



Money anyone?

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The recent Federal Budget delivered a lengthy list of commitments by Government to address pressing issues facing Canadians with a focus on the middle –class and a recognition that Canada is made up of a patchwork of entrepreneurial business. It provides a snapshot of the pure scale of issues impacting Canadians and –reveals a very big “to do” list for the Federal Government and its agencies. By sifting through the lists of initiatives, the budget also helps organizations like CKCA determine where federal government support is available as we work to address the issues facing our industry.

Encouraging Housing Construction

While we’ve seen the government increase restrictions to home buying which they refer to as “maintaining prudent safeguards”, they’ve introduced an incentive to first-time buyers that “reduces the amount of money required from an insured mortgage without increasing the amount they must save for a down payment”. Canadians with a household annual income of less than \$120,000 can leverage the new incentive whereby CMHC provides 5% of the value of a home for a first-time homebuyer through a shared investment. To encourage construction of a new housing supply the incentive increases to 10% for newly-built homes.

Expansion of the Rental Construction Financing Initiative supports the build of more affordable rental options especially in large city centres. These incentives help drive movement in the home build/home buying market. In a slowing or “softening” market, stimulus programs are welcomed. Housing for those at risk, for seniors, the homeless and a goal of reducing chronic homelessness by 50% are also part of the Government’s National Housing Strategy.

The Government wants to appoint a Minister of Seniors, who will administer \$40 billion towards the National Housing Strategy to ensure low-income seniors and other vulnerable Canadians have access to affordable housing that meets their needs. With this initiative, we can expect to see even more designs for accessibility in homes. This is something CKCA members have noticed at various shows such as KBIS where hardware manufacturers show their new hardware making kitchen cabinetry more accessible. As Past President, Caroline Castrucci, Laurysen Kitchens said at KBIS 2018 “everything comes up and towards you”. Clearly these designs are here to stay and will become even more prevalent.

The Government has also committed \$60 million over five years to support capital infrastructure investments in Friendship Centres where a lot of Urban Programming for Indigenous Peoples are delivered. Many of these centres are in need of retrofitting and repair or even new builds.

How these programs unfold and their impact on the housing market remains to be seen.

Addressing Skills Development and Labour Shortage

According to the Government, the unemployment rate in Canada is at a 40 year low. While the Government puts focus on building, i.e. affordable housing, it means the demand for skilled trade labour remains steadfast. Therefore the issue of labour shortages is also on the Government's agenda and it's on CKCA's as well. As one member told CKCA, "our company talks about the labour shortage every day".

The Federal budget speaks to skills development, training and retraining "to embrace a culture of lifelong learning". Many Canadians wonder if the jobs they hold today will even exist in the next 5-10 years. There is much uncertainty. The Government has created the Canada Training Benefit which offers taxable benefits to an employee who wishes to upgrade their skills. The Government believes this is good for the employer because in return they get a more skilled worker. While this is true, the employer must still find the means to operate while that employee is away training and in a labour stretched industry, this can be difficult. Also, if the employee comes back well trained, there's no guarantee they'll stay especially with strong competition for skilled workers. Support for the employer to send staff away for retraining is needed as are affordable programs that help employers foster higher retention levels. This is why CKCA is in the process of building and showcasing programs that help the employer.

The Government will commit over \$40 million over four years to Skills Canada for apprenticeship programs. This is intended to "encourage and support a coordinated approach to promoting skilled trades and technologies to young people through skills competitions and by providing resources to better equip them for careers in the skilled trades." The Government will initiate a campaign that works to change perception about working in the trades. They are committing \$6 million over two years. Indigenous People are the youngest and fastest-growing segment of the Canadian population for many years now. The Government is committing significant funds to make post-secondary education more accessible to Indigenous people. Wood Manufacturing Council has done some excellent work in this area with more ongoing programs to come.

The Government's wants to ensure young Canadians that within 10 years they will have the opportunity for co-op (work-integrated) learning. They will commit \$631.2 million over five years to support "up to 20,000 new work placements per year for a post-secondary students across Canada, in all disciplines, by 2021-22". How can our industry leverage these opportunities to attract skilled labour into our sector? Our industry needs to do much more to show how diverse and rewarding the profession is. The perceptions of what happens in a woodworking shop needs to change and it's up to us in the industry to do that.

Helping Canada's Forest Sector to Innovate and Grow

Part of the Government's "Building a Nation of Innovators" plan identifies a "Bio-economy" which uses materials left over from timber harvesting and processing. They estimate this new economy to grow "as much as \$5 trillion on an annual basis by 2030". The Government's intent is to position Canada at the forefront of the expanding bio-economy and they plan to dedicate significant funds to support R&D. The Government has pledged to provide up to \$64million over three years for Expanding Market Opportunities Program with plans to help increase and diversify Canada's forest products in offshore markets. It also acknowledges the expansion of more wood used in non-residential and mid-rise construction. With an increased demand for wood products we will see prices continue to rise.

Reducing Business Costs with Greater Energy Efficiency

The Government wants to reduce your electricity bill and they are investing 1.01 billion to increase energy efficiency in residential, commercial and multi-unit buildings. So if you own your building, there will be funding through your municipality (coming from the Federation of Canadian Municipalities) to retrofit with more efficient systems through the Green Municipal Fund. Get in touch with your municipality, the phone call could save you a lot of money.

Public Safety and Other Pressures

We are seeing significant weather changes, an increase in forest fires, flooding, increase in pest infestations (Pine beetle etc.) and even tornadoes like we saw in Ottawa in late September 2018. The destruction these events cause means Canadians must rebuild. It also means that our supply of natural forest products gets depleted from the natural disasters and that drives up the price of product. The Government is putting \$151.23 million over five years to improving emergency management but it begs the question “are we headed for the perfect storm”? Our industry is no different than other sectors. Labour shortage are top of many industry’s lists. An increase in natural disasters, higher prices on raw materials, keeping up with technological advances, all these things must be considered in the big picture of where we’re going.

CKCA supports innovation in our industry and while the Government has identified multiple priorities, it is up to us to ensure we go after the programs that could help our industry navigate the challenges it faces.

As Federal Minister of Finance, Bill Morneau says “there is more work to be done” – We couldn’t agree more.

You can review the full budget by visiting <https://www.budget.gc.ca/2019/docs/plan/toc-tdm-en.html>

Got an idea or want to talk more about this article?

Call us – 613-493-5858 or Email: sandra@ckca.ca

The voice of the Canadian Kitchen Cabinet Industry celebrating 50 years (1968 – 2018).

We are a national association that strives to promote the interests and conserve the rights of manufacturers of kitchen cabinets, bathroom vanities and related millwork, as well as our suppliers and dealers, throughout Canada.

Our Vision

Through advocacy, certification and collaboration, CKCA will inspire progress and innovation in the Canadian Kitchen Manufacturing industry, promoting excellence, continuous improvement and the adoption of manufacturing certification and standards