

Pre-Budget 2021 Submission



CBTU SMCC

CANADA'S BUILDING TRADES UNIONS
LES SYNDICATS DES MÉTIERS DE LA CONSTRUCTION DU CANADA
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Recommendation 1: 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 2: That the Government implement a Skilled Trades Workforce Mobility (STWM) program, to ensure it is economically feasible for construction workers to travel to areas where work is occurring and labour demand outstrips supply.

Recommendation 3: That the government incorporate a form of workforce development/community benefit agreements in infrastructure spending defined as additional physical, social, economic and environmental benefits for local communities that are leveraged by dollars already being spent on goods, services, major infrastructure and land development projects.

Recommendation 4: That the Government continue to invest in people through its apprenticeship loans and grants; and by providing 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 continues to address and fund solutions to assist in the fight against COVID-19.

BACKGROUND

Canada's Building Trades Unions (CBTU) represents 550,000 skilled trades men and women from coast to coast. This industry is found in every town and city across Canada and our members are employed constructing virtually every road, bridge, industrial, institutional and green construction project in Canada. We make up 15.7% of Canada's GDP, and our industry maintains and repairs more than \$2.2 trillion in assets.¹

Our work is not just done on site, but in a number of facilities that provide modules or other components that are incorporated into the structures that we work on. Once structures are built, we are employed in their renovation, maintenance and repurposing. Our members are highly trained skilled tradespeople who are the backbone of the middle class. The Unions that compose CBTU can be found on our [website here](#).

Canada is facing unprecedented challenges from the COVID-19 pandemic. CBTU is committed to continue working on building the critical infrastructure necessary to keep Canadians healthy and our economy strong. We recognize the urgency for provinces and municipalities in building and maintaining facilities and infrastructure, such as hospitals, roads, pipelines, and power generation, which are nearing capacity as Canada adjusts to the current situation and prepares for the future.

The construction sector – like many industries across Canada – is navigating the reality of an aging workforce, an increase in retirements and the need to attract and retain young workers to address long-term growth. As a result of COVID-19, private sector spending is expected to decrease over the next 18 months, creating an urgent need for the federal government to act quickly. At the same time, job dislocation and layoffs are rising across Canada presenting our industry with a unique opportunity to retrain and reemploy hard-working Canadians in the skilled trades.

¹ BuildForce Canada

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Canada's Building Trades Unions commend the Government for the strong commitment made over the past several years that marked historical investments in infrastructure through the Investing in Canada Plan. The current construction sector has healthy employment levels, anticipated to last over the next 18 months, after which time private sector investments will decrease significantly. Today, it is critically important the government continue with its infrastructure investments to help weather the economic downturn and slow-down in private sector investment. Over our history, investments in infrastructure have been a proven tool to bolster economies during a period of slow economic growth. Looking ahead, the next few months will allow time for approvals, permitting and review of shovel-ready and shovel-worthy projects, and deployment of infrastructure dollars that will generate maximum economic multiplier effects and better position Canada in these uncertain times.

From coast to coast, our members build and maintain the critical infrastructure that provides for the health and safety of Canadians, including the hospitals, mines, hydro dams, pipelines, offshore oil rigs and platforms. It includes green infrastructure, solar and wind farms which provide much needed energy while also fighting climate change. Canada has the opportunity to set a new vision for building a stronger country through the development and construction of critical infrastructure. Federal spending should expand existing programs and work to meet efficiency targets, which would give the Canadian construction and efficiency sector the green light to invest, grow, and prepare to mobilize quickly. Areas for investment include:

1. Expanding on commitments in ministerial mandate letters to provide free energy audits, interest free loans, direct cash incentives and grants, and support for training.²
2. Immediately expanding existing provincial energy efficiency programs through funding mechanisms such as the low-carbon fund, with a specific emphasis on deep energy retrofits, incentives for the industrial sector, and zero-carbon heating and cooling systems.
3. Creating a long-term building retrofit financing platform through institutions such as the Canada Infrastructure Bank and the Canada Mortgage and Housing Corporation.

Large scale infrastructure projects employ the greatest number of tradespeople from a variety of fields, providing an avenue for the training of apprentices and improvements to communities through indirect and direct benefits. As Canada emerges from this current crisis, investment in critical infrastructure/retrofitting projects must be front of mind.

² Minister of Natural Resources Mandate Letter, 2019, <https://pm.gc.ca/en/mandate-letters/2019/12/13/minister-natural-resources-mandate-letter>

Recommendation 2: That the Government implement a Skilled Trades Workforce Mobility (STWM) program into our tax system, to ensure it is economically feasible for construction workers to travel to areas where work is occurring and labour demand outstrips supply.

Currently, salespeople, professionals and others in the construction and maintenance industries can receive a tax deduction for the cost of their travel, meals, and accommodations, while the same option is denied to skilled workers. This is an inequitable tax policy.

