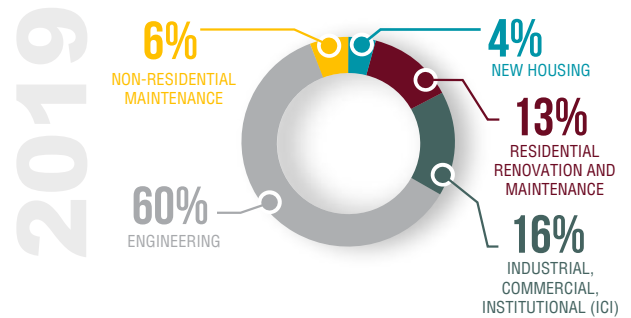# NEWFOUNDLAND & LABRADOR

HIGHLIGHTS 2019–2028

Employment declines, but optimism rises for the long term

Employment requirements in Newfoundland and Labrador are expected to be buttressed in 2019 by stable levels of industrial, commercial, and institutional (ICI) building construction and rising demands related to the West White Rose wellhead platform and the Voisey's Bay underground mine projects. Further declines in employment, however, are expected, as these major projects are insufficient to offset the employment demands created by past projects such as the Hebron offshore platform, Long Harbour nickel smelter, and the winding down at the Muskrat Falls generating station. Based on the current list of major projects, these employment adjustments are expected to persist for several more years as the labour force transitions back to levels more consistent with those of the mid 2000s.

Non-residential engineering construction remains the dominant driver of construction employment, but employment is nearly halved (47%) over the next decade, with declines concentrated between 2020 and 2023. A down-cycle in residential construction is also expected to continue through to 2021, followed by a modest recovery, though demands for renovation work are expected to remain fairly steady through to 2028.
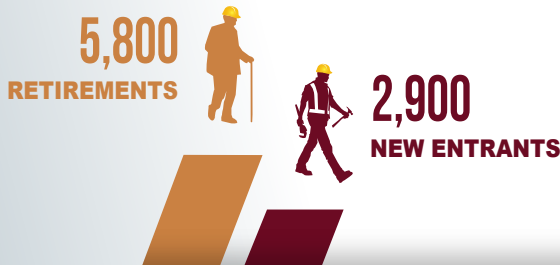
The prospect for the Bay du Nord deepwater oil development project is a source of optimism, but in the absence of a positive final investment decision, construction employment is projected to decline by 3,400 jobs (-20%) by 2021 and 5,900 jobs across the entire 2019–2028 scenario period. The decline is expected to lead a large number of workers to seek work opportunities outside the province. With a similar number of retirements expected over the next decade, industry will need to monitor market changes to ensure long-term sustainability of the construction labour force.

DISTRIBUTION OF CONSTRUCTION EMPLOYMENT IN 2019, NEWFOUNDLAND AND LABRADOR

2019

- **6%** NON-RESIDENTIAL MAINTENANCE
- **4%** NEW HOUSING
- **13%** RESIDENTIAL RENOVATION AND MAINTENANCE
- **16%** INDUSTRIAL, COMMERCIAL, INSTITUTIONAL (ICI)
- **60%** ENGINEERING

10-YEAR WORKFORCE OUTLOOK FOR NEWFOUNDLAND AND LABRADOR

2028

5,800 RETIREMENTS

2,900 NEW ENTRANTS

AVERAGE UNEMPLOYMENT RATE **24.3%**

-5,900 (-34.7%) EMPLOYMENT CHANGE

HIGHLIGHTS

- Employment is expected to continue declining steadily over the decade, with a loss of 5,900 jobs (-35%) expected by 2028.

- Total employment requirements are projected to decline by 3,400 jobs by 2021 as current projects wind down.

- 5,800 workers are expected to retire over the next decade – roughly equivalent to the decline in labour force requirements.

- If the $6.8 billion Bay du Nord offshore oil development project (not included in the current outlook scenario) receives final approval, it could significantly affect labour market conditions.

BuildForce's LMI System

BuildForce Canada uses a scenario-based forecasting system to assess future construction labour requirements in the heavy industrial, residential, and non-residential construction markets. This labour market information (LMI) system tracks 34 trades and occupations. To further improve the robustness of the system, BuildForce consults with industry stakeholders, including owners, contractors, and labour groups, to validate the scenario assumptions and construction project lists, and seeks input from government on related analysis. The information is then distilled into labour market condition rankings to help industry employers with the management of their respective human resources.

NEWFOUNDLAND AND LABRADOR CONSTRUCTION OUTLOOK

Increased employment demand related to the West White Rose wellhead platform and the Voisey's Bay underground mine alongside new institutional and industrial investments deliver a break in the retreat from an exceptional peak in resource expansion in the province. Completion of the Hebron offshore oil platform, the nickel processing facility at Long Harbour, and various transmission line projects have all contributed to a 14% decline in employment since the 2016 peak. The infusion of royalty revenues from increased oil production and the prospect of new offshore oil investments have increased optimism, but with no new major projects confirmed and Muskrat Falls mostly completed in 2018, total construction employment is expected to decline by a further 3,400 jobs by 2021.

The 2019–2028 *Construction and Maintenance Looking Forward* scenario anticipates employment declines related to major projects will continue to reverberate throughout the broader economy. Older age demographics and out-migration continue to erode Newfoundland and Labrador's population, translating into weaker demand for new homes and ICI buildings.

The pace of declines in construction activity should slow over the latter half of the scenario period as out-migration and population declines are curtailed and the provincial government's fiscal position improves, resulting in modest improvements in economic conditions, housing demand, and ICI building construction. The potential for new offshore oil development projects such as Bay du Nord may result in a significant rise in engineering construction employment demands as early as 2020, though the timing of these proposed projects remains uncertain.

The capacity of industry to meet future potential employment requirements may be at risk with the anticipated loss of 4,500 skilled workers through out-mobility and the exit of an additional 1,600 workers likely to retire between 2019 and 2021. Taken together, the industry is expected to lose an estimated 20% of the current labour force over a four-year period. Meeting rising employment demands while addressing the needs of replacing an aging labour force may prove challenging over the long term.

