



Canadian Construction
Association
Association canadienne
de la construction

Canadian Construction Association
Formal submission for consideration in advance of the 2023 Federal Budget

February 2023

Recommendation 1: Continue to partner with our industry in addressing the workforce shortage including through the modernization of Canada's immigration system.

Recommendation 2: Continue to update and modernize the Government of Canada's tendering and procurement models.

Recommendation 3: Increase funding for and outline the next steps of the Government of Canada's long-term infrastructure investment strategy to provide certainty and clarity to the industry.

Recommendation 4: Increase investments and strengthen our trade infrastructure, including funding projects like the National Plan for Trade Corridor initiative.

Recommendation 5: Prioritize the completion of the National Infrastructure Assessment and ultimately use it for the creation of an independent advisory body.



Canadian Construction
Association
Association canadienne
de la construction

February 9th, 2023

The Honourable Chrystia Freeland, P.C.,
M.P. Deputy Prime Minister of Canada and
Minister of Finance
Finance Canada
James M. Flaherty Building
90 Elgin Street Ottawa, Ontario K1A 0G5

Dear Minister Freeland,

On behalf of the membership of the Canadian Construction Association (CCA), I am pleased to provide you and the Department of Finance our formal submission in advance of the 2023 Federal Budget. I thank you in advance for the opportunity once again to participate in this process as you plan and roadmap the next steps of the country's economic recovery.

As the pandemic and its effects on the economy and public health slowly recede, we know you are faced with new challenges in the form of ongoing inflation, global supply chain issues and, if markets are to be believed, the looming threat of potential recession over the coming year. Your Fall Economic Statement in November reflected these threats and your government outlined plans to tackle those challenges and build a more resilient economy, including investments in public infrastructure, measures around immigration as a strategy to help businesses find workers and to attract the skills required in key sectors, and action to address the impacts of climate change.

We stand ready to be a partner to assist you in tackling these challenges. As you know, 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 1.5 million people in Canada and generates roughly \$149 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.

Our industry remained relatively strong during the pandemic and served as a pillar of strength and continuity in times of economic uncertainty. Governments of all stripes have used infrastructure spending and our industry as a way to retain jobs and stimulate the economy during periods of retraction and sluggish growth throughout Canada's history.

To optimize our impact on the Canadian economy and improve the quality of life of all Canadians, we seek from you and your Cabinet colleagues support and clarification to ensure long-term, stable, and predictable infrastructure funding, as well as the modernization of Canada's approach to project procurement in order to reduce red tape, increase the use of greener materials, and encourage risk sharing. We also seek continued partnership in tackling the workforce shortage that threatens our membership. Our industry has worked hard to attract those from underrepresented segments, creating a more inclusive



Canadian Construction
Association
Association canadienne
de la construction

and diverse workforce. And while those efforts will continue, the gap is still significant. If left unaddressed this issue will threaten the future growth of the industry by the end of the decade, and more importantly, Canada's well-being as critical projects are delayed or cancelled. We believe a re-balancing of qualifying criteria, more targeted programming, as well as the expansion of existing streams within Canada's immigration system can be key to solving it.

With that in mind, we put forward the following five recommendations for your consideration in the enhancement and protection of the Canadian economy.

RECOMMENDATIONS

Recommendation 1: Continue to partner with our industry in addressing the workforce shortage including through the modernization of Canada's immigration system.

The federal government is no stranger to the skilled labour shortage facing this country and within our industry. Construction employs 1.5 million people, and our industry will need to fill hundreds of thousands of jobs by 2028 brought on by shifting demographics and a spate of retirements. There is also the need to address growth to tackle the other challenges outlined above. In our most recent survey, the value of monthly building permits has reached \$3.9 billion, a 17 per cent increase over its highest recorded level seen since 2019. With the current demand for non-residential construction, BuildForce Canada forecasts that the industry will need to add over 113,000 workers by 2027. The industry requires engineers, project managers, project coordinators, skilled trades, and construction labourers – but an even more recent phenomena is a sharp increase for the need for city planners to stem a blockage of projects at the municipal level.

Our association and members have sought to address this through their own recruitment efforts, and our "Talent Fits Here" industry campaign that was launched in 2020, which seeks to attract and retain new talent to construction from traditionally underrepresented groups. We also believe that Canada's immigration system plays a vital role in helping solve these systemic issues and recognize the language in the Fall Economic Statement and 2023–2025 Immigration Levels Plan do as well.

Programs like the *Subsequent Temporary public policy to continue to facilitate access to permanent resident status for out-of-status construction workers in the Greater Toronto Area* are a great example of solutions to the needs of the industry that need to be repeated on a far greater national scale. We believe the point system needs to award more points to applicants with experience in trades, the civil sector, or as construction labourers, and that the NOC Codes should be reclassified so that the Labourer/Operator class can qualify for Express Entry.

We also believe it paramount to expedite the recognition of their training and credentials. The federal government needs to continue to work with provinces and territories to ensure skills matching is well aligned between jurisdictions, and properly funded and supported.



Canadian Construction
Association
Association canadienne
de la construction

Recommendation 2: Continue to update and modernize the Government of Canada’s tendering and procurement models.

CCA has the good fortune to collaborate in close cooperation with the Government of Canada culminating in a bi-annual engagement between our Board and senior representatives from Public Services and Procurement Canada, Treasury Board, National Defence, Infrastructure Canada, and Natural Resources Canada that spans back over a half century.

