



# International Union of Operating Engineers

AFFILIATED WITH THE AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

## Pre-Budget 2021

Prepared for FINA

## RECOMMENDATIONS

- **Recommendation 1:** That the Government implement a community benefits framework for federally-funded infrastructure projects by mandating Community Benefits Agreements.
- **Recommendation 2:** That the Government amend tax programs to allow tradespeople to write-off the costs of travelling to and from projects, as well as purchasing supplies and clothing.
- **Recommendation 3:** That the Government provide flexibility to tradespeople through its apprenticeship loans and grants, and the Canada Training Benefit, by expanding funding and relaxing requirements to better accommodate apprentices, where applicable.
- **Recommendation 4:** That the Government provide additional funding to the UTIP program to better equip training centres to meet new challenges and demands in the labour market.
- **Recommendation 5:** That the Government take further action to boost funding for critical infrastructure and fast-track the development of shovel-ready and shovel-worthy projects.
- **Recommendation 6:** That the Government promote and fund the use of small modular nuclear reactors (SMRs) in order to build Canada's energy resiliency and reduce the dependency of diesel for power generation, especially in the North and remote communities.

## **BACKGROUND**

The International Union of Operating Engineers (“IUOE”) is a progressive and diversified trade union representing workers in a wide variety of occupational categories. Our members have helped build Canada’s infrastructure, and have been involved in the production of Canada’s resources and delivery of its critical health care and community services since 1896.

Made up of 17 Local Unions across Canada, we have nearly 55,000 members with representation in every province and territory. Approximately 85% of our members work in the construction industry. We operate tower and mobile cranes; use heavy machinery like bulldozers and excavators; and work as mechanics and surveyors on construction sites. We work for heavy civil and industrial contractors, and commercial construction and mining companies across Canada, both within urban centres and in remote communities. We are the first on job sites and the last to leave. Our members construct and shape the skylines of Canada—we are the specialists that build roads, schools, hospitals, pipelines, offshore oil rigs and platforms, solar and wind farms, and more.

## **OUR TRAINING CENTRES**

Across Canada, the IUOE has eight state-of-the-art training centres that develop and deliver crane and heavy equipment operator training, and a wide range of construction safety courses. Our schools and programs are open to all Canadians; they don’t have to belong to our union, they just need to want training for a future career in the construction industry. Our Canadian training centres represent an investment of our members’ money of over \$50 million in buildings, facilities, and equipment and nearly \$10 million in annual expenditures on training staff salaries and benefits.

We work with employers, industry partners, other building trade unions and all levels of government in developing and delivering our programs. Our students graduate with excellent job prospects, with skills that match the needs of the construction sector. Our schools are all accredited by provincial bodies. All of our programs meet, and many even exceed, provincial and international standards (e.g. Red Seals Program).

Part of the success of our training centres is their use of cutting-edge technology and practical hands-on training. Our students learn on the actual equipment they will operate in the future; our graduates often report that training exceeded their expectations for post-secondary education. COVID-19 has placed challenges with the way we educate our students, but our training centres are adapting and modifying as the situation with the pandemic evolves. We utilize simulators and virtual training to supplement in-the-field lessons.

## IMMINENT SKILLED LABOUR SHORTAGE

Canada faces an imminent skills shortage. Our workforce is aging and there are challenges in recruiting and retaining young workers. BuildForce estimates that over the next decade approximately 300,000 skilled tradespeople, or 21% of Canada's current construction workforce, is anticipated to retire. Meanwhile, the construction industry is also facing an increasing demand for skilled construction labour. The construction and maintenance sectors are growing, and hundreds of thousands of tradespeople will need to be recruited and trained.

While our industry is facing a skilled labour shortage, Canada is also facing the unemployment of millions of Canadians whose jobs may be permanently lost due to the current recession. There is an opportunity for Canada to reemploy these hard-working Canadians in the skilled trades. Through the adoption and implementation of Community Benefits Agreements (CBAs) on federally-funded infrastructure projects, Canada can support the hiring and training of local workers and underrepresented groups, especially women and Indigenous peoples who are the hardest hit workers by this pandemic.

These agreements contain provisions that enable apprenticeships, guarantee prevailing wages and benefits, establish grounds for workplace development initiatives, provide funding and economic support for impacted communities, and set forth goals for minority, women, and local job hiring. These workers benefit with a legacy of experience, skills training and employability as a result of the use of such agreements. The implementation of CBAs on federally-funded infrastructure projects will have an immediate impact on our economy, and a lasting impact on our society.

**Recommendation 1:** That the Government implement a community benefits framework for federally-funded infrastructure projects by mandating Community Benefits Agreements.

## REDUCING BARRIERS TO TRAINING

Canada's post-pandemic economic recovery hinges on the continued training and hiring of workers. Our skilled tradespeople are second-to-none in their field, but the growth of Canada's workforce depends upon continued investments in training workers, and a focus on providing support and assistance to the institutions and projects that Canadian tradespeople rely on for their learning, in the classroom and on the job. The infrastructure for providing training exists in Canada – through our many training centres – and with ongoing support from government more Canadians will have

the opportunity to access this infrastructure that is critical to allowing them to build a brighter future for themselves and their families.

