



# House of Commons Debates

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## CHRIS IN THE COMMONS

**Ms. Chris Charlton (Hamilton Mountain, NDP):**  
Mr. Speaker, I can't believe that the time has finally come to debate Bill C-201, An Act to amend the Income Tax Act (travel and accommodation deduction for tradespersons). It was the very first Bill I introduced in this Chamber after being elected in January of 2006, and it is a bill that is near and dear to my heart.

But my wait is nothing compared to the wait experienced by the workers who are at the heart of my Bill. The Canadian Building and Construction Trades have been lobbying for this legislation for over 35 years. Their tenacity on this file is remarkable, and ought to be indicative to the government that this issue matters deeply to the very people who have literally built our country. In fact, I would be remiss if I didn't publicly thank Bob Blakely, the Chief Operating Officer of the Canadian Building Trades, for his personal commitment to this Bill, and for never ceasing to fight for the best interests of his members.

Bob knows only too well what a bumpy road it's been to get to this point today. Both Liberal and Conservative governments have made promises to the building trades in the past about concrete action to come. But those games of political footsies led exactly nowhere.

It's time for the games to stop, and for all Members in this House to stand up and be counted. Lip service is no longer good enough, and I am delighted to give

Members the opportunity to clarify their positions in the upcoming vote on my bill.

Now, Mr. Speaker, I know that you follow American politics closely, so you'll remember former Speaker Tip O'Neill coining the phrase "all politics is local". It's the principle that a politician's success is directly tied to his or her ability to understand and influence the issues of constituents.

Well that certainly encapsulates the genesis of the Bill that we're debating here today. I introduced it because of the amazing education and awareness-raising efforts of the members of the Building and Construction Trades Council in my hometown of Hamilton. In particular, I want to single out the leadership of Business Manager Joe Beattie who invited me to meet with the building trades about this issue before I was even elected. (You can see, Mr. Speaker, that the Hamilton Building Trades are not just savvy lobbyists, they're also clairvoyant. They knew I'd eventually get elected even before I believed it myself!)

The case that was put to me by Joe, along with members of Carpenters Local 18, UA Local 67, and Sheetmetal Workers Local 537, made sense then, and it still makes sense now. It makes sense for workers, who will benefit from a reduction in their temporary relocation costs, and a reduction in time spent unemployed. It makes sense for employers, who will benefit from access to larger pools of qualified workers, and reduced costs

relating to participation in programs such as the Temporary Foreign Workers program. And it makes sense for the Government, because it will benefit from increased long-term income-tax revenues and reduced dependence on costly social programs.

But let me not put the cart before the horse. Let's start at the beginning and look at the issue that my Bill is seeking to address, the specific remedy that it offers, and the opportunity that it represents for the government and all Members of this House.

Right now, there are two major human resource challenges facing Canada's construction industry: regional labour shortages and barriers to labour mobility.

The 2011 edition of the Construction Sector Council's Construction Looking Forward report suggests that to replace retiring workers and maintain productivity, construction employers collectively must hire more than 320,000 new workers between now and 2019. While training programs and recruitment from non-traditional labour sources are part of the solution, they will not be enough to ameliorate the significant labour shortages that are projected for the decade ahead.

Compounding this problem is the unevenness of demand for construction workers. Some regions of the country – such as Newfoundland and Labrador – are expected to face significant worker shortages until next year. Others, such as Ontario, will offer fewer work opportunities in the short term, but many more between 2015 and 2019. And a third group, including Quebec, Nova Scotia and Alberta, will offer consistently high numbers throughout the forecast period.

With the demand for labour thus high in some parts of the country and lower in others, it would be in everyone's best interest to facilitate the mobility of unemployed workers from one part of the country to job openings in another.

This would be an easy problem to solve if construction jobs were permanent. But they're not. Construction is a transitory business. When a hospital, a mall, or for

that matter a PanAm stadium is built, the job is done. Work can last for days, weeks or months, but the bottom line is that it isn't permanent, and no worker can fairly be expected to move his or her family to a new city every time the workplace changes.

And therein lies the rub. Under current rules, construction workers often incur large personal expenses to accept jobs in other parts of the province or country, because neither their travel nor accommodation expenses are tax deductible under the Income Tax Act. As a result, these costs create a huge disincentive for workers to accept work in those parts of the country that are experiencing skills shortages. Figures compiled on behalf of the Building and Construction Trades Department of the AFL-CIO suggest that the average mobile worker spends approximately \$3,500 of his or her own money to temporarily relocate. That's a significant barrier to the appeal of working mobile.

Without wanting to be too cute, I ask my honourable colleagues to imagine what would happen in this place if we told Members tomorrow that they could no longer get financial assistance for their secondary residence here in Ottawa while they're here on the job? Or for their travel, for that matter.

And if that's not enough to spur us on to creating fairness for the building trades, let me just remind Members that this House already acknowledged that transitory workers merit financial support when Budget 2008 provided a tax break to truck drivers to assist with mobility challenges in that industry.

So I'm calling on us to do the right thing here today, and create a labour-mobility tax credit for the building and construction industry, too. Specifically, my Bill allows tradespersons and indentured apprentices to deduct travel and accommodation expenses from their taxable income so they can secure and maintain employment at a construction site that is more than 80 kilometres from their home.

Adopting this Bill will remove one of the largest stated barriers to labour mobility in our country, and will pave the road for workers to move freely between

regions of the country where their skills are in demand.

For me, this is absolutely the right thing to do. And I don't believe that this issue has to be partisan. In fact, I know it's not.

