

# CANADA'S BUILDING TRADES UNIONS

## WRITTEN SUBMISSION FOR THE PRE-BUDGET CONSULTATIONS IN ADVANCE OF THE 2024 FEDERAL BUDGET

August 4, 2023



**CBTU SMCC**

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

**Recommendation 1:** That the Federal Government support the construction industry as Canada transitions to a sustainable economy. This includes timely implementation of the Investment Tax Credits (ITCs) and increased regulatory efficiency for the approval of green energy projects that will support the transition to net zero.

**Recommendation 2:** That the Government continues to invest in the skilled trades through its apprenticeship and training programs including the Union Training and Innovation Program (UTIP). To better equip training centres to meet new challenges and demands of the labour market, UTIP should be expanded to allow brick-and-mortar grants for union training centres to increase their training capacity.

**Recommendation 3:** Extend the funding period of Employment and Social Development Canada's Apprenticeship Services Grant by one year to further assist intermediaries in achieving the program's objectives, which involve hiring first-year Red Seal apprentices, with a focus on equity-deserving groups.

**Recommendation 4:** To support labour availability concerns for certain trades and in some jurisdictions, the Canadian Government should support the facilitation of more immigration into the Building Trades. This includes several skilled trades within the 72000s/73000s National Occupation Classification and several Labourers' occupations through the Express Entry system. Additionally, the program requirements should be updated to include union membership as equivalent to a job offer.

## 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.

Currently, many occupations within the Building Trades have labour availability concerns which, if not addressed, can lead to delays in the completion of construction projects. According to [BuildForce Canada's](#) outlook, rising demand in the construction industry will require the national construction workforce to grow, not merely maintain, the current workforce figures. By 2032, 245,100 workers are expected to retire, and the industry is expected to recruit below that, with estimates of approximately 237,800 workers under the age of 30 joining the skilled trades over the next several years. With growing demand in the sector, the industry is likely to be short roughly 61,400 workers by the same year.

With the transition to net zero, thousands of workers in the traditional energy sector will require upskilling or retraining, and new entrants to the industry may be required. According to the report *Green Collar Jobs* by RBC Economics, up to 400,000 new jobs will be added in fields that demand enhanced skills. There will also be a strong demand for existing skills, such as electricians and piping trades, as Canada transitions to a greener economy.

To meet labour availability needs, more Canadians and immigrants will need to be trained. To keep up with the demand for training, existing training centres will need to expand to increase capacity. Training Canadians alone will not meet the construction industry's labour supply needs. New Canadians will need to be recruited into the industry to meet demand and ensure projects such as housing and new green infrastructure are completed without delays.

In this submission we have outlined tangible measures the Federal Government can take in Budget 2024 to support Canada's skilled trades workers, the construction industry and the Canadian economy.

## RECOMMENDATIONS

**Recommendation 1: That the Federal Government support the construction industry as Canada transitions to a sustainable economy. This includes timely implementation of the Investment Tax Credits (ITCs) and increased regulatory efficiency for the approval of green energy projects that will support the transition to net zero.**

Canada's Building Trades Unions support many of the measures undertaken by the Canadian Government over the last several years to support the country's transition to net zero. This includes the Green Industrial Facilities and Manufacturing Program which supports deep energy retrofits, a new UTIP sustainable stream, and the Low Carbon Economy fund – programs which we recommend continue to receive funding.

To sustain a long-term transition to net zero, CBTU recommends the quick and efficient implementation of the Investment Tax Credits and increased regulatory efficiency as outlined below.

### Investment Tax Credits

CBTU supports the Investment Tax Credits committed to in the 2022 Fall Economic Statement and in the 2023 Budget. CBTU is strongly supportive of tying these credits to good labour conditions including a strong definition of prevailing wage (based on union compensation, including benefits and pension contributions from the most recent, widely applicable multi-employer collective bargaining agreement/corresponding project labour agreements) and apprenticeship requirements (at least ten per cent of the tradesperson hours worked must be performed by registered apprentices).

For the ITCs to succeed and to incentivize employers to follow through on the labour requirements, there needs to be strong monitoring requirements and non-compliance penalties.

For monitoring, the taxpayer (employer) should notify the CRA at the start of the project if they are planning to claim the credits, submit certified payroll reports, and post wage schedules on the job site.

