

## **Submission to the Regulatory consultation for Apprentices on Government Funded Infrastructure Projects**

### **Summary**

ONN supports the government's proposal to increase apprenticeship hiring on publicly funded infrastructure projects. While the idea to leverage public infrastructure spending for additional benefits is not new, the specific leadership of the Ministry of Labour, Training, and Skills Development (MLTSD) is new and powerful.

MLTSD has an opportunity to leverage existing [legislation](#) to advance policies and regulations to create pathways for hiring apprentices on public infrastructure projects. This will ensure that public infrastructure investments not only deliver world class infrastructure but also provide social and economic benefits to local communities across Ontario.

To support MLTSD's goal of increasing apprenticeship training and job opportunities on government-funded infrastructure projects, ONN puts forth the following recommendations:

1. Institute supportive regulations related to [the Ontario Infrastructure for Jobs and Prosperity Act \(2015\)](#), to create a pathway for hiring apprentices on government funded infrastructure projects.
2. Set an overall specific target of 10-15 per cent of total trade labour hours to be performed by registered apprentices on provincially funded infrastructure projects. From that 10-15 per cent:
  - a. set a minimum of 20-30 per cent of apprentice hours to be performed by individuals from diverse communities traditionally underrepresented in the workforce.
  - b. allocate another 25 per cent for local residents from communities where the project is located.
3. Include hiring apprentices as an additional evaluation criteria in the public infrastructure procurement process. The weighing of targets related to apprenticeship training should be at minimum 10 per cent (ideally 15-20 per cent) to ensure proponents' submissions will have a measurable impact on the overall project scoring.
4. Establish an independent third party liaison role to facilitate relationships with different interest holders (employers, apprentices, community organizations,

local residents, government agencies) involved in the design, implementation and evaluation of the apprenticeship hiring initiative. Having a dedicated liaison also ensures that employers have access to the support and expertise needed to help them achieve the apprenticeship hiring targets. The liaison should work in partnership with local community organizations such as community benefits networks ([Toronto](#), [Hamilton](#), [Ottawa](#), [Niagara](#), [Prince Edward County](#)) to ensure the successful implementation of apprenticeship hiring initiatives. Community Benefit Networks are experienced in designing and implementing community employment benefits agreements and social procurement practices while managing existing relationships with local labour organizations and residents.

5. Develop robust monitoring, accountability, and evaluation mechanisms for the compliance of apprenticeship hiring requirements.
6. Launch initiatives that enhance awareness of apprenticeship opportunities for local residents in the communities where public infrastructure projects take place.

## Detailed answers to the consultation questions

### A. General Questions

#### 1. What are the benefits of introducing apprenticeship requirements in public infrastructure project procurements?

From building housing and hospitals to schools and child care centres, the delivery of Ontario's ambitious infrastructure plan requires a robust and sustainable construction workforce. However, with 700,000 skilled trades workers expected to retire nationally by 2028, the industry is facing an acute labour crisis. There is a [growing recognition](#) among employers that inclusive pathways to apprenticeship for people from diverse communities who are traditionally underrepresented in these roles will be critical to addressing the labour shortage. Although there has been an increase in new apprentices signing up in recent years, the number of apprentices reaching certification in a timely manner [remains much lower](#). Financial concerns, difficulty getting hired early on, and spotty guidance and mentorship are among some of the top barriers for apprentices.

Ontario's [large infrastructure plan](#) already creates a stable, certain, and sustainable market for apprenticeships. The province does not need to look to the private sector to create demands for apprenticeships. Rather, MLTSD can leverage public infrastructure

projects to increase apprenticeship training and job opportunities by introducing apprentices hiring requirements in public infrastructure project procurement. This will allow public spending on infrastructure to act as a multiplier to fulfill not only a procurement need but also the additional policy goal of providing pathways for apprentices to complete their training and enter the workforce. The inclusion of additional hiring targets for local residents, diverse communities who are traditionally underrepresented in the industry, and those experiencing barriers to employment can further alleviate poverty and create local economic resilience and prosperity.

