Energy Hub Opportunity
Workforce Expansion & the Labour Supply Challenge
September 2008
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Executive Summary

The rising cost of energy in all its forms has a measurable impact on many sectors of the economy. Demands for secure, responsibly-produced energy are escalating, particularly in the International Northeast region, including Atlantic Canada and the northern New England states.

This represents an unprecedented opportunity for New Brunswick to further expand its uniquely diverse energy sector, and to supply energy solutions to the New England states. This scenario has the potential to create an unparalleled level of investment in our province leading to a renewed economy, population growth and repatriation to the province.

As the Energy Hub of the International Northeast, our region is in the enviable and unique position to profoundly change its economy, its society and its future.

The purpose of this discussion paper has been to share why our region is uniquely positioned to serve as the Energy Hub for the International Northeast, with its diverse mix of energy related assets, while at the same time the paper’s key objective is to build awareness that unless project proponents, governments and the community begin to take meaningful action now, the labour supply challenge is potentially a crisis “on our doorstep” that could detrimentally affect the major Energy Hub projects.

With its diverse energy portfolio, our region is geographically well-positioned to serve the energy-hungry International Northeast:

- 25 years of expertise in nuclear power.
- Significant production of clean, renewable hydro-electric power.
- Among the cleanest transportation fuels in North America.
- Canada’s first liquefied natural gas facility.
Next generation opportunities include:

- A second nuclear reactor.
- Canada’s first new oil refinery in a generation.
- A bold plan that will place New Brunswick among the leaders in wind energy deployment.

Add the new $1.6 billion potash mine in Sussex and the $1.4 billion refurbishment of the Point Lepreau Nuclear Generating Station, and all told, the confirmed and potential direct investment may reach $19 billion. The economic spin-off activity is even larger, adding an estimated $44 billion to our economy and creating 33,000 new direct, indirect and induced jobs.

What could this mean? Apart from jobs, it means a higher standard of living, more vibrant communities, improved infrastructure and the chance to grow our population, bringing New Brunswickers home from away.

This spring, Benefits Blueprint, a broad-based community initiative funded by the Government of Canada, the Government of New Brunswick and Irving Oil, unveiled 16 recommendations designed to optimize the economic growth and social benefits resulting from these major capital projects.

*Benefits Blueprint: Workforce Expansion & Training and Education*

The Benefits Blueprint underscores that with focused leadership on social planning and strategic government investment that an optimal level of social, economic and cultural benefits can be obtained from the Energy Hub projects now underway and being proposed. Two of the Benefits Blueprint recommendations relating to workforce expansion are particularly important to enable these projects to occur.
Employment levels are at record highs in our region, which means that New Brunswick is now a full participant in the global competition for skilled labour.

The Benefits Blueprint document is also clear that without the required strategic investments that address the needs of workforce expansion, the viability of the proposed Energy Hub projects will be put at risk. The actions required to fully address the labour supply challenge will take years, not months. Action from project owners, the communities and particularly government is required now. Governments need to invest today to ensure we have the workers for tomorrow.

The Atlantic Region has already discovered that we are not immune from these concerns. Immediate action is required to mitigate the risk to the potential projects that are poised to inject an unprecedented level of investment in the region.

Labour Demand Solutions and Challenges

The labour demand challenges during the proposed construction timeline are extremely daunting. A vigorous workforce expansion program that will be required will have numerous components.

These include comprehensive retention and attraction strategies and workforce development programs that deliver training at our community colleges and other institutions. Other strategies to limit the cost impacts and shortages caused by the labour supply challenges in skilled trades will be required.

The Centre’s brief analysis suggests that training is urgently required in seven key areas. Table 1 (presented in Section 7.1) shows an estimate of
training requirement for each area, together with the key assumptions driving the requirement.

Modularization

It is probable that the larger capital projects, specifically the proposed second refinery and the proposed second Nuclear reactor at Point Lepreau, will need to consider having modules of their respective projects built outside of the Atlantic Region. This global practice is commonly used to build mega projects throughout the world, and may indeed represent opportunity for our own regional manufacturers as they build expertise and experience in the realization of the proposed energy hub projects.