One of the issues of paramount importance to us that has been a part of these discussions for a few years now is the modernization of how infrastructure projects are tendered by the federal government. Our industry is eager to build sustainably and to be a partner in climate action. The government can accelerate this by updating its current procurement process to one that supports fair competition, innovation, and shared risk. Our organization outlined some of the best methods for achieving this in our 2021 white paper *“Strength, resilience, sustainability: Canada’s construction sector recommendations on adapting to climate change”*. But we have also more recently engaged our broader membership in a survey that indicated engaging with contractors earlier and moving away from the lowest bid model will encourage the use of new processes, better practices, alternative energy, and more sustainable materials. We also need reliable climate data, updated standards, and codes which the industry and suppliers can work toward.

Last fall’s Canada Green Buildings Strategy announced by Natural Resources Canada and the ongoing modernization of the National Building Codes have displayed promise for the advancement of these initiatives in respective sectors, but we would like to see it further reflected across the whole of government. Innovative procurement and delivery methods can improve productivity, enable cost savings, and shorten the timeline for construction projects.

Recommendation 3: Increase funding for and outline the next steps of the Government of Canada’s long-term infrastructure investment strategy to provide certainty and clarity to the industry.

The Investing in Canada Plan and its 12-year, \$180-billion scope was very much needed and eagerly welcomed by our industry and Canadians across the country when unveiled in 2016. It has been successful in ensuring a steady stream of projects and the improvement of aging assets across the country despite periods of backlog and disputes between the federal government and provinces/territories/municipalities over stream qualifications. As March 31, 2023 marks the last day where provinces can earmark remaining funding before it is redistributed elsewhere and with final deadlines set (although extended to 2033 to account for COVID-related delays), our industry turns to the Government of Canada once again to provide an updated long-term plan for infrastructure spending – one that will provide confidence for our members to invest in new technology, convert to low carbon materials and train staff which will help offset potential national economic ills as well as build a more resilient infrastructure to safeguard against climate change. It is also necessary in continuing to upgrade and fix much of the infrastructure built decades ago that is now reaching critical stages as previously raised by CCA and our partner organizations via the [Canadian Infrastructure Report Card](#) (CIRC).



Canadian Construction
Association
Association canadienne
de la construction

Recommendation 4: Increase investments and strengthen our trade infrastructure, including funding projects like the National Plan for Trade Corridor initiative.

As a trading nation, part of positioning Canada for success in the future is ensuring that our goods can get to global markets.

In 2019, Canada's trade-to-GDP ratio was just shy of 65 per cent, the highest of any OECD economy. Since then, global supply chains have experienced unprecedented shocks, including the pandemic, extreme weather events, and the illegal Russian invasion of Ukraine.

Canada has not been isolated from these shocks. Our trade-enabling infrastructure has been evidenced as vulnerable, as illustrated by the recent extreme weather events in British Columbia, Atlantic Canada, and the blockades that stopped commerce between Canada and the United States. While the increase in commodity prices during 2022 positively impacted Canada's balance of trade, without continued investment in critical infrastructure, as recommended by the National Supply Chain Task Force, including trade-enabling infrastructure, Canada will fail to harness trade with its international partners for its economic success.

Canada's economy needs reliable infrastructure to connect supply chains and efficiently move goods and services across borders. The funds must be predictable, flow quickly and be aligned with provincial, municipal, and Indigenous needs. In particular, the Government of Canada should invest additional funding into the National Trade Corridors Fund, expand the parameters of the Canada Growth Hub and support trade-enabling infrastructure such as the National Plan for Trade Corridor Infrastructure.

Recommendation 5: Prioritize the completion of the National Infrastructure Assessment and ultimately use it for the creation of an independent advisory body.

Hand-in-hand with the need for a new long-term spending plan is an update to our industry and all interested stakeholders on the next steps of Canada's National Infrastructure Assessment. Our membership participated in this initiative with great enthusiasm in our formal submission to Infrastructure Canada in June 2021 as we recognized its transformative potential for how projects can be funded in this country and the establishment of long-term vision. The cornerstone belief of our submission was that the establishment of an independent body, similar to the UK Construction Hub that was a direct result of that country's own National Assessment, would be the most practical way to align federal, provincial, municipal and Indigenous needs to address infrastructure deficits and undertake evidence-based long-term planning toward a net-zero emissions future. Though this remained a priority commitment in the last round of ministerial mandate letters, there has been no update on next steps since the Fall of 2021 and we are eager to move this crucial undertaking forward in collaboration with your government and truly "Build the Canada we want in 2050."



Canadian Construction
Association
Association canadienne
de la construction

Conclusion

On behalf of CCA and our membership, Minister, we thank you, your Cabinet and parliamentary colleagues, your staff and the Department of Finance for your work, time, and attention on this crucial matter.

We would be pleased to meet with you and your staff to discuss a roadmap that continues to support a prosperous, vibrant, and growing construction sector that we believe is crucial to ensuring Canada, its economy and its people fully emerge from the aftershocks of the pandemic and safeguard against potential recession in the months and years ahead.

Best wishes to you and your department on the development and implementation of Budget 2023-2024.

Warm regards

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

Mary Van Buren
President, Canadian Construction Association

CC:

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

Ms. Rachel Bendayan, M.P., Parliamentary Secretary to the Minister of Tourism and Associate Minister of Finance