Let me remind Members that, in April 2008, the Standing Committee of Human Resources, Social Development and the Status of Persons with Disabilities supported my bill in intent, if not by name. The two germane recommendations were 1.6 and 1.7.

1.6 reads: The committee recommends that the federal government examine the moving expenses provision of the Income Tax Act with a view to extending this provision to individuals who must leave their principal residence to work on a temporary basis, provided their primary residence is retained.

And 1.7 says that: The committee recommends that the federal government provide funding to assist individuals who agree to relocate to enter employment in occupations experiencing skills shortages.

Both of these recommendations are spot on.

And yes, these recommendations were adopted during a minority parliament, so it may be assumed that the government did not actually support them. But let me provide further evidence to the contrary.

Before the Standing Committee on Finance on Nov. 19, 2012, the Conservative Member for Fort McMurray-Athabaska responded to a presentation by the building trades by saying, and I quote, "I've been advocating since 2005 for a tax credit on travel and mobility".

And just a month later, another report by the Standing Committee of Human Resources, Social Development and the Status of Persons with Disabilities made this its 30th recommendation: The Committee recommends that the Government of Canada study the anticipated cost of introducing new fiscal measure that would help people who find jobs far away from where they live, for example a tax credit for travel and lodging if a person must work more than 80 kilometers from his

or her residence, and that it study the potential impact of such measures on labour mobility and labour shortages.

This time, the government had the majority of members on the committee, so that recommendation would not have passed without the support of the Conservatives. And I want to publicly thank the Conservatives who were members of the committee at that time. They are the Members for Mississauga-Streetsville, Don Valley East, Okanagan-Shuswap, Brant, Calgary Northeast and the Member for Simcoe-Grey who is now Canada's Minister of Labour.

I know that the Member for Mississauga-Streetsville in particular understands this issue, and has been advocating for it inside his caucus, and I hope that the Minister of Labour is using her new clout to assist his efforts in every possible way. Since she has repeatedly mentioned her own family roots in Alberta's construction industry, I trust that she understands what's at stake here.

Certainly, all of the opposition members on the committee got it right away. I was but one member of that committee, and I was proud to note that my NDP colleagues at HUMA, the Members from Hochelaga, Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, and St. John's South – Mount Pearl had always stood four-square behind the building trades in their communities and immediately expressed their support for my Bill.

I am also cautiously optimistic that my Liberal colleague from Cape Breton – Canso will see fit to vote for it, although truthfully I am not sure which side he was on when this issue was being discussed in the then Liberal government during its 13 long years in office. What I do know is that, in opposition, he has been nothing but supportive, and I want to thank him for that.

So if this issue does have broad-based support, what's stopping it from becoming law? I know at one point, both the Finance Minister and the former Minister of Labour were concerned about how much my proposed tax credit would cost. They weren't entirely

convinced by the admittedly rough initial calculations which showed that it would be revenue neutral, since the cost of the tax credit would be more than off-set by savings in Employment Insurance payments that would no longer need to be made as unemployed Canadians went to work in other parts of the country.

But the Building Trades took the Ministers' concern seriously, and had the projections related to my Bill audited by Hendry Warren. The audited numbers were given to every Member of this House during the Building Trades' last lobby day, and I trust that everyone will have familiarized themselves with the costing of my proposal.

But let's take a quick look at the numbers again, just to make absolutely certain that we're all on the same page.

There are an estimated 1.6 million construction workers in Canada. An estimated 10% of them travel each year. At an average cost of \$3,500 per worker per year, a 15% tax credit would cost the government \$525 per mobile worker per year for a total cost of \$84 million.

Working with the same number of 160,000 travelling skilled trades workers, whose average weekly employment insurance benefit would be \$393 per week for an average period of unemployment of 4 weeks if they were not working, means that the government would pay \$251 million in EI benefits per year.

That means that the tax credit proposed in my Bill would actually save the government \$167 million per year.

Let me repeat that, Mr. Speaker, because these numbers will be germane in your consideration of whether my Bill will ultimately require a Royal Recommendation. Far from being a net expenditure, my Bill would actually save the government \$167 million dollars each and every year.

And that's just premised on savings in EI. As the audited statement makes clear, when savings from all social programs and increased long-term income tax revenues from employment are taken into account, the labour-mobility tax credit is more likely to yield a return on the government's investment of nearly 5:1.

You'd think that the Finance Minister would be doing a happy dance at the prospect of such a windfall.

This Bill really is a win-win-win. As I said at the outset, workers win because the travel and accommodation costs will no longer be a barrier to accepting decent jobs for decent wages in other regions of the country.

Employers win because they will have access to larger pools of qualified workers without needing to resort to the costly Temporary Foreign Worker Program.

And the government wins by having taken a concrete step towards addressing regional skilled labour shortages, all the while reducing dependence on costly social programs and actually boosting long-term income-tax revenues. It doesn't get much better than that.

I see that my time here is just about up, so let me conclude by bringing this discussion full circle. I want to end with where I began.

Locally and nationally, the building and construction trades have lobbied for this Bill for over 35 years. They represent an industry that is critical to our economy. In fact, construction is Canada's largest private sector industry. Its direct impact is immense. Construction accounts for 12% of Canada's GDP. The industry has more than 260,000 businesses employing more than a million Canadians. It is responsible for installing, repairing and renovating more than \$150 billion worth of infrastructure every single year. It is a threshold industry on which everything else is based.

In a very real sense, the building and construction trades have built our country. It's time for us to shore up their work.

It's time for us to heed their call for action. It's time for us to provide them with a tax credit for travel and accommodation expenses when they accept work more than 80 km away from home. It's time to pass my bill.

Thank you very much!