Looking across the decade, an anticipated 5,800 workers are likely to retire, which is equal to the projected decline in the construction labour force. Many of the workers released from the recently completed major projects are likely to leave the province, maintaining a need to recruit and train new workers to sustain labour force capacity over the long term. Attracting and training new workers during and following the current downturn may pose a formidable challenge.

SECTOR INSIGHTS

The following sections provide sector-specific insights into the residential and non-residential labour markets for the province.

The BuildForce LMI system tracks supply and accounts for the change in the available labour force, including retirements, new entrants[1], and net in-mobility[2].

BuildForce assesses market conditions for 34 construction trades and occupations using a ranking system that combines measures of the change in employment, unemployment, net in-mobility, and adjustments based on industry input. The rankings reflect residential and non-residential market conditions unique to the province based on current and proposed construction activity. In addition, assumptions on regional economic and population growth, new entrants to the labour force, and migration patterns (interprovincial and international) are built into the forecast scenario and included in the ranking assessments.

The rankings for some trades are suppressed due to the small size of the labour force (<100 workers) and limited statistical reliability when assessing labour market conditions at the sector level. Some trades are also excluded because they typically do not work in the sector being assessed (e.g., boilermakers and millwrights in residential construction, and homebuilding and renovation managers in non-residential). For Newfoundland and Labrador, rankings are reported for 6 residential and 19 non-residential trades and occupations.

RESIDENTIAL SECTOR

Falling housing starts and weakening renovation activity lead residential employment lower across the scenario period. Weaker economic conditions contributed to a decline in housing starts in 2018, which declined to 1,300 units from a high of 3,900 in 2012. Expected out-migration from the province and declining population is projected to decrease housing starts to around 700 units by 2022, before stabilizing after 2023. Starts are likely to remain below 1,000 units across the remainder of the scenario period.

Declines in disposable income and an overall weak real estate market contributed to falling renovation investment between 2016 and 2018. Anticipated improved economic conditions are expected to help sustain renovation investment in 2019 and across the scenario period.

Overall residential employment is expected to decrease by 400 jobs (-14%), with declines concentrated between 2020 and 2022.

Figure 1 shows the employment trends by sector for residential construction.

---

[1] **New entrants** are measured by applying the traditional proportion of the provincial labour force that enters the construction industry. The projected estimate across the scenario period assumes that the construction industry can recruit this group in competition with other industries.

[2] **In-mobility** refers to the arrival of workers from outside the local construction industry. In-mobility includes the interprovincial employee workforce described above. Many members of this group will move quickly out of the province as work declines, and this out-mobility, even if it is a very short-term change, signals a weak market.

Figure 1: Residential construction employment growth outlook, Newfoundland and Labrador
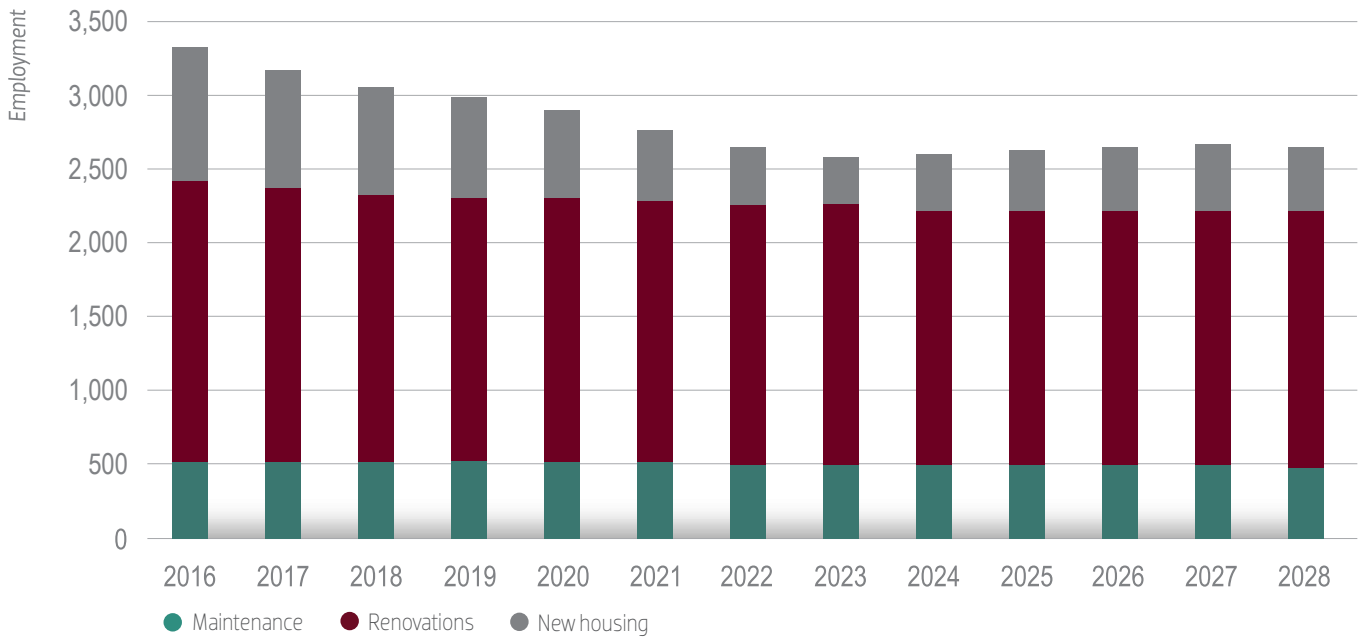
Source: Statistics Canada, BuildForce Canada

THE AVAILABLE LABOUR FORCE

While long-term employment demands are expected to recede, industry must still contend with an aging labour force and the anticipated exit of an estimated 1,100 workers over the coming decade due to retirements. Over the same period, a declining population should limit the number of first-time new entrants aged 30 and younger expected to be drawn into residential construction from the local population (estimated at 600). Recruiting may prove challenging even during periods of slower growth.

