant that a company had to have three fully trained and experienced tradespersons for every apprentice. This forced many companies to lay off apprentices or leave apprentice positions vacant because they could not afford to hire the required number of journeymen.

Fortunately, OCOT has revised several ratios to start at 1:1, which is a welcome change. However, Merit Ontario believes there still needs to be greater flexibility within this framework.

Other Provinces

Other provinces have demonstrated much more flexibility for these ratios. For example, British Columbia has never had mandatory ratios. In Nova Scotia, employers can apply for a ratio increase for the number of apprentices per journeyman on a per project basis. The Province then determines the eligibility of the request based on several criteria, including the steps taken by the employer to hire more journeymen as well as the geographic limitations experienced by the employer to locate journeymen. Also, while Ontario still has several trades at a 3:1 ratio, Alberta, Saskatchewan and Newfoundland all have 1:2 ratios.



Benefits

A lower journeyman-to-apprentice ratio could alleviate some of the challenges that employers, particularly in smaller urban and rural communities, experience in trying to recruit sufficient journeypersons to allow them to hire additional apprentices. It would also give apprenticeship candidates access to greater opportunities in the skilled trades, which would hopefully encourage more to pursue a career in this area and, with more opportunity, stay in the field.

More broadly, more workers means more projects getting built at any given time, and that translates into more people working and stronger economic growth.



Recommendation

Apprenticeship ratios need to be reduced. Ontario should work towards a system in which the journeyman-to-apprentice ratio for all skilled trades is 1:1 or scrap the entire ratio system altogether.



About Merit Ontario

Merit Ontario is a member driven organization representing Ontario's open shop construction sector. We advocate and support sound legislation and regulation which is fair to both employers and employees in the areas of labour relations, apprenticeship training, worker's compensation, and safety. We believe that fiscal responsibility is the obligation of all branches of government, and, accordingly, that government should award contracts to the lowest bidder qualified to perform the work. The ultimate goal is to have an equitable and competitive marketplace for construction contractors.

