



CIPH & MCAC DAY ON THE HILL 2023



Who We Are



Canadian Institute of Plumbing and Heating

Founded in Montreal in 1933, the Canadian Institute of Plumbing and Heating (CIPH) is a not-for-profit trade association that is committed to providing members with the tools for success in today's competitive environment. More than 283 companies are members of this influential Canadian industry association. They are the manufacturers, wholesaler distributors, master distributors, manufacturers' agents, and allied companies who manufacture and distribute plumbing, heating, hydronic, industrial PVF, and waterworks, and other mechanical products. CIPH wholesalers operate more than 800 warehouses and showrooms across Canada. Total industry sales exceed \$10 billion annually and CIPH members have more than 20,000 employees from coast to coast.

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The Mechanical Contractors Association of Canada

The Mechanical Contractors Association of Canada (MCAC) is a national, non-profit federation of autonomous provincial associations working for the betterment and advancement of the trade and mechanical contracting industry in Canada. Established in 1895, MCAC is a vibrant and diverse national association serving the needs of mechanical contractors of all sizes engaged in such disciplines as plumbing, heating, ventilation, air conditioning, controls systems, medical gases, welding, and fire suppression primarily within the industrial, commercial and institutional sectors. With offices in each province and 15 regional offices in Ontario, the MCAC is Canada's largest trade contractor Association.

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Our Market Transformation Statement

CIPH and MCAC support a market transformation towards a sustainable and effective lower carbon economy that allows consumers comfort and affordable choices while safeguarding health and safety. Our members and industry's ability to provide practical and innovative solutions for present and future generations will assist Canadian governmental bodies in achieving climate change objectives , the conservation of our natural resources, the preservation and the protection of our existing built environment.



Addressing Canada's Skilled Trades Labour Shortage

Like other industries, Canada's mechanical contracting sector faces acute labour shortages across the country. From the skilled workers on job sites, to middle and senior management roles such as estimators, superintendents and project managers, these labour shortages are being felt in all aspects of the institutional, commercial, industrial, and multi-use residential construction industry. Coupled with a rapid prioritization and shift to net-zero policies in the built environment, the industry is currently dealing with a perfect storm.

The Economic Impact of Labour Shortages

Labour shortages being faced by the industry can have significant economic impacts. In a recent survey:

- 62 per cent of respondents over the past year had lost or had to turn down contracts, or had paid late delivery penalties because they lack skilled workers, generating an estimated \$13 billion in economic losses;
- 43 percent of respondents reported cancelling or deferring planned investments due to insufficient skilled labour;
- Additionally, twice as many survey respondents reported difficulty finding skilled labour as they did five years earlier.

According to most estimates, these difficulties will only deepen. BuildForce Canada data suggests that by 2032, overall hiring requirements in the industry are expected to exceed 299,000 due to the retirement of approximately 245,000 workers (20% of the 2022 labour force) and growth in worker demand of more than 54,000. Without addressing these employment gaps, industry will continue to be dragged down, economic growth will stall, and jurisdictions across Canada will be unable to adequately hit their climate targets.

Canada's Mechanical Contracting Sector is Critical to Achieving Net Zero Targets

The transition to net-zero will impact all aspects of the Canadian economy, and Canada's mechanical contractors will be there to play a significant role. Whether it is through changes and enhancements to our built environment, or through greater investment in technologies such as small modular reactors, the mechanical contracting sector will be a key stakeholder in these projects. At the same time, there is a limited understanding of this important role. In order to attract and retain talent to the sector, government and industry must work together to promote careers in the mechanical contracting industry, and ensure the training and educational pathways are in place to fill the roles necessary.

Promoting the Value of Careers in Mechanical Contracting

The labour shortage is affecting our sector in two significant ways: first, there is a physical shortage of individuals entering the skilled trades, with 76 per cent of Canadians saying that they would never pursue a skilled trade. Second, there is a shortage of skilled trades workers that have the training necessary to participate in the shift towards net-zero. To address both factors, the government must support the institutions that provide education and training for skilled trades, and the infrastructure and equipment required. Currently, the scope of this sector and the amount of labour required to reach net-zero in construction is growing faster than our education and training capacity. To ensure that we meet the goals set by the federal government, there must be a collaborative effort to recruit, train and retain the next generation of mechanical tradespeople.

At the same time, we must stress the value of the existing training and tradespeople already in place across the country. Apprentices and journeypersons in Canada's mechanical trades have proven and well-established training and experiential pathways in place. This ultimately creates long-term and sustainable career choices for those who pursue careers in these trades. To support this, we must also ensure that the certification of skilled trades workers is highlighted as an essential part of the trade, with an emphasis placed on the verification of certificates. We must reaffirm the importance of certification to ensure that those working on retrofit and sustainable building projects have been sufficiently trained for those new, unique challenges.



Creating Pathways to the Skilled Trades in Canada

Together, government and industry have been working hard to reframe the awareness of the skilled trades in Canada; but there is still work to do. By presenting the skilled trades as a valuable career for all people, Canada will be able to fill apprenticeship gaps. The government has created several programs to support the hiring of apprentices in the skilled trades, but funding alone does not address the underlying issue of a lack of interest or access to the skilled trades.