Table 1 provides a summary of the estimated changes in the residential labour force in 2018, the five-year period between 2019 and 2023, and across the full 2019–2028 scenario period.

RESIDENTIAL RANKINGS, RISKS, AND MOBILITY

Table 2 shows weak residential labour market conditions in 2018, as activity declined for both new housing and renovation work. The pace of decline slows in 2019, but market conditions for trades and occupations more concentrated in new construction weaken further through 2022.

Across the scenario period, older age demographics and expected retirements contribute to lower natural rates of unemployment[3] that help to maintain mostly balanced labour market conditions, but at lower levels of employment.

Table 1: Changes in the residential labour force, Newfoundland and Labrador

RESIDENTIAL LABOUR FORCE ADJUSTMENT		2018	5 years 2019–2023	10 years 2019–2028
Demand	**Labour force change**	–300	–800	–800
	Retirements	100	600	1,100
Supply	**New entrants**	100	300	600
	Net mobility	–300	–500	–300

Source: BuildForce Canada

[3]   **Normal unemployment** or **natural unemployment** refers to the unemployment that results from workers moving from one job to another. This unemployment rate exists because some workers are in-between jobs, some workers' skills do not align with employers' needs, or because there is a mismatch in the wage expectations between employers and workers. For Newfoundland and Labrador, the natural rate of unemployment had been declining since the late 1980s, but began rising in 2014. It currently stands between 24-26%.

RESIDENTIAL HIGHLIGHTS

- Housing starts dropped to 1,300 units in 2018, from a peak of 3,900 in 2012, and are expected to continue a downward trend to 700 units by 2022, before recovering to 900 units per year by the end of the scenario period.

- Renovation investment is expected to strengthen marginally in 2019 and 2020 following three years of decline.

- Total residential employment is expected to decline by 400 jobs (-14%) across the scenario period.

MARKET RANKINGS

1 Workers meeting employer qualifications are available in local markets to meet an increase in demand at the current offered rate of compensation and other current working conditions. Excess supply is apparent and there is a risk of losing workers to other markets.

2 Workers meeting employer qualifications are available in local markets to meet an increase in demand at the current offered rate of compensation and other working conditions.

3 The availability of workers meeting employer qualifications in the local market may be limited by large projects, plant shutdowns or other short-term increases in demand. Employers may need to compete to attract needed workers. Established patterns of recruiting and mobility are sufficient to meet job requirements.

4 Workers meeting employer qualifications are generally not available in local markets to meet any increase. Employers will need to compete to attract additional workers. Recruiting and mobility may extend beyond traditional sources and practices.

5 Needed workers meeting employer qualifications are not available in local markets to meet current demand so that projects or production may be delayed or deferred. There is excess demand, competition is intense and recruiting reaches to remote markets.

Table 2: Residential market rankings, Newfoundland and Labrador

TRADES AND OCCUPATIONS – RESIDENTIAL	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Carpenters	2	3	2	2	2	3	3	3	3	3	3
Contractors and supervisors	2	3	3	3	3	3	3	3	3	3	3
Home building and renovation managers	2	3	3	3	3	3	3	3	3	3	3
Painters and decorators (except interior decorators)	2	3	3	3	3	3	3	3	3	3	3
Plasterers, drywall installers and finishers, and lathers	2	3	3	2	3	3	3	3	3	3	3
Trades helpers and labourers	2	3	2	2	2	3	3	3	3	3	3

Source: BuildForce Canada

NON–RESIDENTIAL SECTOR

Non-residential construction investment peaked at record levels in 2016, but major project requirements sustained employment at high levels into 2017.

The start of work on the West White Rose wellhead platform and Voisey's Bay underground mine in 2018 slowed the pace of decline, but as the work at Muskrat Falls generating station and these projects end, engineering construction employment should decline by a further 28% by 2021. Employment declines at a slower pace thereafter, but negative population growth also translates into lower levels of ICI building construction. The contraction is broad-based, and activity is expected to decline across all non-residential sectors. Midway through the scenario period in 2023, employment requirements are down by 4,500 jobs (-32%) from 2018. Non-residential labour force requirements recede by 5,500 workers by 2028.

Figure 2 tracks the change in non-residential employment by sector for key reference points across the scenario period, including the start of the period in 2019, at the middle of the scenario in 2023, and then at the end of the period in 2028.

In the absence of any new major construction projects, non-residential construction employment is expected to return to the pre-expansion levels of the mid 2000s. Depending on the timing of new resource-development projects, a project such as Bay du Nord could significantly smooth out the pace of employment declines, but it would take several large-scale major projects to return to the level of investment and employment demand reached over the last five years.

