

Sustainable Employment Opportunities Through Community Benefit Agreements

Issue: Community Benefit Agreements (CBA) are set to occupy a prominent role in the construction industry in Ontario. The success of these types of programs is highly dependant upon buy-in and ongoing administrative management from *all* involved stakeholders.

Overview of Position: CBAs across North American and Europe have been, and continue to be, imperfect. In many instances, public buyers have chosen to simply include language in tender documents to “contract out” responsibility for these programs. These tend to be the most unsuccessful CBA scenarios, with the employment results being both expensive to accomplish and temporary in nature.

Program models from other jurisdictions clearly demonstrate that a participation-based approach, with strong administrative involvement from all involved stakeholder groups in the program design and management process, is best suited to meet objectives on sustainable and meaningful employment. Additionally, an arms-length agency must be employed to integrate all functions for CBA’s under a single administrative body to ensure a credible and coherent program.

Key Recommendations:

- Create a participation-based CBA program focussed on establishing enduring, meaningful employment opportunities for under-represented groups.
- Establish an appropriately representative governing board to oversee program design, roll-out, and ongoing management that includes all involved stakeholders (outlined below in “Board Structure”).
- Employ an arms-length agency to oversee the design and management this program.
- Focus CBAs on compulsory trades to ensure a clearly established and regulated mentorship program (journeyman to apprentice) is in place on the jobsite.
- Stage a proper phase-in, with the initial program focus being on establishing appropriate participation and metrics, and identifying how to best incent employers to participate.

CBAs in Practice: Contractors are experts at construction work. The success of their businesses depends on their workers delivering a quality finished product in as short an amount of time as possible, while doing so safely and within a predetermined amount of time and cost. To do this, they rely on the continuity and dependability provided by staff who have been trained and developed in-house.

CBAs that contain project-based hiring quotas impede a contractor’s ability to perform in this manner. Moreover, project-based hiring quotas do not lead to sustainable employment opportunities, as contractors will view individuals hired through these provisions as expendable at the end of a project. By working within a participation-

based model, a contractor can demonstrate that they meet the necessary CBA employment requirements through a certification process through an arms-length body without compromising the effectiveness of their business. This process will also encourage new recruiting into the industry from within the identified communities outlined in CBAs over the longer-term.

Board Structure: In order to establish a sustainable and integrated program model, CBAs must be designed and managed collaboratively by all stakeholders involved in the employment process. We would propose a ten (10) person Board, with the following composition:

Institutional:

- One (1) representative from the corresponding public body, providing an administrative and oversight role;

Construction Employer:

- Three (3) construction employer representatives, one from each of the three different construction sectors (Civil; ICI; and Residential);

Construction Labour:

- Three (3) construction labour representatives, representing different construction sectors (compulsory and non-compulsory trades);

Under-represented Groups:

- Three representatives from targeted under-represented groups or community-based organizations.

Conclusion: We have a considerable vested interest in the long-term success of the construction sector and closing the critical shortage of labour supply in the province. We therefore are sincerely committed to ensuring that new entrants to the construction sector have the best opportunity for long-term success. In order to properly design a workable framework for the construction industry, you *must* include construction employer representation, who have the appropriate knowledge to develop a workable model in the field.