



Written Submissions for the Pre-Budget
Consultations in Advance of the 2019 Budget

Submitted by
National Capital Heavy Construction Association

Recommendations

- Recommendation #1: That the government develop and implement a plan to expedite distribution of funding for the construction and maintenance of infrastructure.
- Recommendation #2: That the government provide funding for research and labour market data collection specific to the heavy construction industry.
- Recommendation #3: That the government provide funding for bridging and training programs.
- Recommendation #4: That the government provide funding for research and implementation of strategies to effect social change to improve public perception of the construction industry.

About the National Capital Heavy Construction Association

The National Capital Heavy Construction Association (NCHCA) represents the heavy construction industry (sewer and watermain contractors, road builders and aggregate producers) in the national capital region. Our industry is a significant economic driver, with over 9,000 employees in Ottawa and an annual capital investment of \$165 million. Our members play a vital role in the construction and maintenance of sustainable infrastructure.

We are pleased to participate in the 2019 pre-budget consultation on behalf of the heavy construction industry. In keeping with the theme *Economic Growth: Ensuring Canada's Competitiveness*, NCHCA's submissions are focused on steps the federal government can take to support and encourage Canadians and their businesses to grow the economy in the face of a changing economic landscape.

NCHCA's submissions are in two main categories: investment in infrastructure and addressing labour shortages.

(1) Investment in Infrastructure: building strong communities

Recommendation #1: That the government develop and implement a plan to expedite distribution of funding for the construction and maintenance of infrastructure.

Continued investment in infrastructure is critically important to the well-being of Canada.

Public infrastructures provide transportation routes for people and goods, ensures safe drinking water, processes waste, and protects our communities against flooding and other natural disasters. It is the foundation of our daily life. The strength of this foundation enables our communities and businesses to grow and ensures that we enjoy a high quality of life.

A specific focus on core public infrastructure – roads, bridges, water and wastewater, sewers and storm sewers – is critical to the ongoing health of our communities.

Budget 2018 reaffirmed \$180 billion towards commitments to infrastructure investments across Canada. However, due to the continued negotiation of bilateral agreements with the provinces and territories, and the funding process in place that requires municipalities to submit receipts for specific costs incurred, this funding has been distributed at a slower rate than forecasted.

Building and maintaining infrastructure will save the economy money that can be used for other social and economic investments. Reliable infrastructure that can withstand the effects of climate change will keep businesses running, people working and reduce costs of emergency response and societal disruption. The experience gained by Canadian firms in such efforts will enhance their competitiveness internationally to build, operate and maintain similar infrastructure in other countries. The benefit is to further increase the export of Canada's construction services enhancing our economy.

For the above reasons, NCHCA's first recommendation is that the government develop and implement a plan to expedite distribution of funding for the construction and maintenance of infrastructure.

(2) Addressing Labour Shortages: the need to support and promote the heavy construction industry

Recommendation #2: That the government provide funding for research and labour market data collection specific to the heavy construction industry.

The heavy construction industry is experiencing significant labour shortages. Over the next decade, Canada will see more than one fifth of its construction labour force retire.¹ The exit of 2 in 10 construction workers to retirement represents a significant loss of skills and experience.

Our heavy construction members have identified that their current greatest shortages are in the areas of (1) field personnel, (2) engineers and civil engineering technicians and (2) project managers.

NCHCA recommends that the federal government invest in better labour market data collection specific to the heavy construction industry so that employers, employees, and prospective newcomers have a true picture of national and regional heavy construction labour market needs and opportunities. This information would guide the education system, industry decision-makers, governments and individuals to maximize and most effectively contribute to Canada's economic growth.

Improved labour market information and planning should include research on whether the education system is meeting the needs of industry. It is important to verify that Canadian learning institutions have the resources to prepare their students to meet future employment needs. Such information will greatly improve the students' success and contribution to economic growth.

The heavy construction industry would use this information to develop relevant programs and recruitment strategies to address the current and anticipated labour shortages.

NCHCA therefore recommends that the government provide funding for research and labour market data collection specific to the heavy construction industry.

(3) Bridging and Training Programs: preparing workers for the construction industry

Recommendation #3: That the government provide funding for bridging and training programs.

The government should work with industry and educational institutions to fund and support training of students and exposure to the construction industry. Students need early exposure to the heavy construction industry to make informed decisions and more frequent opportunities for on-the-job and safety training to gain work experience and to be better prepared for their future employment. The government should finance a mixture of programs that includes government subsidies for a portion of the salary to encourage employers to hire and train new staff, internship opportunities in in-demand fields and bridging programs. The better prepared individuals are upon entering the workforce, the more they will contribute to Canada's economic growth.

A strong construction industry drives employment and job security in Canada. The government must not only focus on skilled trades when they invest in apprenticeships and create subsidies and tax breaks, they must place similar emphasis on the challenges faced by all workers in the construction industry, including unskilled workers.

¹ Buildforce Canada Report on Construction and Maintenance Looking Forward, 2018-2027.

Promoting and funding diversity in Canada's workforce will help promote economic growth. A balanced workforce is about more than just reflecting Canada's demographics. A diverse workforce includes the best talent from all parts of society and adds greater value to the country. This support will help raise household income, lower household debt and raise morale as more and more members from diverse backgrounds feel a stronger sense of contributing to Canada's future. Improving diversity has an incredible return on investment. It leads to more members of society finding fulfilment in their work, more inclusionary practices, and better chances of generating idea combinations that can be truly ground breaking. It also drives employee engagement, leading to more productivity. Initial investments in attracting and training workers to the construction industry are vastly outweighed by the social and economic benefits.

We encourage the government to be a leader in funding bursaries, mentorship and apprenticeships that encourage Canadians to pursue careers in the construction industry. Furthermore, increased participation of underrepresented groups will be necessary to fill construction positions in Canada over the next decade.

For these reasons, NCHCA recommends that the government provide funding for bridging and training programs.

(4) Effecting Social Change: attracting workers to the heavy construction industry

Recommendation #4: That the government provide funding for research and implementation of strategies to effect social change to improve public perception of the construction industry.

NCHCA is of the view that significant social change is necessary to attract workers to the heavy construction industry.

Funding for research and activities that support social change on a national basis are necessary to evolve and promote the perception that the heavy construction industry is a truly great industry with excellent salaries, benefits and unlimited opportunities.

Social change is necessary to effect a change in the perception that students, parents and society in general hold that the construction industry is an undesirable career choice. A social change approach would require collaboration and input from senior leaders representing the heavy construction industry in Canada. These organizations realize that the heavy construction industry underlies all parts of Canada's agenda, but that there are currently many structural and cultural challenges holding back the industry's contribution. Therefore, Canada needs to invest in the social change of the industry itself to permanently enhance its reputation.

Funding will be required to catalyze a broad movement to evolve the perception of the industry and promote it to fully contribute to Canada's economic, social and environmental objectives.

NCHCA recommends strongly that funding for social change research and activities be provided to address the critical labour market shortage faced by the industry.

In conclusion, critical investment in the construction and maintenance of infrastructure and funding of activities that address labour shortages are necessary to stabilize the heavy construction industry and support and encourage Canadians and their businesses to grow the economy in the face of a changing economic landscape

NCHCA would welcome the opportunity to appear before the Committee as a witness during the pre-budget hearings. NCHCA has not previously appeared before the Committee.

For additional information, please contact:

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