Table 3 summarizes the percent change in non-residential employment by sector across two periods: the first captures the decline to 2023, and the second, across the remainder of the scenario period to 2028.
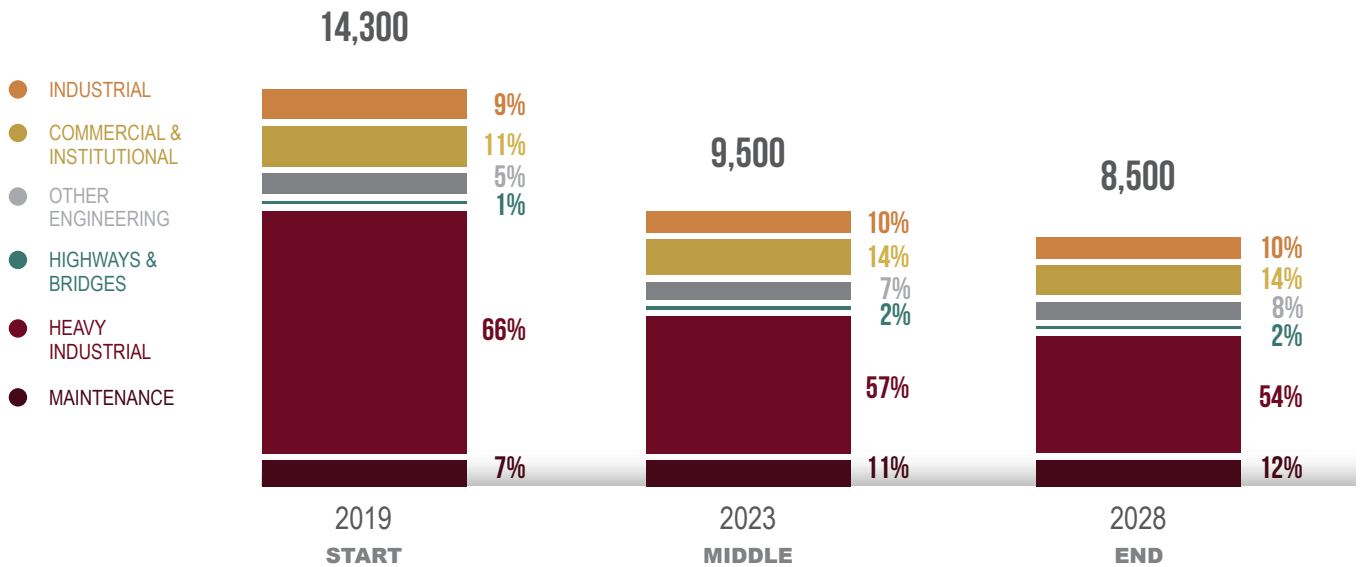
Figure 3 shows the employment trends by sector for non-residential construction.

Table 3: Change in non–residential employment by sector, Newfoundland and Labrador

| SECTOR		% CHANGE 2019–2023	% CHANGE 2024–2028
Total non–residential employment		–32%	–17%
ICI buildings	Industrial	–26%	–16%
	Commercial, institutional, and government	–13%	–15%
Engineering	Highways and bridges	–18%	–6%
	Heavy industrial	–41%	–22%
	Other engineering	–19%	–7%
Maintenance		5%	–2%

Source: Statistics Canada, BuildForce Canada

Figure 2: Non–residential employment distribution by sector, Newfoundland and Labrador, 2019, 2023, and 2028

Legend:
- INDUSTRIAL
- COMMERCIAL & INSTITUTIONAL
- OTHER ENGINEERING
- HIGHWAYS & BRIDGES
- HEAVY INDUSTRIAL
- MAINTENANCE

14,300

2019
Sector	%
Industrial	9%
Commercial & Institutional	11%
Other Engineering	5%
Highways & Bridges	1%
Heavy Industrial	66%
Maintenance	7%

9,500

2023
Sector	%
Industrial	10%
Commercial & Institutional	14%
Other Engineering	7%
Highways & Bridges	2%
Heavy Industrial	57%
Maintenance	11%

8,500

2028
Sector	%
Industrial	10%
Commercial & Institutional	14%
Other Engineering	8%
Highways & Bridges	2%
Heavy Industrial	54%
Maintenance	12%

2019 START 2023 MIDDLE 2028 END

Source: Statistics Canada, BuildForce Canada

Figure 3: Non–residential construction employment growth outlook, Newfoundland and Labrador

Maintenance · Industrial, commercial, institutional (ICI) buildings · Engineering
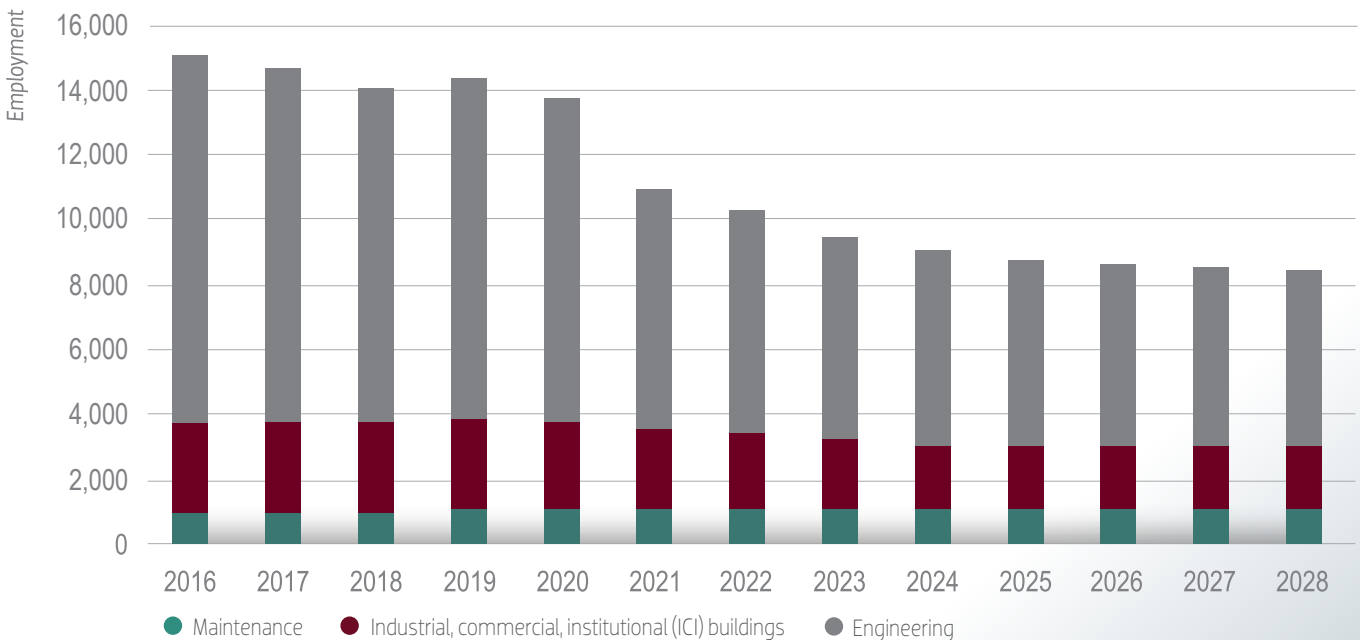
Source: Statistics Canada, BuildForce Canada

NON-RESIDENTIAL HIGHLIGHTS

- Completion of Hebron, the Long Harbour nickel processing facility, and transmission line projects contributed to a significant decline in employment requirements in 2018.

