

Project labour agreements save money

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To misinform requires no special skill or talent.

It only requires a willingness to state something that is factually incorrect or to only selectively state parts of information to lead others to an incorrect conclusion.

In Manitoba, a few organizations with a strong vested interest in the construction industry have recently gone into overdrive to characterize construction project labour agreements as "forced unionization" and make claims that such agreements impose undue costs on the public sector.

Both these claims have no basis in fact. Unfortunately, Manitoba Premier Brian Pallister has seemingly taken this position.

Smelling a chance to advance their narrow commercial and financial interests, organizations such as Merit Contractors, the Progressive Contractors Association and the Christian Labour Association of Canada are hoping a friendly government will tip the table in their favour.

Most recently, Darrel Reid's article (*Manitoba's outdated labour laws*, Aug. 3, 2016) invokes fairness and value to taxpayers as principles that should guide Manitoba policy away from project labour agreements.

We are all for fairness and judicious use of limited taxpayer resources, but Reid makes an unsettling claim that has no basis in fact. He claims project labour agreements lead to

cost overruns and delays on "many infrastructure projects," but he failed to support that assertion with evidence.

In calling for open tendering, Reid is creating the impression non-union firms have previously been prevented from bidding on Manitoba projects. That has never been the case.

Former premier Duff Roblin introduced project labour agreements to prevent fly-by-night contractors from bringing poorly trained and unqualified labour to critical infrastructure projects. He recognized lowest price did not mean lowest overall cost or best value.

By requiring all contractors to pay prevailing wages under one collective agreement, the selection was based on productivity and quality, not just price. We have seen ample examples of projects that experienced extreme remediation costs due to poor workmanship at the outset.

The system Reid proposes would see us return to a free-for-all, cost-only decision-making framework that would sacrifice the long term for very narrow and short-term considerations, but this is penny-wise and pound foolish.

So why would a sophisticated organization lobby for a system that could be so harmful to the public interest?

Very simply, it is a vested interest and a desire to gain greater market share in the construction industry. This is the divide between the union and non-union construction sectors in a dynamic industry.

There are only two main providers of trades training: publicly funded community colleges and union-funded training centres.

Unions partner with private-sector contractors to make significant investments in leading-edge training that meets industry demands.

These partnerships fund five jointly funded union training centres in Manitoba. By comparison, the non-union sector has none.

Unlike other professions, the bulk of skilled trades and construction training is delivered in the field.

The workplace is a tradesperson's classroom. Unions and their partner-contractor community help train the workforce that safely and efficiently builds Manitoba every day.

Without this training, Manitoba would lack the skilled workforce required to build essential infrastructure.

While the unionized construction industry contributes to this training, the non-unionized industry passes the buck to community colleges and the unionized construction industry.

The union dues Reid denounces pay for a workforce-development system used by both the union and non-union sectors.

The difference is non-union organizations want access to skilled workers without having to pay for the associated training costs. Of course, that gives those organizations a cost advantage on which to compete.

If the Pallister government submits to this, it will remove the incentive for unions and their private-sector business partners to continue investing in a skilled workforce essential to Manitoba's economic prosperity, eventually leaving taxpayers on the hook.

Reid proposes his industry segment be allowed to have its cake and eat it too; and too at the expense of the union construction and public sectors that pay for developing the skilled workers his clients hope to use. That is neither fair nor in the public interest.

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Analysis
