

June 29, 2020

The Hon. Tom Lukiwski
Chair, Standing Committee on Government Operations and Estimates
Sixth Floor, 131 Queen Street
House of Commons
Ottawa, Ontario
K1A 0A6

RE: Response to further questions after CCA's June 5 appearance before the Standing Committee on Government Operations and Estimates

On behalf of the Canadian Construction Association (CCA) and its members, I want to thank the Standing Committee on Government Operations and Estimates for the opportunity to share concerns and perspectives from the construction industry. CCA represents more than 20,000 member firms drawn from 63 local and provincial integrated partner associations and gives voice to the public policy, legal and standards development goals of contractors, suppliers and allied business professionals working in, or with, Canada's heavy civil, institutional, commercial and industrial (ICI) construction industry.

As Canada looks to revitalize its economy in the wake of the COVID-19 pandemic, investing in infrastructure is now more important than ever. There has historically been, and remains to this day, a strong correlation between infrastructure investment and economic growth. Analysis of past data has put the infrastructure spending multiplier at about \$1.35 for every dollar spent. Investing in infrastructure will help weather the economic effects of this pandemic for years to come.

At a time when many workers from such other employment sectors as the service and hospitality industries have been displaced, the construction industry is poised to attract and employ new talent. Investing in infrastructure will stimulate economic growth job creation and other long-term financial benefits, such as additional tax revenue for all levels of government, improved supply chain efficiency, and increased private capital investments. As evidenced by provincial and federal announcements to increase infrastructure spending, investing in infrastructure is integral to post-pandemic recovery efforts.

The construction sector is one of Canada's largest employers and a major contributor to the country's economic success. The industry, 70 per cent of which is made up of small and medium enterprises, employs more than 1.5 million Canadians and contributes 7 per cent towards Canada's Gross Domestic Product (GDP). While our members, both large and small, are eager to contribute to the recovery of the Canadian economy, it is important to note at this juncture that construction companies are currently responsible for the incurrence of any associated costs of operating through the COVID-19 pandemic.



Canadian Construction
Association
Association canadienne
de la construction

Although our members support a strong construction industry working at full capacity as part of Canada's attempts to revitalize its economy, they cannot take on this financial responsibility alone. Consequently, our members have expressed a need for government fairness in sharing the financial burden of delays and cost impacts associated with the pandemic now and going forward.

The economic effects of COVID-19 on the construction industry are difficult to ascertain at present; however, a brief survey conducted by CCA in June revealed that approximately 55 per cent of respondents have applied for the Canada Emergency Wage Subsidy (CEWS). As a result of the financial support granted through the CEWS program, around 42 per cent of respondents were able to rehire one to 10 employees, while 8.5 per cent were able to rehire 10-50 employees. Additionally, about 4 per cent of respondents were able to rehire more than 200 of their employees. Although this survey represents a small portion of the situation throughout the construction industry, it is evident that the federal government's initiatives have been vital in keeping businesses afloat and workers employed in what would otherwise have been an extremely difficult period of financial hardship.

CCA would like to once again extend its appreciation to Parliament and the federal government for taking swift action in supporting Canadians and businesses during the COVID-19 pandemic, as well as for this opportunity to provide the Standing Committee on Government Operations and Estimates with additional information and written submissions.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'mvan'.

Mary Van Buren
President