## **2. What do you see as the current barriers to employing apprentices on public infrastructure projects?**

The current shortage of qualified workers in skilled trades hints at two specific problem areas: the supply of potential workers and the retention of qualified apprentices. Many barriers and challenges exist that prevent apprentices from getting into a construction-related pathway or cause them to drop off at any point of their journey. Many apprentices fail to complete their program and an alarming number of workers leave the industry due to the precarious nature of the work and its toxic worksite culture, a concern of particular significance for youth, women, people with disabilities, and Black and Indigenous Peoples. General employer reluctance has also been [identified](#) by apprentices as a main barrier to getting hired on public infrastructure projects. Despite the fact that the main purpose of apprenticeship training is to help people with no prior knowledge to learn and develop skills, many employers in the industry are hesitant to hire apprentices, citing uncertainties around the apprentice's skills and increased administrative burden. New apprentices are also often [the first to be laid off](#) when work slows down. Some contractors [have also developed a system](#) of hiring their own labourers through family and personal referrals. These practices become even more common during construction booms, when speed and familiarity are prioritized over workforce development.

The existing hiring system excludes underrepresented peoples and communities, undermines transparency, and perpetuates homogeneity in the trades that threatens long-term sustainability of the workforce. Supplying the industry with apprentices from diverse communities after generations of exclusion [requires](#) not only presenting the opportunity, but also meaningful outreach and relationship building, as well as exposing and preparing those interested to the conditions and expectations of the workplace.

Another barrier to employing apprentices on public infrastructure projects is the lack of incentives. In traditional public procurement, the focus is limited on the lowest price rather than overall value, quality, and impact. The lowest price does not always equal the best overall value. New assessments of social values encourage innovation and help reach broader policy goals, including promoting more apprenticeship opportunities. Unfortunately, the current narrow focus on lowest price fails to incentivize the hiring of apprentices, and those who voluntarily hire apprentices on their projects often get overlooked during the procurement process, as the additional employment benefits they deliver are not valued or considered at all in the bidding evaluation criteria.

### **3. Are there other existing practices or models the ministry could build on?**

Embedding apprenticeship requirements into public infrastructure procurement and planning is not a new idea. It is a strategic approach that has been used by governments across Canada and globally to advance local workforce development and inclusive economic growth.

There are three existing tools and models that the provincial government can build on:

- **[The Ontario Infrastructure for Jobs and Prosperity Act \(2015\)](#)** provides the planning framework for delivery of public infrastructure projects across the province, and [community benefits](#) are included in the principles of the legislation:

“Infrastructure planning and investment should promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the well-being of a community affected by the project, such as local job creation and training opportunities (*including for apprentices, within the meaning of section 9*), improvement of public space within the community, and any specific benefits identified by the community.”

An easy way to start increasing apprenticeship training and job opportunities on government-funded infrastructure projects is to develop appropriate regulations to meaningfully implement the Jobs and Prosperity Act in partnership with community organizations such as local community benefits networks.

- **Community Employment Benefits Agreements** are a framework for establishing project targets and reporting on results related to employment and training opportunities for specific groups which can support the long-term sustainability of the workforce. When designed and implemented well, Community

Employment Benefits Agreements can be mutually beneficial for developers, local communities, workers, and government.

The [Government of Canada has existing Community Employment Benefits initiatives](#) in many public infrastructure projects. Eglinton Crosstown LRT, Finch West LRT, Casino Woodbine, and Westpark Healthcare Centre all have a requirement for 10 per cent of all trade or craft working hours to be performed by apprentices or journey persons from diverse and local communities. These agreements contain provisions enabling apprenticeships, guaranteeing prevailing wages and benefits, and establishing grounds for workplace development. As a result, workers obtain a legacy of experience, skills training, and employability.

- **Social Procurement** is an approach where goods and services are purchased through a competitive and transparent bidding process, but new assessments of social values are added to help reach broader policy goals, such as hiring apprentices and training requirements. Social procurement policy also includes second-tier targets, requiring (or promoting through procurement point systems) its suppliers and subcontractors to also meet specific targets. With social procurement, bidders will gain extra points by meeting social value requirements, such as hiring apprentices.

