Industrial Policy to Drive a Thriving Economy and Shared Prosperity

Unifor Submission to the

Parliamentary Committee on Finance Consultation on the 2024 Federal Budget

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# About Unifor

Unifor is Canada’s largest union in the private sector representing 315,000 workers nationwide in every major sector of the economy including advanced manufacturing, natural resources, transportation, communications as well as the public and private services sectors. On behalf of these members, their families and communities, Unifor welcomes the opportunity to share the organization’s priorities for Budget 2024.

# Orient economic development through industrial policy and enhanced worker supports in 2024

A thriving economy with skilled workers, good jobs and shared prosperity doesn’t happen by accident. The current industrial renaissance driving the transition to electric vehicles is the result of strategic, forward thinking and government investment . This leadership must be replicated across our economy – in energy, transportation, communications, manufacturing and services.

Governments must tie public investment to social and sustainable development objectives, including, labour conditions, workplace inclusion and diversity, fair taxation and the expansion of publicly-delivered programs.

The federal government must use budget 2024 to continue to think big and build big across the country to maximize the benefits of economic development for working people from coast to coast.

# Overarching Transition Supports and Economic Stabilizers

## Design and Implement a Just Transition Program:

The interim *Sustainable Jobs Action Plan* and the proposed *Canadian Sustainable Jobs Act* are the first concrete measures put forward to build and implement a Just Transition Program. To achieve its objectives and follow its whole-of-government approach, the program will require direct, dedicated funding. Government cannot just rely on a host of pre-existing budgetary commitments.

Unifor recommends that government:

* ​Implement a dedicated Just Transition Fund to support workers who will be impacted by decarbonization, technological change, increased protection of wildlife habitats and biodiversity, and climate change;
* Enable a broad range of transition responses and support the transition of existing quality, union jobs while also creating new jobs; and
* Ensure government funding sustains transitions across all sectors supporting the whole transition process, not just the initial project construction phase.

## Permanent EI Reform

Employment insurance is an important economic stabiliser and tool to ensure people continue to meet basic needs through times of job loss, training or transition. The program needs reform.

 Unifor’s comprehensive EI reform plan includes a number of recommendations such as[[1]](#footnote-1):

* Lowering the variable entrance requirement and eligibility threshold to a standard 360 hours;
* Providing 50 weeks of regular EI benefits in all regions;
* Eliminating the 50 week limit on combined special benefits and extending the reference period to 104 weeks; and
* Increasing the income replacement rate to 75% and raising the ceiling on insurable earnings.

## Invest in Labour Adjustment Programs

Federal Labour Adjustment Program funding has enabled Unifor to successfully support displaced members through job loss and transition. As industrial transitions across the economy continue, it is imperative that government provide ongoing funding for such initiatives.

Unifor recommends that government:

* Encourage provinces and territories to establish labour adjustment advisory program (AAP) agreements when workers are faced with workplace closures and increase LMDA funding to match.

# Industry Specific Investments and Supports

## Continued Support for Canada’s Transitioning Auto Industry

Historic investments in Electric Vehicle (EV) and battery production along with battery materials processing underscores the importance of active government investment policy to grow industry and create good jobs.

To further develop Canada’s auto industry, its supply chain and support for vulnerable workers, Unifor has tabled 29 policy recommendations[[2]](#footnote-2). To further advance its objectives in Budget 2024, Unifor recommends that government:

* Recapitalize and reorient the Strategic Innovation Fund to support transition-focused investment in Canada’s auto parts supply base; and
* Expand iZEV purchasing incentives to $10,000.

## Mines, Metals & Minerals:

The mass adoption of zero emission vehicles requires intense development in Canada’s mining industry. Government must play a role in ensuring that demand for Canada’s natural resources is reached through environmentally sustainable ways.

Unifor recommends that government:

* Provide direct funding to support the adoption of renewable energy sources for off-grid mines;
* Fund research and development to determine feasibility of hydrogen and fuel cell technology in mines; and
* Double existing funding for small modular reactor research & development to accelerate feasibility studies and deployment at off-grid mining sites[[3]](#footnote-3).

## Energy

Government has an important role to play in guiding research and development in greening the energy sector to increase industrial activity and ensure Canada is a global leader in the low carbon economy.