- The non-residential labour force built up over the last decade is projected to decline back to 2008 levels by 2025.

- Total non-residential employment is expected to decline by 4,650 jobs (-37%) over the coming decade.

- The majority of employment declines are absorbed by retirements, but aging demographics present a major risk to sustaining a labour force over the long term.

THE AVAILABLE LABOUR FORCE

The flow of workers returning from Western Canada has been stemmed, and data suggests workers are leaving the province. Based on the latest migration data from Statistics Canada, 2018 marked two consecutive years of interprovincial migratory losses for Newfoundland and Labrador. The last time the province had such a long period of quarterly deficits was from 1991 to 2007.[4]

Under the current outlook scenario, Newfoundland and Labrador's construction industry can expect to lose as many as 6,600 skilled workers through out-mobility to other sectors or other province's over the next five years. The pace at which workers decide to leave versus remaining in the province would have significant implications on unemployment levels.

There is an acute risk that if large numbers of skilled workers leave, any significant increase in engineering construction project demands will likely stretch the capacity of a diminished labour force. Maintaining capacity to meet future needs requires a continued emphasis on recruitment and training, which may prove to be more challenging during an extended down-cycle.

Over the coming decade, an estimated 4,700 workers are likely to exit the non-residential labour force due to retirements, which accounts for about half of the expected labour force decline. Over

the same period, the industry is expected to draw 2,300 first-time new entrants aged 30 and younger into the non-residential labour force from the local population. The older age profile of the Newfoundland and Labrador population and the province's shrinking youth population could make attracting new entrants into the labour force more difficult.

Table 4 provides a summary of changes in the non-residential labour force in 2018, the five-year period between 2019 and 2023, and across the full scenario period.

NON–RESIDENTIAL RANKINGS, RISKS, AND MOBILITY

All trades and occupations tracked by BuildForce are entering a period of variable market conditions through to 2022, as shown in Table 5. The timing of major project completions and the start of new projects creates variation in market conditions for a number of trades and occupations in 2018 and 2019. As work ramps up on the West White Rose wellhead platform and Voisey's Bay underground mine development, conditions tighten or stabilize for some trades and occupations between 2019 and 2020. The completion of current major engineering construction projects and highway work should loosen labour markets for all trades and occupations after 2021.

Table 4: Changes in the non–residential labour force, Newfoundland and Labrador

NON–RESIDENTIAL LABOUR FORCE ADJUSTMENT		2018	5 years 2019–2023	10 years 2019–2028
Demand	**Labour force change**	–1,200	–7,100	–8,700
	Retirements	500	2,500	4,700
Supply	**New entrants**	300	1,400	2,300
	Net mobility	–1,100	–6,000	–6,300

Source: BuildForce Canada

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[4] Quarterly Demographic Estimates, Statistics Canada, www150.statcan.gc.ca/n1/pub/91-002-x/91-002-x2018001-eng.htm

Table 5: Non-residential market rankings, Newfoundland and Labrador

TRADES AND OCCUPATIONS — NON-RESIDENTIAL	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Boilermakers	2	3	3	2	2	2	2	3	3	3	3
Carpenters	2	4	3	2	2	2	3	3	3	3	3
Construction managers	3	3	3	2	3	2	3	3	3	3	3
Construction millwrights and industrial mechanics	2	4	4	2	2	2	3	3	3	3	3
Contractors and supervisors	2	2	3	2	2	2	2	3	3	3	3
Crane operators	2	2	2	2	2	2	2	2	3	3	3
Electricians	2	2	2	2	2	2	2	3	3	3	3
Heavy equipment operators (except crane)	3	3	2	2	2	2	2	3	3	3	3
Heavy-duty equipment mechanics	3	3	3	2	2	2	2	3	3	3	3
Ironworkers and structural metal fabricators	4	3	2	2	2	2	2	3	3	3	3
Painters and decorators (except interior decorators)	2	3	4	2	2	3	2	3	3	3	3
Plumbers	2	3	3	2	3	2	2	3	3	3	3
Refrigeration and air conditioning mechanics	2	3	3	2	2	2	2	3	3	3	3
Residential and commercial installers and servicers	3	3	3	2	3	3	2	3	3	3	3
Sheet metal workers	3	4	3	2	2	2	2	3	3	3	3
Steamfitters, pipefitters, and sprinkler system installers	2	3	3	2	2	2	2	2	3	3	3
Trades helpers and labourers	2	3	2	2	2	2	2	3	3	3	3
Truck drivers	2	3	2	2	2	2	2	3	3	3	3
Welders and related machine operators	4	3	2	2	2	2	3	3	3	3	3

Source: BuildForce Canada

BUILDING A SUSTAINABLE LABOUR FORCE

Newfoundland and Labrador's construction industry is returning to pre-resource-boom employment levels, but this is not to say recruitment will be without challenges. Over the next decade, the province is expected to lose a quarter of its construction labour force (5,800 workers) to retirements. In addition, the province has one of the oldest populations in Canada and will see first-time new entrants aged 30 and younger from the local population (2,900 workers) run well below anticipated retirements.

Building a sustainable labour force will require industry to remain focused on attracting, training, and retaining qualified workers. Despite receding demands, industry will likely face a skills gap over the coming decade, as the skills of retiring workers may not be matched by that of first-time new entrants.

