

Bill 13 The Public Sector Construction Projects (Tendering) Act

April 8, 2021



Bill 13: *The Public Sector Construction Projects (Tendering) Act*

The Manitoba Federation of Labour (MFL) is Manitoba's central labour body, representing the interests of over 100,000 Manitoba workers. We are firmly opposed to this bill, as it will ban the decades-long tradition of using Project Labour Agreements (PLAs) to build large public infrastructure projects in our province. PLAs ensure good jobs for Manitobans and proper training and safety on public infrastructure projects, and it is disappointing that the Pallister government would let its narrow ideological vision cloud its judgement and fail to support Manitoba's skilled workers.

By balancing value for taxpayers with investments in Manitoba workers, these agreements benefit working families, our economy, and all Manitobans who benefit from the vital infrastructure which is built to last by well-trained workers who make a decent living. Manitoba's labour movement has been clear all along that PLAs are the right way to go because they have served Manitobans well for decades. To put it plainly, if it ain't broke, don't fix it.

Cornell University researchers conducted a comprehensive study of PLAs in 2011 examining 185 PLA jobs in the United States. It concluded that PLAs benefit everyone involved – the construction industry, contractors, workers, local communities and tax payers. The Cornell report stated that the reason for the industry's reliance on PLAs is clear: they provide value for government and the industry by producing the best work for the money with on-time, on-budget performance.¹

Because PLAs are negotiated pre-bid and tailored to the needs of projects, they give project owners, contractors and workers a unique opportunity to avoid potential problems that might put up road blocks once a project is underway.

They prevent fly by night contractors from driving down wages and providing poorly trained workers to win contracts, and they provide the best value to Manitobans for large scale construction projects. They also ensure that workers are paid fairly, benefitting our economy by providing good jobs for Manitobans.

These agreements have delivered valuable and vital infrastructure for decades since being introduced to Manitoba by Progressive Conservative Premier Duff Roblin to build the Floodway.

¹ Figueroa, Maria; Grabelsky, Jeff; Lamare, Ryan. *Community Workforce Provisions in Project Labor Agreements: A Tool for Building Middle-Class Careers*. October 2011

Under a PLA, common wages and working conditions are established for large groups of contractors and a diverse, transient workforce. By requiring all contractors to pay fair wages under one collective agreement, contractors are selected for productivity and quality, not just price. PLAs consistently deliver high-quality roads, hospitals and other infrastructure. Work environments on these projects are complex and dozens of employers and hundreds to thousands of workers may come in and out over a long period of time, like a Manitoba Hydro dam.

In such complex work environments, PLAs provide for stability through consistent labour standards, wages and human resources procedures and practices while also guaranteeing there will be no strikes or lockouts for the full duration of each project. Without PLAs governments will inherit unknown risks, creating significant uncertainty about costs, quality and timelines on Manitoba construction projects.

And while right-wing commentators and this government continue to peddle the myth that these agreements are “forced unionization,” under PLAs, any contractor, small or large, union or non-union, is free to bid for work. If they win a tender, they are then required to pay fair wages to their workers and pay a fair share of the cost of training workers.

Thankfully, some members of this government have seen the light. For instance, the previous Minister of Infrastructure had the courage to tell the truth in the face of this false rhetoric. According to then-Minister of Infrastructure Blaine Pedersen’s comments in Hansard, from June 28, 2016: “there is no forced unionization in a project labour agreement. In a project labour agreement, there is not a compulsion to join the union.” I’d encourage the current Minister of Infrastructure to follow the lead of his predecessor and admit the truth. And to put some more facts on the table to dispute this government’s bogus rhetoric, more than 77 per cent of contractors at the Floodway expansion and Keeyask dam projects have been non-union contractors.

PLAs should be maintained in this province. They have provided tremendous value to Manitobans for decades by ensuring that workers are paid fairly and by investing heavily in training and skill development. This focus on highly skilled labour delivers highly productivity to large scale construction projects. In fact, the recent Floodway expansion under the NDP government came in \$38 million under budget, demonstrating the productive value of PLAs.

We know that governments look to find savings on each and every infrastructure project but shortchanging Manitoba workers and compromising on quality is not the answer. Time and time again we have seen that cheap labour is not skilled and skilled labour is not cheap. Ask anyone who has had a bad experience with a home renovation: it is better in the long run to pay for the job to be done right the first time than to have to pay twice to fix someone’s shoddy work.

I want to focus my comments on three key benefits of PLAs: local jobs for Manitoba workers, training and skill development, and workplace safety.

Manitobans want their government to invest in creating good paying local jobs for Manitoba workers. Manitoba workers who are building the infrastructure we all rely on deserve family-supporting jobs and PLAs ensure that's the case. Bill 13 will leave us vulnerable to more out-of-province workers, leaving fewer high-skilled, high-paying jobs for Manitoba families to benefit from.

Why is the Government of Manitoba wanting to make it harder for Manitobans to get good, family-supporting jobs? Supporting local job creation means more of the wages from public projects paid to workers stays in Manitoba and in our economy. PLA's are also effective in engaging Indigenous workers, as was the case during the Floodway Expansion Project.

Manitobans want to know that their government is prioritizing Manitoba's workers and Manitoba communities first when it comes to building public infrastructure. PLAs do exactly this by setting clear standards that protect local employment opportunities and mandate safe, high-quality construction projects that are built to last. If local workers can't benefit from local builds, the Manitoba workforce and economy cannot meet their potential. And if local workers can't benefit from local construction, the Manitoba workforce and economy cannot meet their potential.

Another key benefit of PLAs are the training opportunities they provide for workers from all walks of life, including youth, veterans, women, new Canadians, Indigenous peoples and visible minorities access to training, apprenticeships and career advancement. We know that in today's economy, training and apprenticeship are key to supporting meaningful work for underrepresented populations and to help young people build their futures right here at home. That's why governments of all political stripes have relied on PLAs.

Contractors partner together to focus on training and skill development through PLAs, so these projects consistently deliver higher value for money. These investments deliver the most highly skilled and productive labour force in the industry, translating into higher productivity. PLAs ensure we continually develop talent in the industry. Contractors who want to grow their business make significant investments in developing cutting-edge training facilities for apprentices and tradespeople.

One of the biggest challenges facing the construction industry today is the need for more skilled workers. PLAs include provisions for workforce development and apprenticeship programs that train workers for careers in construction using formal standardized curriculums. It is one of the most significant benefits of PLAs.

A highly skilled workforce not only helps to finish projects on time and on budget, but also helps to create a culture of safety on the job site. All workers deserve to come home safely every night to their homes and loved ones. When it comes to protecting the safety of workers on the job, PLAs work well because they provide for consistent safety standards across the board and establish committees and forward-thinking protections

to address safety and health issues. Getting rid of PLAs would mean more workers in Manitoba would see their right to a healthy, safe workplace put at risk.

Safety standards mandated by PLAs are transparent and accountable, with common understandings over what safety means being shared across a project. Getting rid of PLAs would mean more workers in Manitoba would see their right to a healthy, safe workplace put at risk.

The MFL believes that this government should withdraw this proposed legislation because it is a bad bill for Manitoba workers and our economy. It will only lead to greater use of cheap and out of province labour and lower safety and training standards on job sites across the province.

We urge this government to follow in the footsteps of Progressive Conservative governments like those of Duff Roblin with the Floodway and Brian Mulroney with Confederation Bridge and continue with the model that works when it comes to building infrastructure that we all benefit from, rather than pursuing a narrow ideological agenda that will hurt our economy. The move to ban PLAs is a move towards instability for our workers and communities. This bill is not worth the risk to Manitoba workers or our economy.

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