Recommendations

The Labour supply challenge poses a significant risk to the success or viability of the proposed large Energy Hub projects in the region. The purpose of this discussion paper is to build awareness that unless project proponents, governments and the community begin to take meaningful action now, the labour issue is potentially a crisis “on our doorstep” that could detrimentally affect the major Energy Hub projects. To address the identified labour shortages, a comprehensive strategy is required focused towards:

1. Training more new Brunswickers by increasing the size and effectiveness of the province’s apprenticeship system.

2. Strategies to re-train workers who are exiting declining industries in the region.

3. Strategies to attract non-traditional workforce (Women, Aboriginal, others that face barriers that have made them harder to employ).
4. Strategies to retain our existing skilled workers, and to attract and repatriate workers who are currently working in other parts of the country.

5. Strategies to become a ‘preferred working environment’ for the mobile workforce of tradespeople with specific, needed skill sets.

6. Strategies to employ temporary foreign workers (TFW) to meet key areas of peak demand during the construction phase of major projects; by streamlining the process of bringing both immigrants and TFW to New Brunswick.

7. Recent amendments to the Industrial Relations Act limit the opportunity for construction companies (particularly local contractors) to operate as both union and non-union entities (so called “double breasting” legislation). These amendments are undesirable, as they decrease labour flexibility for the contractors who perform work at their plant and wish to use the same workers on site when required. These amendments limit the ability of local contractors to fully participate in Energy Hub projects.
1 Introduction

The rising cost of energy in all its forms has a measurable impact on many sectors of the economy. Demands for secure, responsibly-produced energy are escalating, particularly in the International Northeast region, including Atlantic Canada and the northern New England states.

This represents an unprecedented opportunity for New Brunswick to further expand its uniquely diverse energy sector, and to supply energy solutions to the New England states. This scenario has the potential to create an unparalleled level of investment in our province leading to a renewed economy, population growth and repatriation to the province.

The current and proposed Energy Hub projects represent the best opportunity for transformational economic growth that our region has seen in decades. The challenge is to mobilize project proponents, governments and host communities to ensure these projects happen in a way that allows us to maximize the potential benefits.

2 The Energy Hub Opportunity

The intense focus on energy represents a new era of investment in Atlantic Canada. The opportunities that arise from these investments will be felt throughout the Atlantic region.
New Brunswick, by virtue of its location, is emerging as a world class Energy Hub. Its proximity to the northeastern United States naturally positions it as an energy gateway for the region. Secure, clean energy flows freely across the international border by road, rail and sea, through pipelines and transmission lines.

Billions of dollars have already been invested in major energy projects throughout the region. More global scale projects are proposed to begin in the next few years.

3 Our Unique Energy Portfolio

Our region possesses a unique and growing portfolio of diverse energy assets that include refining, natural gas, hydroelectric, nuclear and renewable options. We offer one of the most energy-intensive markets in the
world, a secure supply of clean, responsibly-produced energy products and services.

3.1 Refining
Saint John, New Brunswick is home to Canada’s largest, most modern oil refinery. The Irving Oil refinery produces some of the cleanest fuels in North America. Irving Oil and its partner in the next phase of the project, global energy giant BP, are now considering a second refinery. The second refinery could represent a capital investment of $7 billion.

In March 2008, Irving Oil and BP agreed to jointly study the business case for the proposed second refinery. The study will include an examination of market opportunities, construction costs, and the potential risks and benefits of executing this project. Irving Oil’s ability to attract a world-class partner such as BP is in part due to our region’s growing energy capabilities and geographical advantage, and represents a major accomplishment.

3.2 Natural Gas
Canaport LNG, Canada’s first Liquefied Natural Gas (LNG) terminal, will begin operations later this year. With a peak send-out capacity of over one billion cubic feet per day, it represents a secure, long-term supply of clean-burning natural gas for the international Northeast.

Canaport LNG is a partnership between major Spanish energy company Repsol YPF and Irving Oil. The Canaport terminal is a key element in our energy portfolio. Canaport LNG represents one of the largest direct foreign investments in the region’s history. The project has created over 1,000 construction jobs, is helping to build expertise in the local supply chain, and is serving as a pillar of the emerging New Brunswick energy hub.
3.3 Pipeline
The Brunswick Pipeline represents an investment of $465 million and is another vital asset for the region’s Energy Hub. The pipeline project will deliver natural gas from the Canaport LNG terminal in Saint John to markets in Canada and northeastern United States. The 145 km buried steel pipeline will extend through southwestern New Brunswick to an interconnection with the Maritimes & Northeast Pipeline at the Canada-US border, near St. Stephen. This pipeline linkage with key markets in the US Northeast further positions New Brunswick as the Energy Hub for the International Northeast.