Contributing to recruitment challenges over the next decade will be the aging of the population. Newfoundland and Labrador has the fastest-aging population in Canada, as the proportion of people in the older age bracket (65 years and over) increased 45% over the previous decade. Over the next 10 years, the share of the population in the older age bracket is expected to increase and the share of the population at prime working age (25-54 years old) is expected to decline. Additionally, the share of the population potentially available to enter the labour force (15-24 years old) is also in decline. (See Figure 4.)

These demographic shifts suggest all industries will be competing for talented youth over the coming decade, adding to the challenges of recruiting young workers into the construction industry.

As a considerable share of the population moves into the older age bracket, the labour force participation rate (percent of the population 15 years and older in the labour force) is expected to fall steadily.

Figure 4: Population age distribution, Newfoundland and Labrador

2018

16% · 21% · 14% · 11% · 39%

2028

15% · 27% · 13% · 10% · 35%
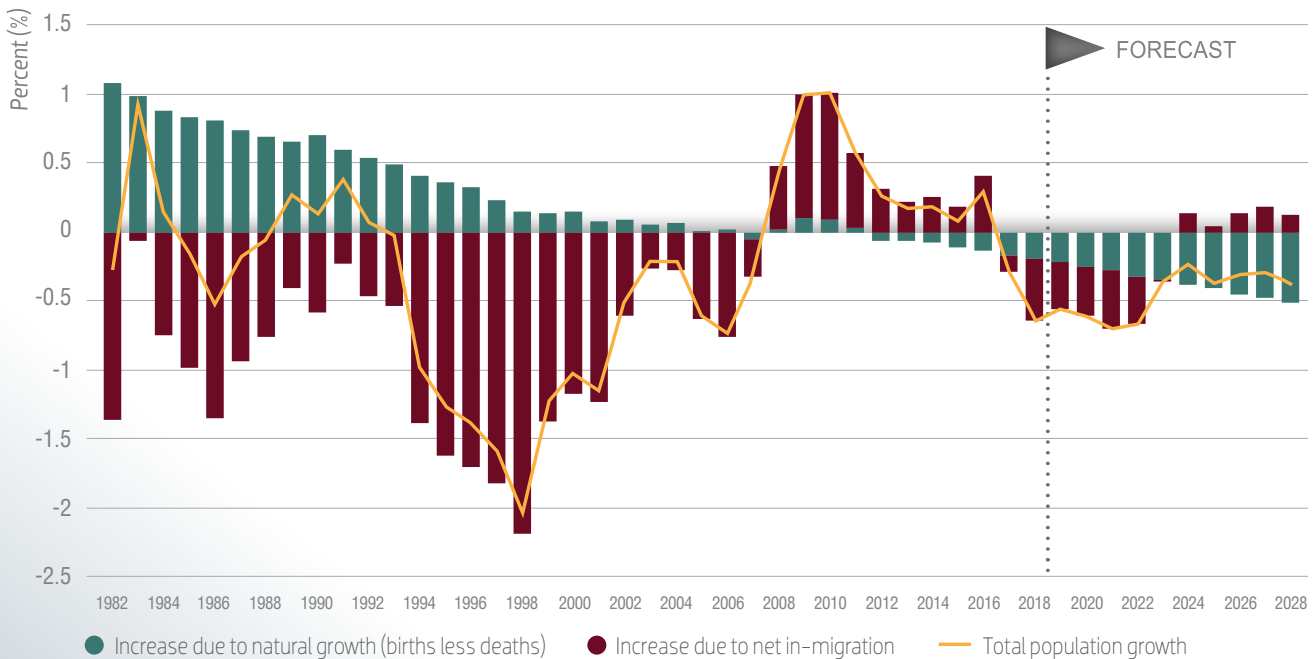
Legend:
- 0-14
- 15-24
- 25-54
- 55-64
- 65+
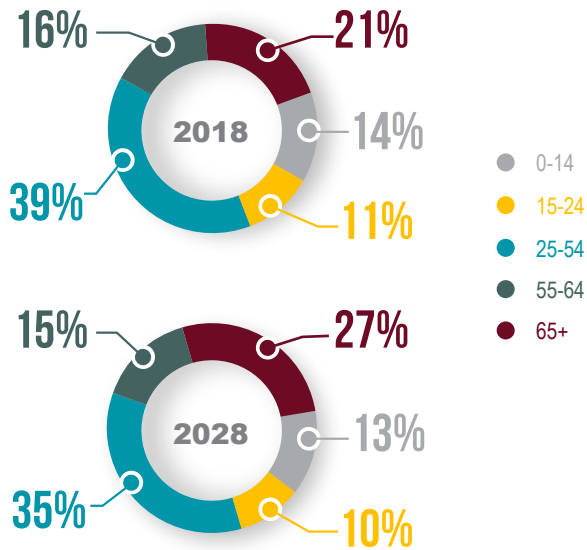
Source: BuildForce Canada

Population aging combined with out-migration is expected to lead to contractions in the province's population. Newfoundland and Labrador's population declined over the past two years as people left the province, and natural population growth[5] remained negative. Over the coming decade, the province's population is expected to continue shrinking, with stronger declines over the near term as people continue to exit the province. After 2022, international migration is expected to offset the out-flow of interprovincial migration, but it is not sufficient to offset negative natural population growth (births less deaths). See Figure 5.

APPRENTICESHIP

Nearly 5,700 apprentices registered in the 15 largest construction programs[6] in Newfoundland and Labrador between 2012 and 2018[7]. Completions totalled 2,800 over the same period. Apprenticeship data from Statistics Canada's Registered Apprenticeship Information System (RAIS) shows annual new registrations have decreased by 52% from 2012 to 2018, while construction employment decreased at a slower pace of 19% over the same period. New registrations peaked at 1,110 in 2013 before steadily declining to below 500 in 2018. BuildForce Canada is working to better track apprenticeship training information to provide data on industry trends and training needs to ensure there are sufficient numbers of apprentices and newly certified journeypersons to sustain a skilled labour force over the long term.