Unifor recommends that government:

* ​Develop energy investment policy that supports energy solutions built in Canada, including investment in energy transport and storage that limits the negative impact on the climate and responds to the predicted changes to Canada’s climate; and
* Support the production, transport, storage, and transition infrastructure needed to use hydrogen in greening steel, concrete, and other methane and carbon-intensive industries. Policies should include massive expansion in hydrogen and low-carbon electricity generation infrastructure..

## Protect Forestry Workers and Revitalize the Industry

Efforts to increase the conservation of old growth forests, protect wildlife habitat and manage heightened wildfire seasons will continue to have an effect on Canada’s forestry sector.

Unifor recommends that government:

* Develop a national industrial strategy for the forestry sector, based on a commitment to sustainability, conservation, and justice for Indigenous communities;
* Develop a Just Transition policy framework for the ongoing transformation of Canada’s forestry sector, its workers, and its forestry-dependent communities; and
* Direct government funding to support forestry workers impacted by the 2023 wildfires and help Canada’s Forest fire Management Agencies attract and retain qualified personnel through adequate wages and working conditions.

## Create a National Public Transit Strategy

Local transit systems are vulnerable to service reductions and privatization when operations are heavily dependent upon fare box revenues. The federal government’s $3 billion permanent public transit fund is encouraging. However, this funding is too low, it is still three years away from implementation while operational challenges exist today.

Unifor recommends that government:

* Accelerate the timeline to implement the Public Transit Fund with flexibility to support both public transit infrastructure and operations;
* Maximize Canadian content in transit vehicle procurement; and
* Design and implement a National Public Transit Strategy[[4]](#footnote-4) to build and maintain affordable and accessible public transit.

## Invest in Public Passenger Rail

VIA Rail’s High Frequency Rail project between Quebec City and Toronto is long overdue. However, Unifor is concerned that government is entering into a P3 model that will privatize the operation of the corridor, resulting in higher costs and lower quality service. It is critical that government ensure access to affordable and accessible transportation service across Canada.

Unifor recommends that government:

* Keep VIA Rail public and halt attempts to privatize passenger rail service;
* Expand passenger rail routes and service frequency across Canada; and
* Ensure passenger rail investments include Canadian content requirements.

##  Strategic Changes in Cargo Rail

Recent changes in the rail industry put downward pressure on safety and on working conditions. Extending the interswitching limit has opened-up the Canadian rail service to unbalanced competition with US-based companies, squeezing wages and working conditions. Technological change puts safety standards at risk and volatile fuel prices present opportunities for profiteering.

Unifor recommends that government:

* Fund a public review of the interswitching limit extension pilot project's impact on Canadian employment;
* Follow the USA's lead in supporting train safety inspections that augment employment in the sector instead of attempting to replace workers; and
* Implement regulation to stabilize fuel prices for passenger and freight services ensuring predictable prices across these industries.

##  Improve Employment in Canada’s Air Transportation Sector

Canada’s air transportation system continues to operate in turmoil. Previous government intervention has not solved the delays or cancellations plaguing airports since re-opening after the pandemic. Worker proposals to improve both working conditions and services have been ignored.

Unifor recommends that government:

* Make the living wage the new wage floor at airports, implement fair pay policies and ensure protection from contracting out;
* Enact a process to address the significant harassment and violence faced by front line workers in the industry; and
* Ensure forthcoming service standards, connected to Bill C-52, do not undermine health and safety rules.

##  Continued Improvement of Canada’s Road Transportation Sector

Unifor continues to highlight the need for higher standards in the road transport sector. From truck drivers to digital platforms, government must promote healthy and safe working conditions and support fair and equal standards.

Unifor recommends that government:

* Work with provincial transport ministers to support investment in additional safe rest stops and parking areas for regional long-haul truck drivers; and
* Establish sector bargaining rights for casualized labour, both digital and misclassified, in consultation with labour unions.

##  Regulate to Save Local News; protect journalists from harassment

Unifor supports the *Online Streaming Act* and the *Online News Act* and associated measures to support local news. The union also supports measures to protect journalists from harassment.