3.4 Hydroelectric
New Brunswick’s mix of energy resources is diversified even further with a significant quantity of power produced by a series of hydroelectric installations that harness energy along the Saint John River system. The 800 MW Mactaquac Dam generation facility is an important component of the province’s energy supply.

3.5 Nuclear
Nuclear energy has been part of New Brunswick’s story for over 25 years, and it appears likely it will play an even larger role in the future. With a major refurbishment of the CANDU 6 reactor at Point Lepreau now underway and plans to build additional reactor capacity maturing rapidly, Atlantic Canada’s nuclear research and production community is poised for even more growth and diversification.

Point Lepreau’s $1.4 billion dollar refurbishment will provide the region with a significant source (680 MW) of greenhouse gas (GHG) neutral energy. The project will ensure that expertise in the re-emerging nuclear energy sector will continue to be developed in our region. The Point Lepreau refurbishment will require over 1,500 construction workers between April 2008 and
September 2009. Supply chain benefits are already visible, highlighted by recent announcements of $10 million contract for Sunny Corner Mechanical and a $40 million contract for Lorneville Mechanical Contractors.

The success of the Point Lepreau refurbishment project has the potential to sustain and expand nuclear expertise in the region. This could lead the Province of New Brunswick to approve the development of a private sector initiative to invest an estimated $4 billion in next generation technology for a second reactor.

3.6 Renewable energy

With the increased demand for low-carbon renewable energy our region’s coastline’s and forests represents a wealth of renewable energy potential.

Examples include:

- New Brunswick’s consideration of a plan to add between 1,250 MW and 4,500 MW of renewable wind energy capacity by 2025.
- Work is underway by several interested stakeholders to leverage the Bay of Fundy’s ‘highest tides in the world’ by using emerging technology to capture in-stream tidal energy at several sites on both sides of the Bay.
- Millions of acres of agricultural and forest biomass contribute to the region’s rich and diverse portfolio of energy assets. These assets can potentially contribute to opportunities for cogeneration of energy for the region’s forestry sector, as well as contributing to the need to include a renewable energy component in transportation fuels.

4 Benefits Blueprint: Energizing Sustainable Communities

In April 2008, the Benefits Blueprint initiative was presented in a report managed by Enterprise Saint John and funded by the Atlantic Canada Opportunities Agency (ACOA), the Province of New Brunswick and Irving Oil
Limited. The report identified a series of critical initiatives required to enable and optimize the benefits from six capital projects and the unprecedented level of investment that the region could experience. The six capital projects considered in the Benefits Blueprint include the new potash mine in Penobsquis, Canaport LNG and Brunswick Pipeline, the refurbishment of NB Power’s Point Lepreau Nuclear Generating Station, the proposed second oil refinery in Saint John, and a potential second nuclear reactor at Point Lepreau.

The Benefits Blueprint report made 16 recommendations. Overall, the study concluded that the level of private sector investment has the potential to reach $19 billion by 2018 with an additional $44 billion in indirect benefits flowing through the New Brunswick economy if all proposed projects move forward:

This investment will lead to extraordinary job creation, both permanent and temporary. The direct, indirect and induced job creation from the major capital projects amounts to approximately 33,000 new jobs.¹

The report’s objective was to identify critical actions that must be taken by various levels of government to “mitigate the risks and distribute the benefits” ii from this unprecedented level of investment. The Benefits Blueprint report provides an economic analysis that suggests:

… the estimated tax revenue over a ten-year period, due to construction, housing and operations of these large-scale projects, is up to $14.2 billion. On an annual basis, the tax revenue resulting from the operation of these large projects is close to $1 billion. iii

The 16 recommendations and accompanying business cases focused on seven specific areas. These include initiatives related to:

- Business and economy
• Workforce expansion
• Training and education
• Arts and culture
• Housing
• Infrastructure
• Community Interests

The Benefits Blueprint report clearly states that the investment associated with these projects presents an opportunity to rebuild the population and reinvest in the region’s people and social infrastructure.

