

Pre-Budget Submission to the
House of Commons Standing Committee
on Finance

by

International Union of Painters
and Allied Trades



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EXECUTIVE SUMMARY

The IUPAT represents over 100,000 men and women in Canada and the United States who work in the Finishing Trades. This includes industrial and commercial painters and coating and lining application specialists, drywall finishers, sign & display workers, hydroblasters, fireproofing, asbestos removers and hazardous materials technicians, and glaziers. Our members work on virtually every construction and major infrastructure project in North America.

INFRASTRUCTURE

The Government of Canada has made a substantial, long-term commitment to invest in public infrastructure. As decision-makers determine which infrastructure projects will proceed, building in measures extending the useful life of public infrastructure investments is critical. When it comes to projects in which steel and concrete are the essential building materials, special attention must be paid to the major culprit in infrastructure deterioration – corrosion. Experience has shown that damage to infrastructure caused by corrosion can be costly in terms of human life, can harm the environment, and can disrupt economic activity.

Steps can be taken to fight the dangerous effects of corrosion on infrastructure. One of the most important of these is the application of protective coatings to properly prepared steel and other substrates to help protect them from a corrosive environment. Protective coatings must be correctly applied by skilled tradespeople having appropriate training and certification. To that end, the corrosion prevention industry, led by the National Association of Corrosion Engineers (NACE) and the Society for Protective Coatings (SSPC), came together to create an industry standard to show competency in both surface preparation and application of corrosion prevention systems. NACE and SSPC have now developed a certification that tests and accredits the worker. The IUPAT has worked across Canada to upskill and certify our workforce to meet industry demands.

Continued investment in public infrastructure is an essential cornerstone of Canada's economic vitality and of the prosperity of Canadians. In the interests of prudent management of public infrastructure investment as well as of public safety, we would welcome the support of the Committee in ensuring that new government investments in infrastructure incorporate sound corrosion control management practices, including the proper application of protective coatings by skilled, certified tradespeople.

APPRENTICESHIP

The IUPAT takes pride in offering state of the art training facilities for apprenticeship training, skills upgrading and health and safety training in eight Training Centres across Canada. With infrastructure as a significant government priority, we are expanding training of Coating Application Specialists to meet the increasing demand in Canada. We were pleased, therefore, that Budget 2016 included an investment of \$85.4 million over five years to strengthen union-based apprenticeship training.

What we would like to see in Budget 2017 is a commitment to establishing an appropriate apprenticeship ratio for all federal infrastructure projects. Such a measure would create a pipeline to a good career in the construction trades to youth, to retraining adults and to Indigenous Canadians. IUPAT would be pleased to collaborate with the Government of Canada in establishing and implementing such a program.

INTRODUCTION

The International Union of Painters and Allied Trades (IUPAT) is pleased to participate in the pre-budget consultation process undertaken by the House of Commons Standing Committee on Finance. The Committee's public consultations represent an important opportunity to engage in the key policy debates that are central to the lives and livelihood of Canadians.

Our submission responds to the Committee's three questions set out in its June 3rd news release as they relate to investments in infrastructure, climate change adaptation and training.

WHO WE ARE

The IUPAT represents over 100,000 men and women in Canada and the United States who work in the Finishing Trades. This includes industrial and commercial painters and coating and lining application specialists, drywall finishers, sign & display workers, hydroblasters, fireproofing, asbestos removers and hazardous materials technicians, and glaziers. Our members work on virtually every construction and major infrastructure project in North America.

We believe strongly in working cooperatively with businesses engaged in construction and infrastructure maintenance. The IUPAT has over 7,000 contractors as our partners. In our experience, partnering with contractors delivers well-paid, meaningful jobs for our members while, at the same time, Canada's economy expands and prospers.

BUILDING INFRASTRUCTURE TO LAST, SAFELY

The Government of Canada has made a substantial, long-term commitment to invest in public infrastructure across the country. Continued investment in public infrastructure is an essential cornerstone of Canada's economic vitality and of the prosperity of Canadians. These investments will create a considerable number of well-paying jobs for Canadians, including our members and members of other building trades, for many years into the future.

As decision-makers determine which infrastructure projects will proceed in the years ahead, the IUPAT believes that building in measures extending the useful life of public infrastructure investments is critical; doing so represents sound planning and prudent financial management. It also recognizes the importance of public health and safety being at the forefront of the planning, construction and the ongoing maintenance phases of major infrastructure projects.

When it comes to projects in which steel and concrete are the essential building materials and those materials are exposed to the elements, special attention must be paid to the major culprit in infrastructure deterioration – corrosion. Experience has shown that damage to infrastructure caused by corrosion can be costly in terms of human life, can harm the environment, and can disrupt economic activity.

