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RE: Emerging from the Pandemic: The role of WRLA and LBM Industry in Recovery

As the largest and oldest industry association (130 years) for the lumber and building material (LBM) industry in Canada, WRLA represents almost 1,200 firms in all areas of the LBM supply chain. We are a multi-billion-dollar industry, providing a substantial economic impact in the West and throughout Canada.

The building supply industry extends into every community across the country contributing to the very fabric of Canada. It continues to play an important role in creating our communities and providing jobs to over 262,000 Canadians.

We recently commissioned an economic impact study to better understand the role our members play in our provincial, Western and overall economy, and we are delighted to share the enclosed report with you.

Emerging from the pandemic: The role for building supply dealers

Following the recent impact study, we learned that the building supply dealers sector is more important than most other retail sectors because it distributes a larger share of Canadian-made products such as lumber, value-added wood products, paints and other goods. This ties the sector directly back to important manufacturing industries in the three Prairie provinces and across Canada.

The building supply dealers sector will be an important driver of economic activity as the national economy recovers from the COVID-19 pandemic. A boost in sales in the building supply sector generates far more economic value in Canada compared to a boost in sales in the automobile, appliances, communications equipment, clothing and other retail sectors.

As an example of the role that building supply dealers could play in economic recovery, consider the following scenario: If every household in the three provinces spent, on average, an additional \$500 on repair construction activities, it would boost provincial GDP across the Prairies by \$1.5 billion, generate \$938 million in labour income and support 14,800 jobs (direct, indirect and induced).

Current Realities

As provinces continue to roll out their phases, businesses still face several challenges. Significant investments have been made in implementing new protocols to reduce the risk of the spread of

COVID-19, however they are not operating at full capacity and all cylinders, which presents its own issues as business owners work to keep their businesses operating. Supply chains have also been impacted and procurement continues to be an issue.

Incentive programs such as CERB continue to make it difficult for several businesses to get their staff back to work. Getting paid more to stay at home than what they were being paid pre-COVID certainly has helped create a reluctance to go back to work.

As we move forward, it is more important to implement incentive programs that put people back in the workforce to help recovery and channel resources to protect the vulnerable.

Low-Cost/High-Impact Programs

To help spark the economy and reinstate consumer and business confidence, we propose the following strategies be implemented to help create employment, support consumer spending and support businesses and the economy.

1. Adjustment of the criteria for federal support programs to help businesses now.
2. Home renovation tax credit (HRTC) of up to \$3,000 by federal government and \$1,000 by provincial governments.
3. Eco-renovation tax credit (ERTC) of up to \$5,000 by federal government and \$2,000 by provincial governments for houses 20 years and older.
4. Work with the LBM industry to develop an incentive program to carry and sell more Canadian products in our stores.

The Rationale

The impact that the 2009 federal HRTC had on our members and the economy was extremely positive and a desired strategy that we would like to see implemented once again. Our national association, Building Materials Council of Canada (BMCC) recently commissioned an economic impact assessment to determine the impact of the HRTC and results will be released shortly.

Climate change will continue to be a top-of-mind issue and cannot be overlooked as part of the economic recovery strategy. With the number of existing older homes, incentivizing retrofits to become more energy efficient would be a positive way to help implement change. Rebate programs that create energy efficiency coupled with an ERTC will help support homeowners in making their homes more efficient while supporting local economies.

Canadian-made products have a greater impact on the GDP than imported products. While international trade is extremely important, the recent issues presented in various supply chains may present the optimal time to implement incentive programs to carry Canadian-made products. It can help provide employment opportunities and, of course, positively impact the GDP.

Support Local Campaign

It is extremely important to help protect and generate jobs in the Western provinces, as well as the rest of the country, to help in the recovery process. To help educate the general public on the

importance of supporting local businesses and Canadian-made products, which have a greater impact on our GDP, WRLA has created a Support Local campaign to be released alongside our economic impact data findings.

The building supply industry has several lines of products that are made in Canada and are sold by independent dealers represented in our membership. The anticipated outcome of this campaign is to work with our members to educate the public on the importance of supporting local and help drive traffic to their businesses.

Next Steps

WRLA and the LBM industry has positioned itself to help support economic recovery and is committed to restoring consumer confidence. Several new best practices have been adopted and businesses continue to follow protocols to ensure the health and safety of their staff and customers as we continue to progress through the current and future stages of the pandemic.

The WRLA as an association has worked to ensure that the industry is on the radar of government as well the public and to educate them that there is more to retail than big box stores and the impact on all communities.

The attached data helps to reinforce the importance of the LBM industry and reinforces our ask for government to consider our proposed programs. We also have developed a communications plan that can help the general public do their part by choosing local companies and Canadian-made products where possible.

Thank you for taking the time to review our submissions and we are available to discuss our proposed programs with you.



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