

# Written Submission for the Pre-Budget Consultations in Advance of the 2019 Budget

## By: International Union of Painters and Allied Trades

### RECOMMENDATIONS

**Recommendation #1:** That Finance Canada work across departments (including Public Services and Procurement Canada and Infrastructure Canada) to adopt a contractual obligation for the use of protective coating and corrosion-prevention materials when infrastructure bids are tendered.

**Recommendation #2:** That the Government of Canada undertake a study (with funds provided through Budget 2019) to determine the cost of corrosion domestically, and its impacts on reducing the productivity and competitiveness of the Canadian economy.

**Recommendation #3:** That the Government of Canada require the use of Red Seal qualified, certified workers on federal infrastructure projects.

**Recommendation #4:** That the Government of Canada improve competitiveness within the skilled trades by formally recognizing the NACE13/ACS 1 (or equivalent) standard for coating applications, and mandate that painting and coating work on federal infrastructure projects is completed by tradespeople who have obtained certification under this (or an equivalent) standard.

**Recommendation #5:** That the Government of Canada improve competitiveness for the skilled trades by ensuring community benefits are applied for federal procurements.

**Recommendation #6:** That the Government of Canada proceed with planned funding for the Union Training Innovation Program (estimated at \$25M for FY 18-19).

# International Union of Painters and Allied Trades 2019 Pre Budget Submission

## **Executive Summary**

The focus of this year's pre-budget submissions and testimony is "Economic Growth: Ensuring Canada's Competitiveness." We are glad that the federal government recognizes the role of Canadian business and the building trades in growing the economy in the midst of a changing economic landscape. In the past, the Government of Canada has committed to supporting training and equipment for the skilled trades, particularly those who are working to innovate within the burgeoning green economy. Supporting the skilled trades directly invests in the growth of Canada's economy. Improving the quality of our domestic workforce acts as a safeguard against international labour forces taking away Canadian jobs, an issue that is most salient in the current economic landscape.

Supporting Canada's tradespeople goes hand in hand with the government's commitment to Ensure Canada's Competitiveness in a global context. By working with construction trades like ours, the federal government has the opportunity to improve productivity and competitiveness within the skilled trades. This directly contributes to economic growth that comes from within, while making progress on environmental objectives, including reducing greenhouse gas emissions (GHGs).

Commercial and industrial painters help power the economy by ensuring the sustainability of our infrastructure through the application of protective coatings on major structures that are essential to prevent corrosion. Glaziers improve the efficiency of buildings by selecting and installing the most advanced energy efficient window systems, ultimately reducing the carbon footprint of those structures.

The International Union of Painters and Allied Trades (IUPAT), which represents over 100,000 men and women in North America who work in the Finishing Trades - are ready to support Canada's infrastructure investments and keep Canada moving and productive.

### Improving Infrastructure Safety and Resiliency through Paints and Coating

The Government of Canada has made a substantial, long-term commitment to invest in public infrastructure. As decision-makers determine which infrastructure projects will proceed, implementing measures to extend the useful life of public infrastructure investments is critical, as increased upkeep and regular shut-down for repairs can be a major drag on the productivity and overall competiveness of the Canadian economy.

When it comes to projects in which steel and concrete are the foundational building materials, special attention must be paid to the major culprit in infrastructure deterioration – corrosion. Experience has shown that damage to infrastructure caused by corrosion can be costly in terms of human life, can harm the environment, and can disrupt economic activity. Unfortunately, there is a distinct lack of data on the extent of this problem, which is why we are petitioning the government to undertake a study to determine the negative economic consequences of corrosion on infrastructure longevity, economic productivity, and competitiveness in Canada.

#### Case Study: The Consequences (and Cost) of Corrosion

Pipeline failures are rare in Canada. However, when they do occur, they can have many causes, including construction damage, overpressure, and joint issues. But, according to the National Energy Board, the primary cause of rupture on the pipelines they regulate is corrosion. According to a 2016 study conducted by the National Association of Corrosion Engineers International (NACE International), the world's leading authority on corrosion control, the global cost of corrosion is estimated to be \$3.13 trillion CAD, the equivalent of 3.4 per cent of global GDP. Moreover, NACE International has found that by using available corrosion control practices, savings of up to 35 per cent of the cost of corrosion could be realized, representing over \$1 trillion CAD in global savings. Unfortunately, the NACE International study lacks disaggregated data for Canada, and so are understanding of the scope of this problem here is extremely limited.