There are many construction social enterprises who already provide training and employment opportunities. For example, [Blue Door Construct provides](#) construction services while promoting economic recovery, and increasing access to jobs for Ontarians struggling to find work by training and hiring individuals from equity-deserving groups. With social procurement, these social enterprises will gain better access to public procurement opportunities and grow their capacity to train more apprentices.

When designed and implemented adequately, these policies ensure that good well-paid construction jobs, with sustainable career pathways, are available to communities that need them the most.

## **B. Establish Minimum Requirements**

### **1. Are you familiar with this approach being used in other jurisdictions?**

Establishing minimum hiring requirements is an approach that has been adopted by many jurisdictions across Canada. In British Columbia (BC), the crown corporation of

the BC government - British Columbia Infrastructure Benefits (BCIB) - uses a community benefits agreement (CBA) to set specific minimum hiring requirements. Between 2019 and 2024, it has hired 4,946 workers. They have logged over 7.5 million paid hours, making it the second largest provincial construction employer.

Between 2019 and 2024:

- 20 per cent of BCIB's workforce have been trainees or apprentices. This rate is considerably above the estimated industry average of 12 per cent.
- 14 per cent of BCIB's employees have been Indigenous, more than double the six per cent provincial construction average.
- 92 per cent of BCIB's employees have been BC residents, 76 per cent of whom are from communities where its projects are located.
- Nine per cent of BCIB's employees have been women, a rate one-and-a-half times higher than the provincial construction average.
- 25 per cent of the women hired have been Indigenous.
- 21 per cent of BCIB's employees have been rehired to work on its other projects.

In Ontario, the Project Agreement between Metrolinx and Infrastructure Ontario with Crosslinx Transit Solution required the development and implementation of the [Apprenticeship Plan](#) which includes specific objectives for apprenticeship opportunities for the project on a trade-by-trade basis. On the Metrolinx LRT projects, the hiring targets include 10 per cent of trade hours allocated to apprentices and 10 per cent of all trade hours allocated to persons from diverse groups traditionally underrepresented in the workforce. [As a result](#), up to 202 placements of apprentices took place for the Eglinton Crosstown LRT project and 20 apprenticeships for the Finch West LRT project.

**2. How should this approach account for the differing roles and responsibilities for general contractors versus subcontractors, particularly if apprentice employment requirements are introduced?**

Both general contractors and subcontractors should be required to meet the established hiring requirements. Generally, subcontractors are responsible for 80 per cent of hiring on the job, if not more. Therefore, subcontractors must be included in all hiring, reporting, and evaluation processes.

**3. What minimum apprentice targets could be appropriate under this approach, considering the varying sizes, scopes, and trades requirements of the infrastructure projects you participate in?**

Appropriate minimum apprentice targets should be standardized but flexible, allowing them to scale according to project size, scope, and trade composition while remaining measurable and enforceable. We propose the following minimum apprentices hiring targets for government funded infrastructure projects:

#### Overall apprentice utilization

- Establish a baseline requirement that 10-15 per cent of total trade labour hours on provincially funded infrastructure projects be performed by registered apprentices.
- For large, multi-year projects with significant labour demand, this target could reasonably increase to 15-20 per cent, particularly in high-demand Red Seal trades.

#### Targets for people from diverse communities traditionally underrepresented in the workforce

Within the overall apprentice hours, set a minimum of 20-30 per cent of apprentice hours to be performed by individuals from diverse communities traditionally underrepresented in the workforce, including:

- Youth
- Women
- Black and Indigenous Peoples
- Persons with disabilities
- Newcomers

These targets should be supported by clear reporting requirements and compliance monitoring to ensure they are outcomes-based rather than aspirational.

#### Local hiring targets

Within the overall apprentice hours, at least 25 per cent of apprentice hours should be completed by local residents from the communities where the project is located. This is of particular importance for public infrastructure projects in communities with [workforces more exposed to the U.S. tariffs](#) – Sudbury, Oxford County, Sault Ste. Marie, Hamilton, and Windsor, for example.

