

Written Submission for the Pre-Budget Consultations in Advance of the 2023 Federal Budget

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Ottawa, ON



CBTU SMCC

CANADA'S BUILDING TRADES UNIONS
LES SYNDICATS DES MÉTIERS DE LA CONSTRUCTION DU CANADA
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SUMMARY OF RECOMMENDATIONS

Recommendation 1: That the Canadian Government prioritize the immigration of more skilled trades workers into Canada to meet the construction industry's labour supply needs. This includes establishing a construction immigration stream and prioritizing skilled trades occupations through the Express Entry System.

Recommendation 2: That the Government make the following changes to strengthen the Temporary Foreign Worker Program: return to requiring unions to be consulted prior to Labour Market Impact Assessment application decisions; strengthen compliance measures; and change the method to calculate the prevailing wage. Additionally, a framework should be established to enable unions to sponsor TFWs to gain Permanent Resident status.

Recommendation 3: That the Government support energy workers impacted by the transition to a green economy – particularly workers in oil and gas – by making investments that support new large-scale infrastructure projects (i.e. hyperloop projects) and investments in green technologies (i.e. small modular reactors and hydrogen) which will create job opportunities. This needs to include financial and regulatory support for the private sector to make the transition to net-zero technology.

Recommendation 4: That the Government implement Community Benefits Agreements (CBAs) or Workforce Development Agreements (WDAs) on large, federally-funded infrastructure projects. These agreements enable the value of a project to extend beyond the building of infrastructure and support opportunities for apprenticeships and underrepresented groups. Attracting more workers to the construction industry will support the long-term growth of the industry.

Recommendation 5: That the Government continue to invest in people through its apprenticeship loans and grants, and make improvements to the Union Training and Innovation Program (UTIP) to better equip training centres to meet new challenges and demands of the labour market. This includes expanding funding for brick-and-mortar projects.

BACKGROUND

Canada's Building Trades Unions (CBTU) are the national voice of over half a million Canadian construction workers — [members of 14 international unions](#) who work in more than 60 different trades and occupations and generate six per cent of this country's GDP. 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.

Each year our industry – through our members and contractor partners – invests over \$300 million to fund and operate 195 apprenticeship training and education facilities across Canada. Since 1908, our members have built the roads, bridges, factories, hospitals, schools, and green construction projects that benefit communities and Canadians from coast to coast. As our industry evolves, we continue to adapt our skills and training to ensure our members maintain the highest level of skills in their respective crafts.

Construction has, time and again, proven itself as a vital and stable force in Canada's economy; but skilled trades workers and the construction industry need government support. We recognize the Government's concerns with supply chain issues and labour availability, concerns which have grown over the last few years due to the pandemic, the war in Ukraine, and other factors. In this submission we have outlined tangible measures the Federal Government can take in Budget 2023 to support Canada's skilled trades workers, the construction industry and the Canadian economy.

Recommendation 1: That the Canadian Government prioritize the immigration of more skilled trades workers into Canada to meet the construction industry's labour supply needs. This includes establishing a construction immigration stream and prioritizing skilled trades occupations through the Express Entry System.

The construction industry needs more Canadians to enter the workforce to support the industry's short-term and long-term labour force needs. According to BuildForce Canada, 156,000 individuals are expected to retire from the construction industry by 2027, the industry will need to recruit an estimated 171,850 workers by the same year to meet demand. Given the significance of labour availability concerns, large changes to our immigration and temporary worker systems are required.

CBTU recommends the following changes to Canada's immigration policies to support the entry of more qualified immigrants to work in the construction sector.

1. Create a construction immigration stream

Currently, the recruitment pool for immigrants with a skilled trades background is smaller than for immigrants with higher education due to government immigration policies. The government must reform the immigration system to more substantially recognize experience in the skilled trades, this will allow employers across the country to connect to skilled workers that can come into Canada to build our infrastructure and grow our economy while supporting themselves and their families with good-paying jobs.

To support the construction industry's labour force needs, CBTU strongly encourages the Government of Canada to develop a construction immigration stream to bring in skilled trades immigrants. This program could be modeled after the Atlantic Immigration Program, which has been successful in bringing in over 12,700 newcomers – international students and skilled workers.

2. Make changes to the Express Entry System

Given the construction industry's significant labour supply needs, building trades occupations should be prioritized in 2023-24 draws. Budgets 2021 and 2022 expanded the Minister of Immigration, Refugees and Citizenship's authority to use Ministerial Instructions to help select those candidates who best meet Canada's labour market needs. Labour organizations like CBTU should be consulted on the country's labour supply needs and in identifying priority occupations.

Additionally, changes should be made to the Express Entry System to support the movement of skilled trades workers into Canada. Under *Job Offer Requirements* in the Federal Skilled Trades Program, the program should grant points for individuals who are offered a union membership. A union membership will ensure workers coming

through this program will enter our union halls and receive the necessary training and supports they need in order to succeed.