Steps can be taken to fight the dangerous effects of corrosion on infrastructure. Principle among these is the application of protective coatings to properly prepared steel and other substrates to help protect them from a corrosive environment. Requiring these types of coatings from the outset of major procurements will go a long way to improving their lifespan, and preventing tragedies that arise from failing to address corrosion.

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#### Improving Skilled Trade Competitiveness through the Adoption of Standards

The IUPAT takes pride in offering state of the art facilities for apprenticeship education, skills upgrading and health and safety training in eight Training Centres across Canada.

It is vital for our industry that government recognize the need for protective coatings to be correctly applied by skilled tradespeople having appropriate training and certification. Hiring skilled and trained workers to complete these projects ensures that this work is done correctly the first time. The Red Seal certification program is a nationally recognized standard used to ensure high quality work, and should be adopted by the government as a prerequisite for all tradespeople working on federal projects.

For several years, the IUPAT has worked closely with the National Association of Corrosion Engineers (NACE) and the Society for Protective Coatings (SSPC) to develop an industry standard to show competency in both surface preparation and application of corrosion prevention systems. This third-party standard - known as NACE13/ACS1 - stipulates both the

quality of work, and the qualifications needed to work successfully in the painting and coating industry.

Using this standard as guidance, NACE and SSPC have developed a designation known as a Coating Application Specialist (CAS). The CAS designation represents a significant development towards ensuring those combatting corrosion on the front lines – our members – are trained to the highest standard. CAS-designated workers are required to have at least 3,000 hours of experience in abrasive blasting and spraying industrial coatings, and must then pass a comprehensive written test and two practical examinations. Once he or she earns this certification, a Coating Application Specialist will specialize in corrosion mitigation of steel and concrete used in, for example, public utility facilities, bridges, pipelines, and shipping vessels.

With infrastructure as a significant government priority, IUPAT has worked hard to expose both our workers and decision-makers to this third-party standard, and the extensive training required by our workers to ensure quality outcomes on infrastructure projects. The Government of Canada could take a significant step forward in supporting the skilled trades by enshrining this third-party standard into bid specifications on federal infrastructure work, and requiring that only workers who possess the Coating Application Specialist designation (or a recognized equivalent) work on these projects.

The government should also undertake a program to promote the adoption of community benefits to federal procurement, in order to match the current standards already adopted for infrastructure projects.

**Recommendation #3:** That the Government of Canada require the use of Red Seal qualified, certified workers on federal infrastructure projects.

**Recommendation #4:** That the Government of Canada improve competitiveness within the skilled trades by formally recognizing the NACE13/ACS 1 (or equivalent) standard for coating applications, and mandate that painting and coating work on federal infrastructure projects is completed by tradespeople who have obtained certification under this (or an equivalent) standard.

# Enabling a Competitive Economy through Union Based Training and Application of Community Benefits

Support for the painting and coating industry helps advance green jobs and the green economy, which will improve Canada's economic competitiveness in the near and long term. Glazing is a growing trade in many European countries because of the environmental and energy efficiency benefits associated with low-E window systems. We feel there is equal potential to grow this industry in Canada and help the Canadian government achieve its climate change objectives.

#### **Case Study: Going Green with Glazing**

For the interim House of Commons chamber, an independent grid structure was built of all-Canadian steel to support the triple-glazed infill roof. In addition to being glazed to ensure efficiency, the roof and ceiling structure must be responsive to debating and exterior noise mitigation, light control, and ensure it is naturally lit without impairing TV operations.

Support for union-based training can help our industry scale up to meet the demands of the green economy. We have been very pleased to see advancements made in supporting union-based apprenticeship training, which will assist IUPAT in delivering a trained workforce for several years to come.

For example, provincial members of our Union were able to access funding through the UTIP program to help provide additional skills training in a number of regions. We would welcome the opportunity to submit another application as a part of a second intake of program funding.

Another opportunity to improve competitiveness within the skilled trades is through the application of community benefits for major infrastructure and construction projects. The Government of Canada has taken significant steps forward to recognize the importance that apprentices and skilled workers can play in supporting community growth through the application of community benefits to infrastructure projects.

We would like to see this entrenched further by requiring community benefits applications for all federal procurements, which would acknowledge the role apprentices, women, underrepresented groups and other constituencies play in building and supporting local economies.

**Recommendation #5:** That the Government of Canada proceed with planned funding for the Union Training Innovation Program (estimated at \$25M for FY 18-19).

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