To fill these gaps, industry and government - federal and provincial - must come together to showcase not only the urgent need for skilled trades workers, but that the pathway to success and self-fulfillment within the skilled trades is open to all Canadians. This can be accomplished through two simultaneous approaches:

- Providing more hands-on learning, starting earlier in life, to foster interest in the trades and demonstrate opportunities for success and entrepreneurship as a tradesperson.
 - By starting this education early, skilled trades will be presented as an opportunity equal to other notable professions, with higher incomes and strong work-life balance compared to many careers.
 - Additionally, by affiliating the skilled trades with STEM and the drive to recruit and retain people from all backgrounds, the importance of the skilled trades and the reaffirmation of this sector as an artisan field will encourage more individuals to enter the skilled trades through education and apprenticeships.
- Amplifying the ongoing role of the skilled trades in a green, efficient, sustainable economy, and the role these values have always played for tradespeople.
 - By highlighting the permanent dedication of the skilled trades as drivers of innovation and sustainability, promotional campaigns will confirm the mechanical sector as a modern, environmentally-friendly field.

When skilled trades are presented as an equitable, accessible, and sustainable path, we will see more students, immigrants, and mid-career professionals choosing skilled trades as their way forward.

"We have always been in green construction. We have always been green trades. We've been striving for efficiency since the first person had a fire. We've always been there"

Derek Ermen, President of MCAC, Vice-President of Ermen Plumbing and Heating

Recommendations for Skilled Trades Development & Promotion

1. That the federal government invest more in attracting workers to skilled trades essential to Canada's carbon transition—especially the mechanical trades—to ensure current and future labour market challenges are weathered by:
 - a. Committing an immediate investment of \$500 million in new funding to the Sectoral Workforce Solutions Program to expand the building retrofit and energy efficiency stream as a commitment to address the labour supply challenge slowing net-zero adoption in the built environment.
 - b. Doubling the annual maximum tax credit per apprentice in the Apprenticeship Job Creation Tax Credit from \$2,000 to \$4,000;
 - c. Doubling the annual amount of the Apprenticeship Incentive Grant to \$2,000 per year or level, and the lifetime amount to \$4,000 per person;
 - d. Doubling the annual amount of the Apprenticeship Incentive Grant for Women to \$6,000 per year or level, and the lifetime amount to \$12,000 per person.

2. That the federal government provides support for innovative programs that drive international recruitment of people with experience in the mechanical trades through partnerships with colleges and training centres. Working with industry, efforts should be made to map out the types of career opportunities in the sector that may exist for those international credentials that may not be transferable or recognized. There are many roles to fill in the mechanical contracting sector, and this career mapping will help newcomers receive appropriate training and essential certification while addressing the urgency of the need in our sector.

3. That the federal government establish a promotion plan that emphasizes the role of industries such as the mechanical contracting sector in Canada's net-zero transition, and highlights mechanical contracting as a green job essential to Canada's carbon transition. This plan should:
 - a. Include at least \$3 million in paid advertising annually over the next five years to promote the mechanical contracting sector as a path for students and new career professionals.
 - b. Include \$500,000 for professional organizations in the mechanical sector to develop a toolkit for contractors to use in their marketing and promotion efforts to potential workers in the mechanical sector.
 - i. Toolkits would also be shared with advisors in the education sector, including career counsellors, guidance counsellors and teachers in high schools to better provide advice about the potential of careers in the skilled trades.



The Regulatory Pathway to Net-Zero Buildings in Canada

Canada's built environment includes almost 16.5 million buildings between homes and public and commercial buildings. These buildings are responsible for 18% of Canada's GHG emissions. To meet the net-zero goals set by the federal government, product manufacturers, distributors and wholesalers, and trade contractors in our sector will need to successfully navigate a rapidly transforming market. Nearly 80% of building emissions come from heating spaces and water. Adapting to systems that use cleaner fuels and run more efficiently requires a rapid increase in the efficiency of new builds, and a long-term strategy to perform deep retrofits on Canada's existing building stock.

The companies we represent will be integral to meeting the government's climate objectives. We need to be able to focus on effectively educating customers and cost-effectively delivering products to market to succeed. We cannot succeed without a clear roadmap to anticipate this transition across the sector.

Government and industry need to work together to spur technological innovation to address this growth and help businesses contribute to the net-zero transition. When industries do not have clear, manageable timelines with appropriate advanced notice of changes, Canadians will see inefficiencies that slow growth and drive-up costs for businesses and customers. Consumers also want to know that the technicians and tradespeople who provide service in their home or business are well-trained and knowledgeable about the functioning of the entire heating, cooling and electrical system in their building. Ensuring this will help with market readiness and expedite the adoption of more energy-efficient products.

To achieve Canada's commitment of reaching net-zero emissions in construction, there is a strong need for the harmonization of regulations, codes and standards across the country. The Canada Green Buildings Strategy will be a strong first step, but additional standards for municipal bylaws, skilled trade certifications, and public utility regulation would provide clarity and create a pathway to meet Canada's net-zero objectives. Harmonized standards will allow for not only a more prepared industry but also a more educated consumer base. Creating alignment at all three levels of government with industry collaboration must be prioritized to effectively update Canada's building codes and standards.

When creating net-zero regulations and programs, extra considerations must be provided to consumers and industries facing a long-term and large-scale transition. By collaborating with provincial and municipal governments to harmonize codes and standards across the country, the government and industry can work together to meet the needs of the country and ensure that new builds and deep retrofits do not incur exorbitant cost increases that will deter their construction.

Recommendations for improving harmonization and reducing projected costs

1. The federal government should prioritize alignment between provinces and territories with industry buy-in for updates to Canada's building codes and standards. This should be done by using the convening power of the federal government to align the work of federal, provincial and territorial ministers of environment and natural resources.
2. Cost increases will dissuade consumers and businesses from making the needed investments that will achieve net-zero emissions in the built environment. The federal government and industry partners must work collaboratively to identify policy targets that will effectively reduce emissions, without limiting market readiness or rapidly increasing prices for consumers.
3. Retrofit and product incentives aimed at reducing emissions should include funds for improving building systems that optimize the development and delivery of new, energy-efficient heating and cooling systems for homes and institutional, commercial and industrial buildings.

