

Construction Industry Labour Relations Amendment Act, 2009 (CILRA)

March 10, 2009

CILRA

The Construction Industry Labour Relations Act, 1992 (CILRA) provides a framework for collective bargaining between building trade unions and unionized employers involved in construction. Under the legislation, companies are required to belong to a representative employers' organization (REO), which bargains on their behalf. The government designates unions to represent workers in particular trades. Those unions negotiate province-wide collective agreements with REOs. The legislation prohibits an individual employer or union from negotiating a separate collective agreement. All bargaining must take place between REOs and unions designated by the government.

The CILRA also includes a provision prohibiting a unionized employer from creating a non-union "spin-off" company.

Key amendments

Today, Advanced Education, Employment and Labour Minister Rob Norris will introduce amendments to the Act. The amendments will:

- Allow a trade union to organize a company on a multi-trade, or "all-employee" basis, as well as on a craft (single-trade) basis;
- Enable any trade union to certify an employer;
- Allow employers to choose the REO that will represent them;
- Allow an employer operating outside an REO to negotiate a collective agreement for the duration of a project;
- Give the Saskatchewan Labour Relations Board the authority to investigate complaints that a union has abandoned its bargaining rights and revoke a union's certification on the basis of an abandonment complaint;
- Change the definition of "construction industry" to remove the reference to "maintaining" a building or structure.

The provision prohibiting a unionized employer from creating a non-union "spin-off" company will remain in the Act.

Why amendments are necessary

Providing freedom of choice

The CILRA restricts freedom of choice for employers and employees. Saskatchewan is the only Canadian jurisdiction with legislation that requires unionized employers in construction to be a member of a representative employer's organization for the purposes of bargaining. Saskatchewan is the only Canadian jurisdiction that sets out in legislation which unions are allowed to represent construction workers. The government believes employers should have the freedom to bargain on their own, and employees should have the right to join the union of their choice.

Rebuilding Saskatchewan's infrastructure

One of the government's main priorities is rebuilding Saskatchewan's infrastructure. We are spending a record amount of money to address a significant backlog of projects in transportation, health care, education and other areas. But those projects, and others undertaken by the private sector, are not proceeding as quickly as they could, in part because of shortage of skilled labour. Projects have been delayed and there have been cost overruns. These amendments will enable work to get done more quickly by attracting additional construction companies and employees into the province and by encouraging more competitive bidding on projects.

Respecting the Constitution

The Ministry of Justice has provided a legal opinion that states the labour relations model established by CILRA is vulnerable to a constitutional challenge. The government believes Saskatchewan laws should have a sound constitutional basis.

Providing clarity/fairness

- The abandonment of bargaining rights on the part of a union is a concern in the Saskatchewan construction industry. Contractors may be subject to old union certifications orders, even though they have operated openly on a non-union basis for years. This situation can create uncertainty for companies and their employees. Recent Labour Relations Board decisions have identified a need for an abandonment provision in the CILRA.
- Currently, only a member of an REO can sign a project specific collective agreement, and only with one or more building trade unions. The amended Act will allow any employer to sign a project specific collective agreement with any union.
- Saskatchewan legislation includes "maintenance" in its definition of construction. This has limited the number of companies willing to bid on industrial maintenance jobs.

Key considerations

- The legislation will come into force upon proclamation.
- During the upcoming months, the government will hold consultations on the legislation and will seek public input.
- Collective agreements signed between REOs and unions will remain in force after the legislation is proclaimed.
- The REO system is maintained. Employers will remain in the system, unless their employees join an all-employee union.

Construction Industry quick facts

Category	2008	2004	% change
Investment in new construction	\$9.8 billion	\$4.8 billion	104 %
Value of building permits	\$2.2 billion	\$770 million	185 %
Housing starts	6,829	3,780	81 %
Total employment	36,800	24,000	53 %
Paid workers	26,500	16,400	62 %
Number of workers 55 or older	5,600	3,500	60 %
Total payroll	\$1.25 billion	\$710 million	76 %
Average weekly earnings	\$954.25	\$750.32	27 %
Percentage of workforce unionized	19 %	18 %	1 %
Share of GDP	5.7 %*	4.8 %	0.9 %

*2007

Source: Sask Trends Monitor

Industry forecast

Construction activity in Saskatchewan is expected to be robust in 2009 despite the economic slowdown, with investment in non-residential construction, machinery and equipment projected to increase by 2.3 per cent, compared to an expected 6.6 per cent decrease nationwide. The provincial government's \$500 million infrastructure "booster shot" announced last month, combined with \$1 billion already committed to infrastructure this fiscal year, will help sustain the industry into the future. Federal infrastructure spending is also increasing as part of the federal government's stimulus package. In addition, several major projects initiated by the private sector are proceeding.

Some of the major projects underway or planned include:

- \$4.8 billion expansion of Potash Corporation of Saskatchewan mines at Rocanville, Allan, Cory, Lanigan and Patience Lake
- \$3.1 billion expansion of Mosaic potash mines at Belle Plaine, Esterhazy and Colonsay
- \$1.9 billion expansion of the Consumers' Co-operative Refinery in Regina
- Construction of a \$350 million Loblaw warehouse and distribution centre near Regina
- \$180 million expansion of Evraz Place in Regina
- Construction of the \$150 million JRI Canola Crushing plant at Yorkton

Industry challenges

During the last few years, several major projects have experienced delays or cost overruns because of a shortage of skilled labour caused by Saskatchewan's strong economy and demographic pressures. The Saskatchewan Construction Association says the industry will need to replace 20 per cent of its workforce by 2016. In addition, some projects have been delayed because of a lack of competitive bidding on tenders.

Some examples:

- Construction of the Co-op refinery project in Regina was extended over four and a half years instead of three.
- A major renovation of the Place Riel Student Centre at the University of Saskatchewan was delayed.
- The construction of the new laboratory building at the University of Regina took longer than expected.
- Construction of Regina General Hospital's mother-baby care centre has been delayed.
- Completion of the new STC bus terminal in Regina was delayed in part because of the shortage of skilled labour.
- Tendering of major projects in the potash industry has been delayed because of a lack of competitive bidding.

Current industry bargaining structure

Listed below are the Representative Employers' Organizations and the trades with whom they bargain.

REO	Trade Division
Construction Labour Relations Association of Saskatchewan Inc.	Bricklayer/Tilesetter Carpenter Cement mason/Plasterer Electrical Insulator Ironworker Labourer Millwright Operating Engineer Painter Plumber/Pipefitter Roofer-Labourer Roofer-Sheet Metal Sheet Metal Teamster
Pipeline Contractors Association of Canada	Labourer-Pipeline Operating Engineer-Pipeline Plumber/Pipefitter-Pipeline Teamster-Pipeline
Boilermaker Contractors Association of Saskatchewan	Boilermaker
Canadian Automatic Sprinkler Association	Sprinkler-Fitter
Saskatchewan Powerline Transmission Contractors Association Inc.	Electrical-Powerline Transmission
Unionized Glass & Architectural Metal Contractors Association Saskatchewan Inc.	Glazier

