



The Honourable Chrystia Freeland, P.C., M.P. Deputy Prime Minister and Minister of Finance
The Honourable Randy Boissonnault, P.C., M.P. Minister of Tourism and Associate Minister of Finance
Mr. Terry Beech, M.P. Parliamentary Secretary to the Minister of Finance
Finance Canada
90 Elgin Street
Ottawa, Ontario K1A 0G5

Dear Ministers and Parliamentary Secretary,

Thank you for this opportunity to contribute information and recommendations as you plan for Budget 2022.

You are governing through unprecedented challenges. In the Speech from the Throne, your Government outlined its plans to build a more resilient economy, including investments in public infrastructure and action to address the impacts of climate change.

These are indeed essential priorities. 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. And, as recent events have shown, the importance of building in resiliency cannot be overstated.

We can help. 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 63 local and provincial construction associations. Construction employs over 1.4 million people in Canada and generates roughly \$141 billion to the economy annually, accounting for 7.5 per cent of Canada's gross domestic product (GDP). It is truly the backbone of the Canadian economy.

The construction industry is ready and able to play its part in positioning this country for future challenges by helping to address aging infrastructure, increasing the resiliency of our infrastructure to climate change, and building the reliable infrastructure that connects supply chains and efficiently moves goods and services across borders. We are an inclusive and diverse industry, seeking to hire and retain a skilled and talented workforce with good paying jobs that can become a lifelong career.

We need the help of our government too. Commitments to infrastructure spending must be sufficient to close the serious gaps that have been identified and position Canada for the future; investments must be planned in a way that is coherent, long-term, and guided by an independent body that can align federal, provincial, municipal, and Indigenous needs; approaches to procurement must be streamlined



Canadian Construction
Association
Association canadienne
de la construction

and modernized. Finally, Canada needs to take more action to address the serious workforce shortage in the construction industry, as we brace for 22 per cent of our labour force retiring over the next decade.

The recommendations for Budget 2022 which are detailed below are aimed at advancing these important priorities.

On behalf of the Canadian Construction Association and our membership, I thank the Minister, Deputy Minister, Parliamentary Secretary, and the Department of Finance for your time and attention. We are pleased to contribute to your important deliberations in advance of Budget 2022 and stand ready to elaborate on this submission.

Best regards,

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

Mary Van Buren
President, Canadian Construction Association

RECOMMENDATIONS

Recommendation #1: Increase infrastructure investment.

The Government of Canada must act to close the gap between planned levels of investment and what is needed to address aging infrastructure, increase resiliency, and position Canada for the future.

Much of Canada's infrastructure was built in the 60s and 70s and is now at a critical inflection point. CCA and several partner organizations raised concerns 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.

The federal government is responding appropriately with such initiatives as 2016's 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. But more is needed. Future funding must consider long-term infrastructure realities to be effective. In addition, procurement must specify, and be prepared to pay for, building sustainability into our infrastructure. Funding must be predictable, flow quickly, and be aligned with provincial, municipal, and Indigenous needs (see Recommendation #3).

Investor confidence must be restored by reducing red tape, eliminating inter-provincial trade barriers, and incenting business investment in Canada.

Recommendation #2: Invest in trade infrastructure, including the Western Canada Gateway Trade Initiative.

The economy needs reliable infrastructure to connect supply chains and efficiently move goods and services across borders.

In 2019, Canada's trade-to-GDP ratio was just shy of 65%, the highest of any OECD economy. As a trading nation, part of positioning Canada for success in the future is ensuring that our goods can get to global markets. But our trade-enabling infrastructure is vulnerable, as demonstrated by the global pandemic, the impact of recent extreme weather events in British Columbia and the blockades that stopped commerce between Canada and the US. Canada needs to significantly recapitalize its trade corridor fund for long-term, strategic investment in trade-enabling infrastructure, including the Western Canada Trade Gateway & Corridor Initiative, to drive our nation's economic growth.



Canadian Construction
Association
Association canadienne
de la construction

Recommendation #3: Create an independent advisory body to guide infrastructure investment.

An independent advisory body can align federal, provincial, municipal, and Indigenous needs to address infrastructure deficits across Canada in the most rational way

The stability of having multi-year project pipelines, based on evidence and independent expert advice, would also enable the development of the necessary skilled workforce, and encourage private sector investment.

Recommendation #4: Modernize the Government’s approach to infrastructure procurement.

The federal government’s outdated procurement approach leaves little room for creative solutions and fair risk sharing. Innovative procurement can improve productivity, enable cost savings, and shorten the timeline for construction projects.

With productivity and sustainability issues on the rise, including net zero carbon targets, and shortages in material and labour affecting profit margins, now is the time to modernize procurement practices.

Federal procurement strategies need to adapt to encourage innovation, account for long-term value and sustainability, promote the use of alternative delivery models, and support shared risk. Innovative procurement and delivery methods can improve productivity, enable cost savings, and shorten the timeline for construction projects.

Recommendation #5: Work with the industry to build the workforce of the future.

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.

As noted above, the construction industry employs some 1.4 million people. Between retirements and demographic shifts, the construction industry will be left with hundreds of thousands of jobs to fill by 2028. Construction provides well-paying and rewarding jobs, but we must position the industry as a career of choice in order to attract candidates from both under-represented demographic segments and from STEM fields, to address shortages and drive innovation.

The Government’s recent initiative to promote the skilled trades as a strong first-choice career path for youth and young adults is a welcome first step, but more needs to be done since skilled trades are only part of the problem. The construction industry also needs engineers, project managers, project coordinators, and other professionals. Investing in programs to address workforce shortages, including prioritizing skilled immigrants and funding for apprenticeship placements, will provide a viable and inclusive employment sector for Canadians, while also attracting a diverse and skilled workforce.