



Written submission
for the pre-budget consultations in
advance of the 2021 federal budget

By: The Canadian Construction Association

Recommendation #1: That the government roll out an infrastructure economic stimulus program that is coordinated, balanced, clear, and flexible.

Recommendation #2: That the government urgently work with all provinces and municipalities to remove the barriers and red tape to get funds from the Investing in Canada Plan flowing immediately.

Recommendation #3: That the government commit to a 25-year plan for sustainable infrastructure investment in Canada, including maintenance and training.

Recommendation #4: That the government work with industry on creating and retaining an inclusive workforce, and partner with CCA on the “Talent Fits Here” campaign designed to attract new talent to construction.

Recommendation #5: That the government strengthen investor confidence and reduce red tape.

Recommendation #6: That the government provide the necessary framework and investment to augment innovation in the construction industry.

Introduction

The Canadian Construction Association (CCA) is the national voice for the construction industry in Canada, representing over 20,000 member firms in an integrated structure of some 63 local and provincial construction associations. Construction employs close to 1.4 million people and generates roughly \$141 billion to the economy annually, accounting for 7.5 per cent of Canada's gross domestic product (GDP). Construction, in many ways, is the backbone of the Canadian economy.

While COVID-19 has proven devastating to the Canadian economy, the construction industry demonstrated its ability to adapt safely, delivering critical infrastructure projects benefiting communities across Canada.

The industry is ready and able to hire back displaced workers, retrofit aging infrastructure, position Canada for global trade and address climate change.

However, the industry absorbed significant costs with the understanding that reimbursement would follow. We thank the federal government for their leadership in this area, however, only a fraction of those costs have been recaptured to date. This reimbursement is essential to our member's liquidity, many of whom are in the trades and are small or medium-size, family-run companies.

Local infrastructure is critical to the quality of life of Canadians and the competitiveness of our country. We rely on power generation, roadways and transit, water management, hospitals, and natural resource development to function personally, socially, and economically. In order to continue providing reliable infrastructure to Canadians, we need to ensure that we are strengthening our level of investor confidence and committing to a long-term infrastructure strategy. The only way to build sustainable communities is with a strong, consistent infrastructure plan and spending that includes maintenance.

The construction industry continues to face a serious workforce shortage as we brace for 22 per cent of our labour force retiring over the next decade. A strategy is needed aimed at recruiting, retaining, and re-training a diverse, skilled, and tech-savvy workforce to keep this important economic sector healthy and competitive. The need for workers is strong, and Canada needs a larger supply of qualified people to fill these roles. Investing in programs to address these labour shortages will provide a viable and inclusive employment sector for Canadians, while also attracting a diverse and skilled workforce.

CCA and its members are embracing the benefits of technology and innovation to improve safety, reduce waste, create sustainable infrastructure, and increase overall productivity. We are seeking partnerships with all levels of government, academia, and industry to advance these priorities.



Leading the way in the post-COVID economy

The construction industry is willing and able to step up and support the federal government in its efforts to *build back better*, but for this we need member companies to survive and thrive. This means that our firms need stability and predictability.

CCA advocates for investment in infrastructure and maintenance to stimulate the economy, taking into consideration the following four principles:

- **Coordination**
All federal departments need to work together in collaboration with provinces and municipalities to be as efficient as possible. We support prioritizing shovel-ready projects and the removal of red tape to get Canadians back to work and to ensure revenue flow for businesses.
- **Balance**
The plan needs to be balanced in size, sector, region, and timing. The stimulus should span over a minimum period of at least 18 months.
- **Clarity**
The industry needs clear and consistent rules on managing COVID-19 health protocols and access to the required personal protective equipment.
- **Flexibility**
COVID-19 is unpredictable, and flexibility is needed to deal with project delays and costs.

Recommendation #1

That the government roll out an infrastructure economic stimulus program that is coordinated, balanced, clear, and flexible.

Increased infrastructure planning in Canada

Much of Canada's infrastructure was built in the 60s and 70s and is now at a critical inflection point. The federal government responded appropriately with such initiatives as the *Investing in Canada Plan*, which commits \$180 billion in federal funding for public infrastructure over 12 years, and the Canada Infrastructure Bank, which invests funds into projects while generating revenue through public and private capital. The Investing in Canada Plan has billions of uncommitted funds from 2018, depriving communities of important infrastructure and jobs for Canadians.

Fluctuations in the delivery of funding to projects causes inefficiencies across the system. Funding must be steady, reliable, and consider long-term infrastructure realities in order to be effective.

