
CANADIAN
CONSTRUCTION
ASSOCIATION



L'ASSOCIATION
CANADIENNE DE
LA CONSTRUCTION

May 2007

Benefits of CCA Membership

The question is often raised by individual contractors: "What value do I receive as a member of the Canadian Construction Association"? Of course, it is difficult to answer this question in any comprehensive manner, as membership in CCA includes many tangible and intangible benefits spread out over time. The following bullets attempt to pinpoint a few of the benefits obtained by CCA on behalf of its members over the past two years.

Infrastructure Funding: Between 2005 and 2007, CCA's aggressive lobbying efforts to convince the federal government to invest in infrastructure have paid off. Since 2005, over \$31 billion in new federal monies have been announced for infrastructure investment over the next 8 years. This includes almost \$12 billion in the Gas Tax Fund for municipal infrastructure, a new \$8.8 billion "Building Canada Fund", \$3.1 billion for gateway infrastructure, and a new public-private infrastructure fund. When provincial, municipal, and private sector funding is leveraged, this \$31 billion will be substantially higher.

EI Premiums: CCA has continued to lobby for lower EI premiums. In 2002, premiums were \$2.20 for employees, and \$3.08 for employers. As of January 1, 2007, that rate has been reduced to \$1.80 per \$100 of insurable earnings for employees, and \$2.52 for employers. This means that since 2002, employees earning over \$40,000 are saving approximately \$117 in EI premiums, while employers are saving approximately \$164 per employee.

Apprenticeship Tax Credits: In 2006, the federal government acted on a CCA recommendation by introducing a new tax credit for employers who hire qualifying apprentices. This credit is equal to 10 percent of the wages paid in the first two years of a contract, up to \$2000 per apprentice per year.

Apprenticeship Grants: The federal government also introduced a new Apprenticeship Incentive Grants which will provide a cash grant of \$1000 per year to apprentices in the first two years of an apprenticeship program in a Red Seal trade.

Increase in the Small Tool Tax Deduction: In 2006, the federal government acted on a CCA recommendation by introducing a new deduction of up to \$500 to tradespeople for the cost of tools in excess of \$1000 that they must acquire as a condition of contract. Furthermore, the government acted on an additional CCA recommendation by increasing to \$500 from \$200 the limit on the cost of tools eligible for the 100% capital cost deduction. This will save contractors, particularly smaller contractors, hundreds of dollars on tool acquisition.

CCA / CCDC Standard Documents: Associations who are not members of CCA pay 300% more for CCA and CCDC Standard Documents. Although final document prices vary by association, the savings for member firms could easily be in the hundreds of dollars. As a member of CCA, a number of these documents are available free of charge. Associations, on average, earn \$25 per member by selling CCA / CCDC documents. In addition, CCA has lobbied SNC Lavalin ProFac to use a contract form that mimics CCDC2, and has won improvements to federal contract forms.

CCA Guides: CCA produces industry guides on a variety of topics – project financing, insurance, solid waste reduction, improving cash flow, environmental management planning, exporting to the United States, banking, and others. The cost to contractors to publish these documents on their own would run in the thousands of dollars.

Small Business Threshold / Small Business Tax Rate: Following successful taxation lobbying activities, the government announced that the small business tax threshold would be increased to \$400,000 from \$300,000 effective January 1, 2007. Furthermore, by 2009, the tax rate for small businesses will be lowered from 12 percent to 11 percent.

Corporate Tax Rate Reduced: For larger firms, the general corporate income tax rate will be lowered from 21 percent to 19 percent by 2010, the corporate surtax for all corporations will be completely eliminated by 2008, and the federal capital tax was eliminated as of January 1, 2006 (as well, the federal government will subsidize the elimination of all provincial capital taxes by 2011).

Networking Opportunities: Through the CCA annual conference, CDBI conference, Corporate Leaders Forums, Parliament Hill reception, Board meetings, annual Chief Operating Officer conference, and so forth, CCA events allow for a great deal of networking opportunities among industry peers. Although difficult to assign a dollar value to these opportunities, many members state that the networking opportunities are invaluable for the success of their firms.

Immigration Reforms: Since mid-2006, when CCA began lobbying the federal government in earnest for immigration reforms, the federal government has announced a number of changes to the temporary immigration stream designed to facilitate the entry of temporary foreign workers to Canada. The enhanced ease and bureaucratic red tape these changes will save employers could well amount into the thousands of dollars for employers using temporary foreign workers.

Abolition of Reverse Auctions at Federal Level: In response to CCA pressure, Public Works Minister Michel Fortier announced in 2006 that the federal government would not consider the use of reverse auctions on any federal projects. Although difficult to quantify, bidders could potentially save thousands of dollars by not having to bid shop.

Improved Access to Federal Government Tender Information: As a result of CCA's lobby efforts, CCA member firms have access to federal government tender opportunity information through the regional plansroom associations. This was recently confirmed again in a Memorandum of Understanding signed with Public Works and Government Services Canada on April 23 2007. This has saved interested bidders hundreds, if not thousands of dollars from having to access these documents at a much higher cost.