A Skilled Trades Workforce Mobility program would increase the standard of living for many Canadians, addressing skill shortages and getting Canadians to work. It would increase job opportunities for skilled trades workers to temporarily relocate to where jobs exist without creating financial hardships, and increase contractor and employer confidence because of greater certainty in workforce supply. A STWM program would allow apprentices to receive critical on-the-job training to complete their apprenticeship and become certified. It would also provide the Government financial support by increasing longer-term revenue through income tax and reducing dependency on social programs. This program will benefit all construction workers and would be made available to workers who do not have their accommodations and travel paid for by an employer, a condition usually laid out in current collective agreements and/or project labour agreements. On behalf of all construction workers, we urge the Government to implement a STWM program and level the playing field for Canada's Skilled Trades Workers.

Recommendation 3: That the government incorporate a form of workforce development/ community benefit agreements in infrastructure spending defined as additional physical, social, economic and environmental benefits for local communities that are leveraged by dollars already being spent on goods, services, major infrastructure and land development projects.

Canada has the opportunity to embody progressive practices in the engagement of local communities, marginalized groups, and those impacted by infrastructure projects. It is important to find a way to leverage public procurement in construction to create the biggest social benefit. Infrastructure projects and investment must be viewed as more than transactional. We recognize that, when local communities have a role in the planning and building of a project, they are more invested in it and more likely to realize its positive "nation building" benefits. This is why we support a form of workforce development agreements (WDA) or community benefit agreements (CBAs) and advocate for their inclusion on projects.

CBAs/WDAs often contain provisions that enable apprenticeships, guarantee prevailing wages, 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; leaving a legacy of experience, skills training and employability. Examples of provincial jurisdictions utilizing CBAs/WDAs in public procurement include [Ontario](#) and [British Columbia](#).

Public opinion on CBAs/WDAs is high across the country. According to a survey conducted by Earnsccliffe, 60% of Canadians are supportive of infrastructure projects

undertaken in Canada to include a CBA³. If the federal government is to be a majority investor or sole investor in certain infrastructure projects, insisting on CBAs/WDAs as a way of achieving the government's goals and ensuring that the projects are built on time and on budget with the most highly trained and skilled workforce is preferable.

Recommendation 4: That the Government continue to invest in people through its apprenticeship loans and grants; and by providing additional funding to the UTIP program to better equip training centres to meet new challenges and demands in the labour market.

CBTU recognizes that industry needs to recruit new workers and that is why we prioritize our Build Together Workforce Development initiative, where we focus on underrepresented groups of the population; and through the Office to Advance Women Apprentices with the support of the Federal Government. Previous federal budgets demonstrated the government agrees with the CBTU's leadership on this issue, introducing investments in programs such as the Apprenticeship Incentive Grant for Women, and the Union Training and Innovation Program.

Although our industry has been a leading source of employment growth in Canada for more than a decade, a commitment towards a post-COVID-19 economic recovery for Canada hinges on the continued training and hiring of workers. The infrastructure for providing training exists in Canada through the 175 training centres of our affiliates. Specifically, in British Columbia, the joint union-sponsored apprenticeship board invested over \$21-million in training and indentured over 7,000 apprentices and trainees last year⁴. In Ontario, the most recent report from the Ontario Construction Secretariat showed of the 95 union training facilities, over \$260 million in total capital was invested in training.⁵

We employ a joint union/employer training system that allows apprentices to earn-while-they-learn, combining on-the-job training with theoretical and practical technical training. Three-quarters (75%) of apprentices in four compulsory trades at joint union/employer training centres go on to complete their training and become certified journeypersons. In contrast, only 58% of comparable apprentices training in non-union environments will complete their program. Joint union/employer training partnerships understand that seeing apprentices through to journeyperson status addresses the industry's skilled labour challenges.⁶

We were greatly pleased that the federal government made the commitment in May 2017 to launch 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. UTIP should consider the following:

- Extending funding to 'bricks and mortar' projects that would see the expansion of training centres through extensions or new builds to increase capacity.

³ Earncliffe Study on Community Benefit Agreements, July 2020

⁴ BC Building Trades Apprenticeship Training Report 2019

⁵ Completion Counts: Raising Apprenticeship Completion Rates in Ontario's Construction Industry – May 2013

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- Alter the UTIP funding structure to accommodate a lower investment requirement from the Training Centres; often the 50/50 split is restrictive to training centres that are financially limited.
- Take into consideration the fluctuation in pricing of equipment and machinery based in US dollars, as prices may fluctuate from the time a proposal was submitted to the time it is approved. A measure to bridge the pricing gap provided by the UTIP program would be helpful.
- Standardize the UTIP Reporting System/Form to simplify the process, including allowing longer application time to address the needs of smaller training centres with limited capacity. Additionally, allowing entities that have successfully received UTIP funding in the past to reapply through a scaled down application process.

Recommendation 5: That the Government continues to address and fund solutions to assist in the fight against COVID-19.

The COVID-19 pandemic has brought new challenges to our industry, like many others. Ways in which the government could assist include funding to improve air quality and air exchange in buildings; installing sanitization and disinfecting equipment such as UV lighting in buildings to slow the spread.