For example:

- 1) A massive explosion rocked the Regina Consumers' Co-operative Refineries in October 2011, injuring 52 people. Investigators concluded that there was a catastrophic failure in a six-inch pipe. The cause of this catastrophic failure was corrosion.
- 2) It is estimated that 700 water mains will break in cities and towns across North America on an average day. These main breaks cost North American municipalities over \$1 billion annually. Contrary to popular belief, age is not the primary contributor to water main breaks. The main culprit is corrosion.

- 3) Pipeline failures are rare in Canada. However, when they do occur, they can have many causes, including construction damage, overpressure, and joint issues. But, according to the National Energy Board, the primary cause of ruptures on the pipelines they regulate is corrosion.

According to a 2016 study conducted by the National Association of Corrosion Engineers International (NACE International), the world's leading authority on corrosion control, the global cost of corrosion is estimated to be USD\$2.5 trillion, the equivalent of 3.4 per cent of global GDP.¹ **The cost of corrosion to Canada is estimated to be USD\$1,825,000,000².**

Moreover, NACE International has found that, using available corrosion control practices, savings of up to 35 per cent of the cost of corrosion could be realized.³ This translates into estimated savings of USD\$875 billion.

Steps can be taken to fight the dangerous effects of corrosion on infrastructure. One of the most important of these is the application of protective coatings to properly prepared steel and other substrates to help protect them from a corrosive environment. NACE International has found that the single most significant component of finding savings through corrosion management practices is the application of protective coatings.

Protective coatings must be correctly applied by skilled tradespeople having appropriate training and certification. To that end, the corrosion prevention industry has introduced a new skilled trade certification in Canada, namely the Coating Application Specialist (CAS) certification, developed jointly by The Society for Protective Coatings (SSPC), NACE International and a number of other industry advocates. This SSPC ACS-1/NACE No.13 Joint Standard is available to the general public and is increasingly required by private industry looking to preserve their infrastructure by utilizing a certified workforce to perform corrosion prevention work.

The IUPAT has worked across Canada to upskill and certify our workforce to meet industry demands. In order to qualify to take the CAS certification exam, applicants are required to have at least 3,000 hours of experience in abrasive blasting and spraying industrial coatings. They must then pass a comprehensive written and two practical examinations. Once he or she earns this certification, a Coating Application Specialist will specialize in corrosion mitigation of steel and concrete used in, for example, public utility facilities, bridges, pipelines, and shipping vessels. The IUPAT has incorporated the training towards the certification into our apprenticeship programs to ensure that there is both a pathway for those currently working as an industrial painter and also for people who want to become a certified industrial corrosion prevention specialist.

The CAS represents a significant development towards ensuring that those on the front lines of combatting corrosion – our members – are trained to the highest standard. In the interests of prudent management of public infrastructure investment as well as of public safety, we would welcome the support of the Committee in ensuring that new government investments in infrastructure incorporate sound corrosion control management practices, including the proper application of protective coatings.

APPRENTICESHIP

The IUPAT takes pride in offering state of the art training facilities for apprenticeship training, skills upgrading and health and safety training in eight Training Centres across Canada. We partner with the Ontario Industrial Finishing Skills Centre, the Interior Finishing Systems Training Centre, the Finishing Trades Institute of BC,

¹ International Measures of Prevention, Application, and Economics of Corrosion Technologies Study; NACE International, 2016, page 2.

² International Measures of Prevention, Application, and Economics of Corrosion Technologies Study; NACE International, 2016, page A-21.

³ Ibid.

and the newly formed Prairie Provinces Finishing Trades Institute. With infrastructure as a significant government priority, we are expanding training of Coating Application Specialists to meet the increasing demand in Canada. We were pleased, therefore, that Budget 2016 included an investment of \$85.4 million over five years to strengthen union-based apprenticeship training.

What we would like to see in Budget 2017 is a commitment to establishing an appropriate apprenticeship ratio for all federal infrastructure projects. We believe such a measure would offer important opportunities to youth, to retraining adults and to Indigenous Canadians for well-paid and long-term work. It would also support all three levels of government in Canada in building safe, sustainable infrastructure that contributes to the public good.

CONCLUSION

We commend the Committee for seeking input from organizations such as the IUPAT as you consider your recommendations to the Minister of Finance in his deliberations on Budget 2017. We present the following for your consideration:

- 1) Continued investment in public infrastructure is an essential cornerstone of Canada's economic vitality and of the prosperity of Canadians. As major investment decisions are being made, we believe that the best value for money will be received, and the greatest measure of public safety will be achieved, by insisting on appropriate corrosion control measures being applied to infrastructure projects. This includes the considerable cost-savings that can be achieved by the proper application of anti-corrosion protective coatings by skilled, certified tradespeople as an essential part of these projects.
- 2) Additional support for the apprenticeship system across the country would be welcomed, particularly building in appropriate apprenticeship ratios to all future federal infrastructure projects. The IUPAT would be pleased to collaborate with the Government of Canada in establishing and implementing such a program.