4.1 Benefits Blueprint: Workforce Expansion, Training and Education
The conclusion of the Benefits Blueprint emphasizes that with focused leadership on social planning and strategic government investment, an optimal level of social, economic and cultural benefits can be obtained from these large capital projects. Two recommendations that are critically important to initiate these projects are related to Workforce Expansion, and Training and Education. It is probable that the authors of the Benefits Blueprint were considering workforce expansion when they stated:

We can work together to address these opportunities and challenges for the long-term. That means taking immediate action to ensure we build capacity in our labour force and improve the productivity and competitiveness of New Brunswick businesses to ensure the projects have the conditions needed to succeed.\textsuperscript{IV}

4.2 Workforce Expansion – Vital to Attain Benefits
In the past, New Brunswick and Atlantic Canada have had the ability to mobilize the required workforce to complete the region’s largest projects.
Our history includes the successful completion of the Irving Oil Refinery Upgrade Project (RUP) and the Hibernia Offshore production project. Both were completed largely by the resident workforce. More recently however, projects like Canaport LNG and Brunswick Pipeline have experienced challenges attracting and retaining the required workforce to build their respective projects.

New Brunswick’s highly skilled workforce, including suppliers and contractors, has a proven track record of bringing productive, cost-effective skills to the table in support of the Province’s energy and industrial sectors. Projects are consistently finished on time, within budget and with rigorous adherence to environmental, quality control and safety standards.

The labour market has experienced great changes in recent years. Decades of out-migration precipitated by high rates of unemployment have greatly reduced the availability of skilled workers in our region. Pending retirements in the aging population will further reduce the skill level of the remaining workforce.

Labour supply challenges will increase over the next decade and must be addressed as a key risk to the viability the region’s large Energy Hub projects; particularly the second refinery and the proposed second nuclear reactor.

5 Labour Supply Overview: Canada and the Atlantic Region

Major industrial and engineering projects across Canada have put enormous strains on the availability of a number of skilled trades. The shortage of available skilled workers raises concerns of project delays, and deferrals; and could have a negative impact on project safety, quality and productivity.
The Atlantic region has already discovered that we are not immune to these challenges and concerns. Immediate action is required to mitigate the risk to the ongoing and future Energy Hub projects.

The Construction Sector Council (CSC) is a national organization committed to the development of a highly skilled workforce, addresses human resources issues though partnerships within the construction industry. On June 25, the CSC released its fourth annual Construction Looking Forward report. This report assesses construction labour markets in Atlantic Canada from 2008 to 2016. The report indicates that over the next eight years, the construction industry will need to replace 24% of its Atlantic Canadian workforce due to retirements. This translates to more than 13,600 workers.

The Atlantic workforce has an older-than-average age profile. In addition, more than 5,000 new tradespeople will be required to meet the demands of new construction. In total, more than 18,000 additional skilled construction workers will be needed in Atlantic Canada by 2016. The trades most in demand will include: boilermakers, steam and pipefitters, construction millwrights, electricians, crane operators and ironworkers. Construction managers and supervisors will also be in high demand.

Limitations to the available supply of skilled labour will continue to raise concerns. At worst, skilled labour shortages could cause the or cancellation of one or more of the major projects slated for our region. Project proponents are already anticipating risks over quality, productivity, increased overtime, challenging recruitment in distant labour markets, rising travel costs, increased reliance on inter-provincial mobility and pressure on training programs to expand.
5.1 Timing and Sequencing of Energy Hub Projects and Labour Demand

There is an increasing level of understanding by both community leaders and project proponents that workforce expansion is a priority. The timing of many of the major industrial and engineering projects across the country serve to further complicate the agenda in Atlantic Canada. The Vancouver Olympics, power generation facilities identified in Ontario and further oil sands development will all compete with Atlantic Canada for much of the same labour pool.

These combined factors demonstrate that careful attention must be given to the manner in which large capital projects in our region are sequenced.

6 Labour Demand Solutions and Challenges

A strong workforce expansion strategy is required to mitigate the risk of delay or deferral of the larger capital projects.

This workforce expansion program will require comprehensive retention and attraction strategies, and skills development programs to help our young people participant in these new career opportunities. Investment in recruiting and training clearly will form a key component of this workforce expansion strategy.