Figure 5: Sources of population growth (%), Newfoundland and Labrador

Legend:
- Increase due to natural growth (births less deaths)
- Increase due to net in-migration
- Total population growth

Source: Statistics Canada, BuildForce Canada (2019–2028)

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5   **Natural rate of population growth** refers to the growth in the population due to the number of births exceeding the number of deaths.

6   Programs include Sheet Metal Worker, Metal Fabricator, Ironworker (Reinforcing), Ironworker (Structural/Ornamental), Welder, Construction Electrician, Powerline Technician, Steamfitter/Pipefitter, Sprinkler System Installer, Carpenter, Bricklayer, Industrial Mechanic (Millwright), Refrigeration and Air Conditioning Mechanic, Mobile Crane Operator, and Plumber.

7   Statistics Canada's apprenticeship data is only available to 2016. BuildForce Canada estimated the 2017 and 2018 values.

UNDERREPRESENTED GROUPS OF WORKERS

Building a sustainable workforce will require the construction and maintenance industry to increase recruitment from groups traditionally underrepresented in the current construction labour force, including women, Indigenous Canadians, and new Canadians.

In 2018, there were 111,500 women employed in Newfoundland and Labrador, representing 50% of the province's total labour force. Nearly six in 10 women in the province were employed in healthcare and social assistance (30%), retail services (16%), and educational services (10%). The construction industry employed 2,100 women, or 1.9% of all female workers.

Newfoundland and Labrador's construction labour force is made up of approximately 11% women, including workers directly involved in construction projects as well as administrative and management-related occupations. The recent contraction of the province's construction industry has caused construction establishments to pursue lean operations, reducing the number of support workers. While employment for direct trades and occupations fell by 7% between 2016 and 2018, employment for other trades and occupations declined by 27%. This has caused the share of women in direct trades and occupations to rise, as they currently account for 38% all women working in the industry, while the remaining 62% of women continue to work in administrative and management-related occupations. This translates into women representing 4% of employment in direct trades and occupations.
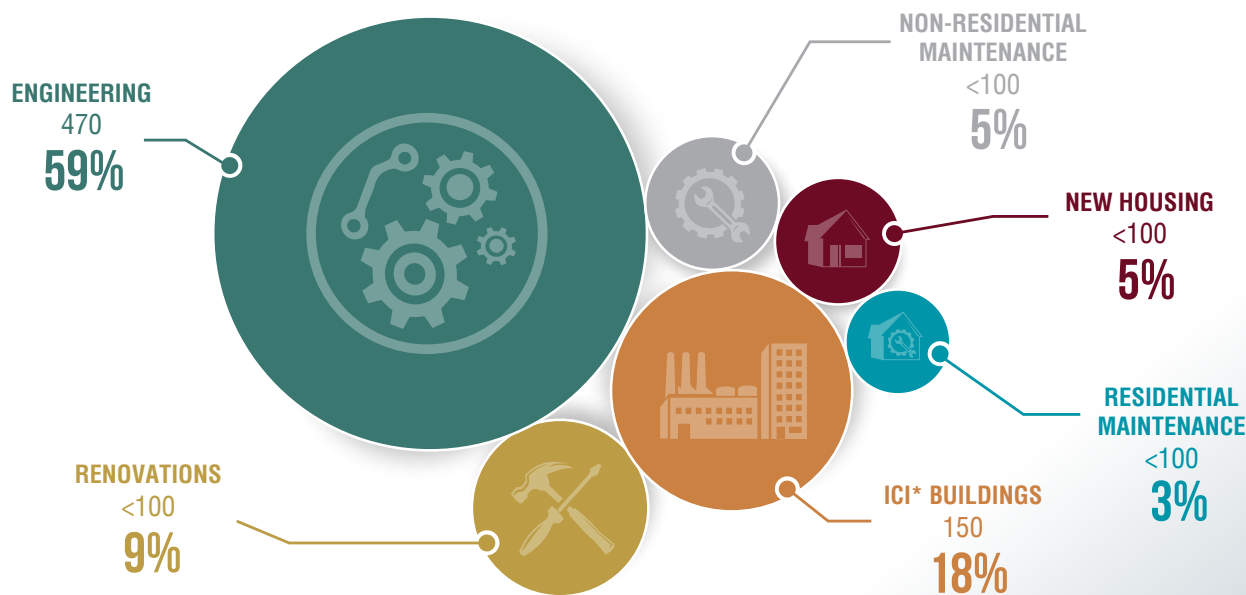
Given the significant size of Newfoundland and Labrador's engineering construction sector, it is not unexpected that most women are employed in the sector. In fact, 82% of all tradeswomen (650 workers) earn a living in the non-residential sector, with more than two thirds working in engineering construction. The residential sector employs 17% of tradeswomen (140 workers). Figure 6 illustrates the breakdown of female employment in construction.

Based on historical in- and out-flows of women in the construction industry, female employment is expected to recede at a slower pace than male employment, causing a steady rise in the share of women in the industry. Figure 7 shows female construction employment and industry representation.

Although the share of women stands near 5% for most construction sectors, women account for a relatively higher proportion of the labour force working on roads, highways, and bridges (6.9%) and ICI building construction (5.3%). Alternatively, other engineering construction and non-residential maintenance work represent 4.3% and 4.2% of the labour force, respectively.

Another underrepresented group of workers in Newfoundland and Labrador's construction industry is the Indigenous community. In 2017, approximately 7% of all Indigenous people resided in Atlantic Canada. The Indigenous population is the fastest growing in Canada and has a higher propensity to choose the construction industry as a career choice. In 2016, an estimated 7.6% of non-Indigenous Canadians were employed in the construction industry, compared to 9.6% for the Indigenous population.