The infrastructure deficit and needed investments represent an enormous opportunity. CCA and several partner organizations raised concerns last fall via the Canadian Infrastructure Report Card (CIRC), an in-depth report that analyzed seven categories of infrastructure assets using the data from the federally administered Canadian Core Public Infrastructure Survey.¹ This aging infrastructure provides a historic opportunity to replace our existing infrastructure and re-shape our communities in a more sustainable manner to combat COVID-19, the changing climate, and future challenges alike. Therefore, it is imperative to develop a longer-term strategy that spells out the commitments of all levels of government, including maintenance and training.

Recommendation #2

That the government urgently work with all provinces and municipalities to remove the barriers and red tape to get funds from the Investing in Canada Plan flowing immediately.

Recommendation #3

That the government commit to a 25-year plan for sustainable infrastructure investment in Canada, including maintenance and training.

Supporting the workforce of today and tomorrow

From local charity fundraisers to volunteering time and equipment for community projects, our industry is an integral part of communities across the country.

As we noted earlier, the construction industry employs about 1.4 million people. Many Canadians have lost their jobs due to COVID-19, while at the same time, construction is facing a labour shortage that is expected to worsen over time due to retirements and demographic shifts. The labour shortages will leave the construction industry with hundreds of thousands of jobs to fill by 2028.² Construction provides well-paying and rewarding jobs – but we must position the industry as a career of choice – attracting those from under-represented segments as well as STEM fields to drive innovation.

A national strategy to re-position the image of the industry as an inclusive sector with opportunities for career growth is essential to address the workforce shortage. Existing barriers like security clearances must also be addressed as they make it more challenging to hire skilled workers on a timely basis as well as those from under-represented groups.

¹ Canadian Construction Association, Canadian Association of Municipalities, Canadian Public Works Association, et al., *Monitoring the State of Canada's Core Public Infrastructure: The Canadian Infrastructure Report Card 2019* (Canadian Infrastructure Report Card, 2020).

The efforts of our association through the numerous charitable initiatives undertaken by our members in their local communities and CCA's long-term implementation of a diversity strategy is a signal of our commitment without the need for a formal legislative lens.

Recommendation #4

That the government work with industry on creating and retaining an inclusive workforce, and partner with CCA on the “Talent Fits Here” campaign designed to attract new talent to construction.

Strengthen investor confidence

In 2017, Statistics Canada released data showing direct investment into the country was \$33.8 billion – the lowest level since 2010 and well short of the record high of \$126.1 billion back in 2007.

Prior to the outbreak of COVID-19, a lower American corporate tax rate and less project risk, combined with the increased costs of doing business in Canada, made the U.S. more attractive for business investment. CCA strongly believes that restoring investor confidence is key to rebuilding a healthy and competitive national economy.

While CCA welcomed news that a decision was reached to green light the Trans Mountain expansion project prior to the last federal election, it is crucial that the government remove any regulatory challenges to the pipeline's construction. Any further interruption may impede investment, employment, innovation, technology, and sustainable development. It is especially important to maintain the integrity and timeline of all federal project reviews currently underway given the additional barrier of COVID-19.

The importance of maintaining a free-flowing system of trade and labour mobility between provinces is also essential. Interprovincial trade barriers and “buy-local policies” run counter to the principles of free trade and fair procurement. Protectionism is never the right solution. Now is the time for the federal government to lead the way and bring provinces and industries across Canada to work together in our pandemic economic recovery efforts. The benefits of free trade are well known. Removing trade barriers reduces the cost of doing business, which will increase investment and jobs.

Recommendation #5

That the government strengthen investor confidence and reduce red tape.

Partnering with construction on innovation



Canadian Construction
Association
Association canadienne
de la construction

Construction is one of the largest economic sectors in Canada, driven in part by the global demand for natural resources and the urgent need to modernize Canada's infrastructure. Yet, the Canadian construction industry lags behind other industrialized countries in productivity, innovation, and technology. To secure its path for growth, it is imperative that innovation and technological advancement be championed within the right policy framework.

With advances in technology and changes in the way we build, the federal government must take the lead and earmark spending to stimulate world-class, large-scale innovation and collaboration that will increase productivity, strengthen Canada's competitiveness, and help develop sustainability.

Investment in R&D in our industry will make direct, tangible improvements to Canada's economy. This should be encouraged by dedicating specific program funding and incentives that will encourage businesses of all sizes, particularly small and medium-sized enterprises (SMEs) to access and embrace emerging and sustainable technologies, materials, or processes.

Recommendation #6

That the government provide the necessary framework and investment to augment innovation in the construction industry.

On behalf of the Canadian Construction Association and our membership, I thank the Minister and the Department of Finance for its time and attention on this matter. We are proud of the role we play in *Building a better Canada* and would be pleased to provide any further information you require upon request.

Best regards,

A handwritten signature in black ink, appearing to read 'mvanburen'.

Mary Van Buren
President, Canadian Construction Association