Recommendation 2: That the Government make the following changes to strengthen the Temporary Foreign Worker Program: return to requiring unions to be consulted prior to Labour Market Impact Assessment application decisions; strengthen compliance measures; and change the method to calculate the prevailing wage. Additionally, a framework should be established to enable unions to sponsor TFWs to gain Permanent Resident status.

To improve the Temporary Foreign Worker Program's use in the construction industry, CBTU recommends:

1. Strengthening the Labour Market Impact Assessment process by requiring unions to be consulted prior to application decisions. Local union halls are able to confirm labour availability and wages in their region for their respective trades.
2. Strengthening compliance measures and penalties for bad actors under the TFWP. Penalties for violating the terms of the TFW Program need to be strengthened to better reinforce compliance to the program. This includes increasing monetary penalties for breaching the program's rules and putting in place longer bans from the program for employers who have a record of exploiting temporary foreign workers.
3. Change the method to determine the prevailing wage. Prevailing wage needs to be calculated beyond mere statistical data, taking into account a holistic approach that includes benefits offered by unionized contracts such as health and welfare benefits and pension. A recent report commissioned by the BC Building Trades highlights issues with the current calculations of prevailing wage.

Additionally, to support the construction industry's long-term labour needs, unions should be provided with the opportunity to sponsor TFWs to gain Permanent Resident status. A framework should be established to enable this process for the construction industry.

Recommendation 3: That the Government support energy workers impacted by the transition to a green economy – particularly workers in oil and gas – by making investments that support new, large-scale infrastructure projects (i.e. hyperloop projects) and investments in green technologies (i.e. small modular reactors and hydrogen) which will create job opportunities. This needs to include financial and regulatory support for the private sector to make the transition to net-zero technology.

Urgent, proactive action is required to ensure that Canadian workers in the energy sector are not left behind. An April 2021 TD report estimates that 50 to 75 per cent of the 600,000 workers in the oil and gas sector – between 312,000 to 450,000 workers –

are at risk of displacement in the transition to net-zero through 2050. CBTU's recommendations for a Just Transition include:

1. Updating and developing, as needed, government policies and programs that support transitioning workers including financial support for journeypersons, apprentices, and union training centres for upskilling and retraining workers impacted by the transition
2. Conducting labour market analysis to determine how employment opportunities in oil and gas will be impacted; what skillsets are needed to transition workers; what jobs will be created in the transition to net-zero; the quality of jobs needed to ensure no worker is left behind.
3. Investing in large-scale infrastructure projects, such as high-speed rail, to bridge the gap during this transformative transition period until new energy technologies come on stream in order to maintain our skilled trades workforce and offset job losses in the energy sector.
4. Investing in new technology energy projects, like small modular reactors and hydrogen, to create job opportunities for those in the traditional energy sector while helping to meet Canada's energy needs.
5. Investing in upgrades to commercial and industrial heating and ventilation systems to make buildings more efficient.
6. Ensuring labour's voice is represented on any Just Transition or net-zero advisory groups; unionized labour groups can share workers concerns directly and identify what resources are needed to support them.

More information on CBTU's Just Transition recommendations is available [here](#).

Recommendation 4: That the Government implement Community Benefits Agreements (CBAs) or Workforce Development Agreements (WDAs) on large, federally-funded infrastructure projects. These agreements enable the value of a project to extend beyond the building of infrastructure and support opportunities for apprenticeships and underrepresented groups. Attracting more workers to the construction industry will support the long-term growth of the industry.

Community Benefits Agreements (CBAs) or Workforce Development Agreements (WDAs) can enable apprenticeships, establish grounds for workplace development initiatives, provide funding and economic support for local communities, and set forth hiring goals for Indigenous Canadians and other underrepresented groups including women, leaving a legacy of experience, skills training and employability. The Government should implement CBAs on federally funded projects over \$10 million to ensure every public dollar spent sees the greatest return on investment.

More information on CBTU's CBAs recommendations is available [here](#).

Recommendation 5: That the Government continue to invest in people through its apprenticeship loans and grants, and make improvements to the Union Training and Innovation Program (UTIP) to better equip training centres to meet new challenges and demands of the labour market. This includes expanding funding for brick-and-mortar projects.

UTIP has provided considerable support to improve and expand training for skilled trades workers. The doubling of UTIP in Budget 2022 was lauded by our industry as the kind of investment we need to ensure skills training is continually invested in to grow and diversify the construction industry workforce.

The Government should consider the following changes to UTIP to further improve the program:

1. Extend funding to bricks-and-mortar projects that would see the expansion of training centres through extensions or new builds to increase training capacity. This would enable union halls to train more apprentices and grow our workforce.
2. 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.
3. 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.
4. 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, allow entities that have successfully received UTIP funding in the past to reapply through a scaled-down application process.

For more information on CBTU's recommendations, please contact: Rita Rahmati, Government Relations Specialist, at rrahmati@buildingtrades.ca.