As for non-compliance consequences, there must be monetary penalties. Suggested monetary penalties include a \$5,000 penalty for each aggrieved worker (worker not paid the prevailing wage), and a \$50 penalty for each hour of labour missed for taxpayers who fail to satisfy the apprentice utilization requirement.

### Regulatory Efficiency

To ensure that energy demand is met as the economy transitions to net zero, the Government must make improvements to the regulatory system to ensure efficient and timely implementation of projects. Changes include creating a singular government oversight body to manage and coordinate federal permitting across different

departments, harmonizing timelines and processes between the federal government and other jurisdictions, and delegating tasks to provinces as seen in the Impact Assessment Cooperation Agreement Between Canada and British Columbia. This includes regulatory approvals for projects such as the Atlantic Loop and the Pathways Alliance Carbon Capture Storage Hub.

**Recommendation 2: That the Government continues to invest in the skilled trades through its apprenticeship and training programs including the Union Training and Innovation Program (UTIP). To better equip training centres to meet new challenges and demands of the labour market, UTIP should be expanded to allow brick-and-mortar grants for union training centres to increase their training capacity.**

UTIP has provided considerable support to improve and expand training for skilled trades workers. The doubling of UTIP in Budget 2022 and the announcement of a new sustainable stream in 2022 were lauded by our industry as the kinds of investments we need to ensure skills training is continually invested in to grow and diversify the construction industry workforce.

To further support labour availability needs in the construction sector, the Government should expand UTIP to allow brick-and-mortar grants for union training centres to increase their training capacity. This includes providing funding opportunities for expanding classroom space, expanding training space, expanding student services, retrofitting buildings, and new builds. Brick-and-mortar funding opportunities should be done through a 70/30 partnership split.

**Recommendation 3: Extend the funding period of Employment and Social Development Canada's Apprenticeship Services Grant by one year to further assist intermediaries in achieving the program's objectives, which involve hiring first-year Red Seal apprentices, with a focus on equity-deserving groups.**

The current two-year Apprenticeship Services Program offers \$5,000 to small and medium-sized employers for each eligible new first-year apprentice and \$10,000 if the apprentice comes from an equity-deserving group. Since its launch in late 2022, some intermediaries have achieved notable success in delivering these grants and additional support to encourage employer engagement in apprenticeship. The government's commitment to enhancing diversity within the construction industry has yielded positive outcomes, with some intermediaries reporting that they have surpassed their initial equity-deserving group targets. Due to the short timeline for the project and the associated time required to launch the program, we believe that an extension will significantly strengthen the Canadian Apprenticeship Services Program and support the efforts of all intermediaries dedicated to growing Canada's skilled trades workforce.

**Recommendation 4: To support labour availability concerns for certain trades and in some jurisdictions, the Canadian Government should support the facilitation of more immigration into the Building Trades. This includes several**

**skilled trades within the 72000s/73000s National Occupation Classification and several Labourers' occupations through the Express Entry system. Additionally, the program requirements should be updated to include union membership as equivalent to a job offer.**

As the Building Trades remains committed to the recruitment and training of Canadians, we recognize the need for more skilled trades workers to enter Canada. Skilled trades workers should be prioritized within current immigration policies to allow them to immigrate into Canada and meet our labour challenges. Historically, Canada's immigration policies have not favoured workers in the skilled trades, instead favouring those with higher education (university degrees). But today, Canada needs more workers with skilled trades backgrounds to meet its infrastructure and economic needs.

CBTU applauds the Government's recent change in approach to immigration for recognizing the demand to bring in more skilled trades workers through the Express Entry system. To further improve the Express Entry system and meet the construction industry's labour supply needs CBTU recommends Immigration Refugees and Citizenship Canada (IRCC):

1. **Prioritize Building Trades occupations under Express Entry** to include more in-demand Building Trades occupations such as additional skilled trades within the 72000s/73000s classifications and labourers. A full list of in-demand occupations is [available here](#).
2. **Update the program requirements to include union membership as equivalent to a job offer.** Union membership will ensure workers coming through this program will enter our union halls and receive the necessary language and skills training and supports they need to succeed. In contrast to the single employer job model, the union hall dispatch system can connect the worker with multiple employers which will allow the worker to move onto a new job after the previous one has been completed. This flexibility will allow our workforce to remain mobile and alleviate concerns about labour availability.

**For more information please contact:**

Rita Rahmati, Government Relations Manager  
[rrahmati@buildingtrades.ca](mailto:rrahmati@buildingtrades.ca) | (613) 236-0653