Unifor recommends that government:

* Establish a local news media fund attached to the *Online Streaming Act*, and require qualifying streaming companies to contribute a portion of their revenue generated in Canada to the fund, which would, be distributed to qualifying news organizations in Canada;
* Move ahead with regulations associated with the *Online News Act*, to ensure that foreign digital giants pay their fair share for domestic Canadian news content shared across their platforms;
* Renew and expand the government’s commitment to the Canadian Journalist Labour Tax Credit, including a reform of tax laws to legalize philanthropic journalism endowments to any qualified news organizations, and to allow employee or citizen news cooperatives to operate as non-profits;
* Reform Section 19 of the Income Tax Act to extend rules restricting tax deductibility of advertising expenditures to online foreign media; and
* Implement a process to root out and hold accountable the people responsible for inflicting on-line hate and harassment in-line with the Canadian Association of Journalists open letter to Justin Trudeau dated September 1, 2022.

##  Equitable Access to Broadband Internet; Good Jobs in Telecom

Broadband internet has become an essential service enabling people to fully participate in society and access public services. Government funding for broadband infrastructure has gone to various telecommunications providers but such investments have not included requirements of good, local jobs or limits to off-shoring and contracting out.

Unifor recommends that government:

* Implement legislation requiring telecommunications companies that receives government funding to publicly report any operations that are contracted out, domestically or overseas;
* Establish stronger corporate transparency and reporting requirements through a broader framework around due diligence; and
* Ensure universal access to affordable wireless and broadband internet plans.

# Public Services and Government Revenue

##  Keep the Pharmacare Promise; Expand access to Dental Care

Government has committed to implementing Pharmacare multiple times. It is a condition of the Supply and Confidence Agreement that Pharmacare legislation is passed by the end of 2023. Government has rolled out the first phase of its dental care program. However, further funding is needed to ensure universal access.

Unifor recommends that government:

* Ensure adequate funding to fully realize universal Pharmacare; and
* Make the dental care program universal.

##  Enhance oversight of health care spending

Provinces are increasingly relying on private sector service providers to deliver health care services. This is unacceptable. Government must ensure that patients are not paying out-of-pocket when accessing medical care.

Unifor recommends that government:

* Continue to closely monitor provincial health transfer spending to ensure they are not used to bolster a parallel, private health care system. Increase enforcement activity if necessary.

##  Reorient Long-Term Care to Improve Service

Government must ensure that the needs of Seniors in long-term care facilities are being met. It cannot do so under the current model that allows for-profit, private care.

Unifor recommends that government:

* Set minimum care standards in the long-term care sector, provide conditional funding for provinces to meet these standards and develop comprehensive workforce strategies in consultation with labour organizations;
* Phase out for-profit long-term care homes and transition toward community-based, publicly-owned or non-profit homes; and
* Immediately bring Revera under public ownership.

##  Implement Tax Reform

Canada’s affordability crisis continues while corporations and wealthy individuals have seen substantial profits and profit margin growth. Four decades of tax changes are exacerbating this crisis by failing to redistribute wealth and working directly against the goals of shared prosperity. There are a number of tax changes that could have a significant impact on this disparity[[5]](#footnote-5).

Unifor recommends the federal government:

* Expand the windfall profits tax, make it retroactive to 2021-22 and make it permanent;
* Close the numerous tax loopholes that enable high income earners to accumulate even more wealth and clamp down on tax haven;
* Expand the eligibility rules within the clean hydrogen and clean tech tax credits, including the definition of eligible properties, and ensure labour conditions are extended both beyond the construction phase and to additional tax credits announced in budget 2023; and
* Redirect Canada Revenue Agency funds currently used to target CERB recipients to tackle large-scale tax avoidance.

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1. The full list of Unifor’s recommendations to build better EI can be found at https://buildbackbetter.unifor.org/ei. [↑](#footnote-ref-1)
2. Visit [www.uniforautohub.ca](http://www.uniforautohub.ca) for the full list of recommendations. [↑](#footnote-ref-2)
3. Ensure ongoing stakeholder dialogue and strong public oversight.. [↑](#footnote-ref-3)
4. A full list of recommendations for the Public Transit Strategy can be found at https://www.unifor.org/resources/our-resources/keeping-our-communities-moving-unifors-national-transit-policy [↑](#footnote-ref-4)
5. See the CCPA’s Alternative Federal Budget, available at <https://policyalternatives.ca/projects/alternative-federal-budget>, for a comprehensive list of progressive tax reform options. [↑](#footnote-ref-5)