6.1 Modularization

Larger scale capital projects, such as the proposed second oil refinery and the proposed second nuclear reactor at Point Lepreau, will likely require the construction of specialized modules outside the Atlantic Region. This practice is commonly used to build megaprojects. The largest example in the Atlantic region was the Hibernia Project, where two of the topside modules were built in Korea, two in Italy and one in Newfoundland – and were later assembled at the Bull Arm facility in Newfoundland. This approach presents
opportunities for subcontract work. It is noteworthy, that one of the components of the module built in Bull Arm was the drilling platform, that was built by Saint John Shipbuilding.

Historically, it has been difficult to supply more than 3,000 skilled trades people and supervisors at one time in New Brunswick. Going forward this problem will be compounded by the number of industrial and engineering projects proposed nationally. Building Trade Unions, project proponents, community leaders and government understand the negative consequences if projects are cancelled due to economic or schedule considerations that do not support the business case or market opportunity of the project.

Modularization enables work to be completed off site when there are logistical challenges due to space at the actual construction site. The approach is also required when unique expertise and equipment is needed for a component of a project.

One local example, now exists with AECL and its retubing technology. AECL has established a Centre of Excellence for retubing of their CANDU technology. The expertise being gained in our region has the potential to create opportunities for resident companies and resident workers to export as the other Candu reactors around the world are prepared for refurbishment. Even greater opportunities may exist should Point Lepreau’s second reactor project be approved deploying AECL’s next generation technology - the ACR-1000. New Brunswick’s early adoption of ACR-1000 technology could open opportunities to export learnings, skills and prefabricated items, as the ACR-1000 is deployed in other jurisdictions around the world.
6.2 Workforce: Regeneration and Training

Demand for training is very high with demand for trades programs at community colleges and other training institutions currently outpacing the available seats.

The Atlantica Centre for Energy has reviewed several studies and sources of labour market information, including:

- “Construction Looking Forward: An Assessment of Construction Labour Market Requirements from 2008 to 2016 for Atlantic Canada”, produced by the Construction Sector Council,
- Data supplied by the New Brunswick Branch of Apprenticeship and Occupational Certification,
- A Labor Market Analysis performed in-house as part of the Workforce Development project, including interviews with key stakeholder groups, and
- Summary data provided by the consulting team to the working group for the Benefits Blueprint program.

While these sources differ somewhat in demand estimates for skilled labour due to some differences in timing, scope and definition of individual trade categories, there is general agreement among them in terms of the degree and timing of the looming labour shortage.

7 Forecast Considerations

In developing an estimate for training requirements, the Atlantica Centre for Energy considered several factors affecting supply and demand of labour, including how labour requirements will change once the major projects being contemplated are completed.

In general, five broad strategies will be needed to meet peak labour demand during the project(s)’ construction phase:
• Strategies to train apprentices and to re-train workers who are exiting declining industries in the region.

• Strategies to grow the non-traditional workforce, including women, aboriginal and immigrant populations.

• Strategies to retain our existing skilled workers, and to attract and repatriate workers who are currently working in other parts of the country.

• Strategies to support employment of temporary foreign workers to meet key areas of peak demand during the construction phase of major projects.

So as to avoid oversupply of labour in a post-construction environment, a key objective will be to train and re-train employees to a sustainable level.

7.1 Estimate of Training Requirement

The Atlantica Centre for Energy’s analysis suggests that training is urgently required in seven key areas. The table below shows an estimate of training requirements for each area, together with the key assumptions driving the requirement.

Table 1  Estimate of Training Requirements for Industrial Construction Workforce in New Brunswick