For our part, the IUOE is doing everything we can to avert a skilled labour shortage. Currently, our training centres operate at or near capacity. Besides teaching the skills of our trade, many of our programs also provide assistance with job searches and teach job search skills. The majority of our students find employment upon graduation. There is a demand and need for our graduates, and we are doing everything we can to support the long-term prosperity of the construction sector.

Our training centres are primarily funded directly by our members with support from the tuition students pay to take our courses. Courses for skills upgrading can last a couple of days and heavy equipment and crane courses can last from several weeks to 6 months, depending on the province. Tuition varies from a few hundred dollars to as much as \$18,000. Beyond the sticker price of training, students have incidental costs (travel, books, housing, food, etc.) as well. Many students are eligible and obtain Canadian Apprenticeship Loans and Grants, however, there is a large shortfall between tuition and the value of government funding.

**Recommendation 2:** That the Government amend tax programs to allow tradespeople to write-off the costs of travelling to and from projects, as well as purchasing supplies and clothing.

In Budget 2019, the federal government announced steps towards supporting the training of Canadians through the Canada Training Benefit. However, there are challenges for our students, and apprentices in general, seeking to utilize the benefit for their training. As seasonal workers, as well as workers who obtain education on the job, many Canadian tradespeople would benefit from an expanded and enlarged Canada Training Benefit that better accommodates their interests through conditions that recognize their unique work-life situation.

**Recommendation 3:** That the Government provide flexibility to tradespeople through its apprenticeship loans and grants, and the Canada Training Benefit, by expanding funding and relaxing requirements to better accommodate apprentices, where applicable.

COVID-19 has placed additional constraints on training; with many schools including training centres having to temporarily close during the pandemic, and projects being slowed or halted, fewer tradespeople have had the opportunity to develop and enhance their skills. Training is our priority

and must be a priority for Canada's future; Canada's workforce and the success of its economy depend on it. It can be done safely, in classrooms and on job sites, with proper health procedures and testing in place.

We were greatly pleased that the federal government made the commitment in May 2017 to launch the Union Training and Innovation Program ("UTIP"). This program has helped us to support the next generation of apprentices and tradespeople – particularly women and Indigenous people – get the skills they need to succeed in Canada's changing economy. We want to ensure that our training centres will be able to fully utilize government funding for training, and to do that we need to have the flexibility to purchase equipment and supplies. An expansion to this program would help us weather this recession and train more Canadian tradespeople. Not only should the federal government continue to fund the two existing streams of UTIP, but should also provide funding to expand infrastructure at training centres, be it in physical buildings or enhancing and improving online training and education.

**Recommendation 4:** That the Government provide additional funding to the UTIP program to better equip training centres to meet new challenges and demands in the labour market.

## INVESTMENTS IN CRITICAL INFRASTRUCTURE

The overall construction industry in Canada represents over 14% of the country's GDP, which translates to nearly \$300 billion in the construction sector in Canada. Nearly 8% or 1 in every 13 Canadians work directly in Canada's construction sector. Our members are vital to the building and maintaining of Canadian infrastructure.

From coast to coast to coast, our members build and maintain the critical infrastructure that provides for the health and safety of Canadians, supplies and distributes our natural resources, and ensures that supply lines continue to provide essential services. Critical infrastructure includes the hospitals, mines, hydro dams, pipelines, offshore oil rigs and platforms, transmission lines, and more, that help service Canadians, both during this crisis and after it. It includes green infrastructure, solar and wind farms and so much more, which provide much needed energy while also fighting climate change.

Canada has the opportunity to set a new vision for building a stronger, better and safer country through the development and construction of critical infrastructure. Large scale infrastructure

projects employ the greatest number of tradespeople from a variety of fields, providing an avenue for workers within the trades to utilize and further develop their skills and training.

These critical infrastructure projects allow for the training of apprentices and improvements to communities through indirect and direct benefits. The boost local communities receive from large scale projects helps them to become resilient and less vulnerable to crises. As Canada emerges from this current crisis, investment in critical infrastructure projects must be front of mind.

**Recommendation 5:** That the Government take further action to boost funding for critical infrastructure and fast-track the development of shovel-ready and shovel-worthy projects.

There is also an opportunity to build Canada's energy resiliency, across Canada but especially in the North, by promoting and supporting the development and use of small modular nuclear reactors (SMRs). They can lessen and eventually eliminate the dependency of diesel for power generation in the North and electrify northern communities and the resource extraction sector. SMRs can also help to reduce GHG levels in oil sands production.

These modular and portable reactors, using modern technology, can provide clean, cost efficient energy anywhere in the world, and could be a significant answer to reducing GHGs. Further, SMRs could indeed be a primary energy source and act as replacements for coal fired generators. Canada has the opportunity to expand career opportunities for Canadian tradespeople while simultaneously improving our environment and growing our economy through financially supporting SMRs.

**Recommendation 6:** That the Government promote and fund the use of small modular nuclear reactors (SMRs) in order to build Canada's energy resiliency and reduce the dependency of diesel for power generation, especially in the North and remote communities.