The proposed targets are based on what has already been proven successful under the [Ontario Infrastructure for Jobs and Prosperity Act \(2015\)](#) and Community Benefits pilot projects, including the Finch West LRT and West Park Healthcare Centre. By setting

clear and enforceable targets, apprenticeship hiring becomes more predictable and standardized. It also provides contractors with clarity and consistency across projects.

#### **4. What types of projects do you think this approach would work well on?**

There are ample opportunities to employ this approach. The province can pilot this approach with projects in communities with existing community benefit networks ([Toronto](#), [Hamilton](#), [Ottawa](#), [Niagara](#), [Prince Edward County](#)), who are already working with local residents and organizations to advocate for apprenticeship opportunities in local public infrastructure projects. Examples of specific projects include the Twinning of the Skyway in Niagara and the proposed new casinos in Niagara Falls, the new Civic Hospital in Ottawa, as well as the LRT project in Hamilton.

Another opportunity is to target projects in communities with [workforces more exposed to the U.S. tariffs](#): Sudbury, Oxford County, Sault Ste. Marie, Hamilton, and Windsor, for example as well as those facing acute skilled-trades shortages. The FAO [also includes](#) Guelph, Brantford, Kitchener-Waterloo, and London, as well as parts of Northern Ontario. Apprenticeship requirements in these regions can simultaneously address workforce gaps, stimulate local economies, and reduce reliance on temporary and non-local labour.

In many cases regions with community benefit networks are also those facing acute labour shortages, are most impacted by U.S. tariffs and resulting economic uncertainty, and where public infrastructure projects are proposed.

### **C. Evaluation criteria scoring**

#### **1. Are you familiar with this approach being used in other jurisdictions?**

Local governments and the broader public sector across Ontario and Canada are already adopting social procurement practices to achieve additional workforce development benefits. While cities such as [Toronto](#), [Peterborough](#), [Calgary](#), [Edmonton](#), and [Vancouver](#) already have formal social procurement policies established, Ottawa and Brampton are in the process of developing theirs. On a provincial level, the [Government of British Columbia](#) has a social impact purchasing guidance, and the [Government of Nova Scotia](#) has a sustainable procurement policy in place.

#### **2. What apprentice targets could be appropriate under this approach, considering the varying sizes, scopes, and trades requirements of the infrastructure projects you participate in?**



For evaluation criteria scoring, apprenticeship hiring expectations should be identified early in the infrastructure planning phase and outlined in the procurement process. Project proponents should be required to respond with a clear plan for how they intend to meet the targets, along with a commitment to tracking, monitoring and reporting outcomes. During the evaluation process, the government can set criteria and score each of the proponents' submissions. The weighing of targets related to apprenticeship training and local workforce development should be at minimum 10 per cent (ideally 15-20 per cent) to ensure proponents submissions will have a measurable impact on the overall project scoring.

### **Conclusion**

Public infrastructure projects profoundly impact local economies and labour markets. When done right, these projects bring opportunities to create long-lasting economic, employment, and social benefits for the communities in which they occur.

As Ontario faces economic uncertainty and a skilled trades labour shortage, there is an opportunity to leverage the province's plan of investing more than \$200 billion in infrastructure projects over the next 10 years to build a pipeline of future skilled workers, provide training and employment opportunities for those who typically face employment barriers and create local economic prosperity.

The two proposed approaches in this consultation, establishing minimum requirements and evaluation criteria scoring are both viable, but they need to be designed with the intention of building inclusive local economic prosperity. The government can lean on existing legislations and practices to increase apprenticeship hiring on publicly funded infrastructure projects in a meaningful, responsible and consistent way.

### **About ONN**

ONN is the independent nonprofit network for the 58,000 nonprofits in Ontario, focused on policy, advocacy, and services to strengthen Ontario's nonprofit sector as a key pillar of our society and economy. ONN works to create a public policy environment that allows nonprofits and charities to thrive.

### **For more information:**

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