<table>
<thead>
<tr>
<th>Skill Category</th>
<th>Estimate of Peak Demand</th>
<th>Projected Year of Peak Demand</th>
<th>Estimate of Post-Peak Sustainable Demand</th>
<th>Preparation Time (Years from 2008)</th>
<th>Assumed Attrition from Training Program</th>
<th>Assumed Attrition from Out-Migration</th>
<th>Annual Training Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boilermakers</td>
<td>1,000</td>
<td>2012</td>
<td>200</td>
<td>4</td>
<td>30%</td>
<td>30%</td>
<td>102</td>
</tr>
<tr>
<td>Carpenters (Industrial)</td>
<td>1,540</td>
<td>2013</td>
<td>308</td>
<td>5</td>
<td>30%</td>
<td>20%</td>
<td>110</td>
</tr>
<tr>
<td>Construction Millwrights &amp; Industrial Mechanics</td>
<td>210</td>
<td>2014</td>
<td>42</td>
<td>6</td>
<td>30%</td>
<td>20%</td>
<td>13</td>
</tr>
<tr>
<td>Contractors &amp; Supervisors</td>
<td>1,560</td>
<td>2012</td>
<td>312</td>
<td>4</td>
<td>30%</td>
<td>20%</td>
<td>139</td>
</tr>
<tr>
<td>Electricians</td>
<td>1,560</td>
<td>2013</td>
<td>312</td>
<td>5</td>
<td>30%</td>
<td>20%</td>
<td>111</td>
</tr>
<tr>
<td>Ironworkers &amp; Structural Metal Fabricators/Fitters</td>
<td>340</td>
<td>2013</td>
<td>68</td>
<td>5</td>
<td>30%</td>
<td>20%</td>
<td>24</td>
</tr>
<tr>
<td>Steamfitters/Pipefitters</td>
<td>3,370</td>
<td>2012</td>
<td>506</td>
<td>4</td>
<td>30%</td>
<td>30%</td>
<td>258</td>
</tr>
</tbody>
</table>

It should be noted that this estimate is consistent in terms of both direction and order of magnitude with the projections made by the Benefits Blueprint working group. They were released in the Benefits Blueprint Construction Skills Training Program Executive Summary earlier this year.
Bringing new people into the workforce is vital for the construction and future operations of the larger Energy Hub projects. A great number of skilled tradespeople that currently make up the industrial workforce will retire over the next ten years. We also anticipate losses from training attributable to attrition during training itself and to out-migration of graduates to other parts of the country. Renewal is vital to the sustainability of the region’s workforce.

Project proponents have recognized that they have a responsibility to share accurate project demand information with training institutions and policy makers to identify and address training gaps. It is even more important that this information gets used. Interested candidates for trades training also require this information as they develop their career plans.

8 Immediate Action Required – What Can We Do Now

The Benefits Blueprint process has provided the community and various levels of government an opportunity to respond to the requirements that will enable the proposed projects to move forward. It has made clear what must be done to maximize the social and economic opportunities emerging from current and proposed developments. Failure to address the labour supply challenge may be the greatest risk to potential projects. Action by all stakeholders – project proponents, labour groups and supply organizations - must be swift in areas where they each carry influence. The actions of governments in particular must be equally swift and surefooted so as not to miss the window of opportunity now before us.

8.1 Apprenticeship

In addition to increasing the number of training seats in our various training institutions, we must also commit to supporting the employment of new
apprentices. Labour, contractors and project owners all have a role to play in supporting an increase in the use of apprentices. Given the need to expand and renew the existing workforce, a significant percentage of the industrial construction workforce must be composed of apprentices in various stages of training. It is imperative that policymakers and stakeholders move quickly to introduce a new generation of apprentices into the workforce to ensure knowledge and skills transfer from the large number of skilled tradespeople who are approaching retirement. The process will need to begin with raising awareness among young people and their parents that there exists a full range of several 'paths to success', of which apprenticeship is a significantly valuable option for many young people.

8.2 Population Growth
It is vitally important to the economic viability of many of the region’s industries that we rebuild the population of the region. In New Brunswick the intent of the province’s Population Growth Secretariat is to retain, repatriate and attract new immigrants to sustain and assure the province’s long-term viability. If successful, the initiative will assist in addressing the labour supply challenge for part of the construction phase, but is apt to have a greater impact sustaining the population once the projects become operational. In the immediate term, there are other pursuits that the various governments must act upon.

8.3 Workers in Transition: Bridge Training Initiatives
The series of closures in the forestry sector has left many tradespeople underemployed and seeking work commensurate with their skills. These workers already possess many of the skills and experiences required to contribute to the major capital projects within our regional Energy Hub. Coordination with Federal and Provincial governments, educational facilities and the Building Trades is imperative to develop bridge training programs to
transition and upgrade their skills and enable them to benefit from the employment opportunities within the Energy Hub.

8.4 Temporary Foreign Workers

It is not surprising that most industry estimates indicate that resident and mobile Canadian workforces will not be able to meet the required peak labour force demand for the two larger projects. Temporary foreign workers are another labour resource that may be required to ensure the projects are able to proceed. The Province and particularly the Federal Government will be required to simplify the complex process for recruiting qualified trade workers in areas where there is a projected shortage. In addition, the Building Trades Unions will need to accept these workers as part of the overall solution. We all have an interest in embracing and welcoming those who come from outside the region and the country to contribute to the construction of major capital projects.