Figure 6: Breakdown of female construction employment (2018), Newfoundland and Labrador

ENGINEERING
470
59%

NON-RESIDENTIAL MAINTENANCE
<100
5%

NEW HOUSING
<100
5%

RESIDENTIAL MAINTENANCE
<100
3%

RENOVATIONS
<100
9%

ICI* BUILDINGS
150
18%

* industrial, commercial, institutional
Source: BuildForce Canada calculations based on Statistics Canada's Labour Force Survey (LFS) and 2016 Census of the Population.

Figure 7: Female construction employment and share of total direct trades and occupations*, Newfoundland and Labrador

FORECAST

Female employment (left axis)　　Share of females (right axis)
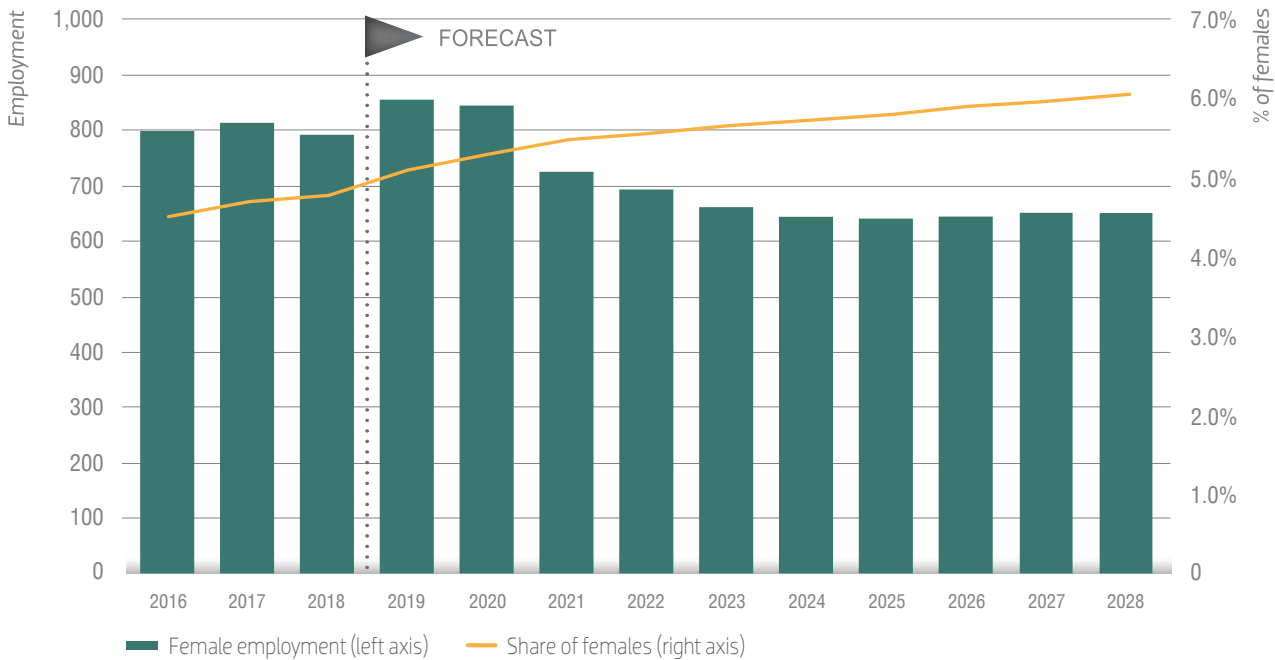
* **Direct trades and occupations** refers to the 34 trades and occupations tracked by BuildForce Canada, which excludes administrative–type occupations.

Source: BuildForce Canada calculations based on Statistics Canada's Labour Force Survey (LFS) and 2016 Census of the Population.

Approximately 8% of the province's construction labour force is made up of Indigenous Canadians, of which about 76% work directly on construction projects, while the remaining 24% work primarily in administrative and management-related occupations.

A key source of labour force growth for Newfoundland and Labrador over the coming decade will be the addition of new Canadians (immigrants). Meeting future construction labour needs may require industry to tap into the 9,500 immigrants expected to move to the province over the scenario period.

The immigrant population currently accounts for only 1% of Newfoundland and Labrador's construction labour force. Historically, a key source of immigrants to the province were from Europe and the Americas (primarily the United States), whose citizens tend to have a higher propensity to choose the construction industry. A shift is currently underway whereby many new immigrants (55%) are from Asia (primarily Philippines, Syria, China, and India), whose citizens may have a lower inclination toward construction trades and occupations. Due to the existing

10-YEAR AVERAGE

-0.4%
POPULATION GROWTH

4,000
BIRTHS

5,900
DEATHS

-400
NET MIGRATION

BY 2028

47
AVERAGE AGE OF CONSTRUCTION WORKFORCE

24%
PERCENT OF CURRENT LABOUR FORCE LOST TO RETIREMENT

employment preferences of new immigrants, persuading them to consider careers in construction may be challenging without additional attention and targeted recruitment efforts.

CONCLUSIONS AND IMPLICATIONS

Construction employment in Newfoundland and Labrador is well into a pronounced down-cycle that extends across the medium term. Declining employment requirements associated with major project completions and declining population combined with weak overall economic conditions reduce the employment gains that were built up over the past decade. Employment is expected to return to levels consistent with the mid 2000s, prior to the resource-development expansion.

Despite the weak near-term outlook, recruiting challenges may soon re-emerge. Rising retirements and labour force requirements associated with the approval of proposed new resource development projects later in the scenario period present a potential risk where labour demands for some trades and occupations may exceed their availability in the local labour force. This risk may be greater if large numbers of skilled workers leave the province in search of work opportunities, as work slows over the near term when current projects end.

The industry scenario-based approach developed by BuildForce Canada to assess future labour market conditions provides a powerful planning tool for industry, government, and other stakeholders to better track labour market conditions and identify potential pressure points. The anticipated labour market conditions reflect the current long-term oil price outlook and industry capital investment assumptions. Any changes to the anticipated timing of current major projects or positive final investment decisions for new resource development projects presents risks and potentially alters anticipated market conditions.