The combination of retention, repatriation, immigration and the use of temporary foreign workers is a multi-prong strategy. It will allow us to meet the immediate needs of the major projects, rebuild our population and avoid over building our permanent full time workforce beyond sustainable employment levels.

9 Recommendations

The purpose of this discussion paper is to build awareness about the labour challenges we face. Unless project proponents, governments and the community begin to take meaningful action now, the labour challenge could detrimentally affect all major Energy Hub projects. Without a clear and rapid action plan to address the skilled labour shortage, the Energy Hub may falter
and our region will have squandered a once-in-a-lifetime chance to fundamentally transform both our economy and society for the better.

To address the identified labour shortages, a comprehensive strategy is required that focuses on:

1. Training more of our young people by increasing the size and effectiveness of the our apprenticeship programs, including incentives to encourage apprenticeship training and reforms that make the system more responsive to labour market demands. For example, British Columbia has introduced income tax incentives to encourage apprentices to complete their training. Several provinces have also reformed their community colleges as dependent agencies that respond quickly to changes in labour market demands.

2. Retraining workers who are exiting industries in decline. The Province of New Brunswick recently signed a three-year agreement with the Federal government to access funding from the Community Development Trust for training programs, to help forestry workers transition into occupations experiencing labour shortages. This is a promising first step, but support will likely be needed beyond the announced three years. It is worth noting here that this promising pool of skilled labour is already leaving our region for opportunities in the west.

3. Growing the non-traditional workforce, including women, First Nations and visible minorities. Alberta, for example, has introduced programming to attract more women into the Building Trades. This program, Women Building Futures, has successfully introduced hundreds of women to careers in the Building Trades. In New Brunswick, Partners Building Futures is a 3-year pilot project running from 2007 though 2009 and funded through the Pan Canadian Innovation Initiatives programs. This project will be conducted in three regions of New Brunswick; Bathurst, Moncton and Saint John. The overall goal of the project is to prepare and assist female participants who are seeking careers in skilled trades. This pilot will need to evolve into a permanent initiative to emulate the success of the Alberta program.

4. Retaining our existing skilled workers and repatriating workers who are currently working in other parts of the country. The challenge will be to
educate them to the reality that long term, well-paid career opportunities are now open to them in Atlantic Canada.

5. Streamlining the process of bringing in immigrants and temporary foreign workers (TFWs). There are various programs in place that expedite this process in western provinces, yet not in Atlantic Canada. This must change.

6. Preparing host communities for the possible influx of the mobile construction workforce and TFW’s through improved community settlement services and diversity awareness programming.

7. Re-thinking the recent amendments to the Industrial Relations Act in New Brunswick. These amendments limit the opportunity for construction companies (particularly local contractors) to operate as both union and non-union entities (so called “double breasting legislation). These amendments have the undesirable effect of preventing contractors who perform work at their own premises from using the same workers on major project sites when required. These amendments limit the ability of local small and medium size enterprises (SMEs) to fully participate in Energy Hub projects.

To successfully implement a comprehensive strategy that will produce the required results, action is required now. Current actions to address the projected labour shortages have long lead times and therefore project proponents, governments and host communities must begin to mobilize their efforts now. Our governments need to invest today to ensure that we have the workers for tomorrow.

10 Concluding Message

The Energy Hub projects that are currently under construction and consideration represent an unprecedented opportunity to revitalize our communities. The investment in these projects and their successful completion have the potential to rebuild our population and end the out migration that we have all witnessed over the past number of decades. Our
region is uniquely positioned to serve as the Energy Hub for the international Northeast.

It is vital to recognize that the benefits from the Energy Hub are not guaranteed. Stakeholders in the labour community, the private sector and government must be aware that unless meaningful action is taken now, the labour supply challenge will be the “deal breaker” for proposed and future major Energy Hub projects.

Immediate investment by all stakeholders is needed today to ensure the necessary workforce is trained and available to meet the labour demands of the Energy Hub.

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i  Benefits Blueprint: Energizing Sustainable Communities, April, 2008

ii  ibid

iii  ibid

iv  ibid