



National Infrastructure Assessment Consultation

INTRODUCTION

The National Trade Contractors Council of Canada (NTCCC) commends the work of the federal government for committing to a National Infrastructure Assessment aimed at meeting the country's long-term social, economic and environmental ambitions.

The NTCCC recognizes that the prioritization of infrastructure investments and the empowerment of the construction sector are central to driving Canada's economic needs into the future. Construction in Canada creates jobs, establishes and maintains vital community assets, and improves the quality of life for all Canadians. As the voice for trade contractors across Canada, we are pleased to participate in the National Infrastructure Assessment by providing our unique insights and industry expertise.

The NTCCC is a group of ten major Canadian trade associations that have come together to identify issues of common interest and represent the voices of contractors across the country. The members of NTCCC are actively involved in several projects to assist, not only the constituent membership of each association, but the industry as a whole. The trade associations that we represent include:

- Mechanical Contractors Association of Canada
- Canadian Electrical Contractors Association
- Canadian Masonry Contractors Association
- Canadian Automatic Sprinkler Association
- Canadian Roofing Contractors Association
- Ontario Sheet Metal Contractors Association
- Thermal Insulation Association of Canada
- Interior Systems Contractors Association of Ontario
- Canadian Institute of Steel Construction
- Contractors Division of the Heating, Refrigeration and Air Conditioning Contractors of Canada

Currently, over 80% of total construction work in Canada is completed by trade contractors and their employees. There are over 1.5 million Canadians employed in Canada's construction sector and the industry accounts for over \$140 billion of Canada's annual GDP. Trade contractors will



play a key role in guiding our country's construction sector in a post-COVID Canada, making it crucial that our perspectives are included in the priority-setting for Canada's 2050 infrastructure vision.

Trade contractors and their workers reacted swiftly to the challenges presented by the COVID-19 pandemic. Through shutdowns and restarts, to implementing new and evolving health and safety protocols and dealing with material supply issues, trade contractors managed to safely keep building, with a low number of cases compared to the size of the labour force. This illustrates the rapid response capability of this critical segment of Canada's economy. That is not to minimize the challenges faced by these same firms in respect to increased costs, lower productivity and impacts on schedule that are the direct result of the pandemic.

Trade contractors are not usually invited to participate in discussions regarding the future of Canadian infrastructure. In most cases, trade contractors are the second-tier supplier with a contractual relation to the general contractor rather than the owner. However, the trade contractors do the majority of work on many types of construction projects and therefore provide the labour and participate in the training of workers to meet the market demand.

It is critical that trade contractors be part of this conversation regarding an infrastructure strategy, not only to lend their perspective but to have the opportunity to assess labour force impacts and be able to respond to the forecast demand.

Summary of Themes/Considerations

- 1. Governance**
- 2. Vision & Scope**
- 3. Reaching Canada's Full Infrastructure Potential**



Governance of National Infrastructure Assessment

Creating a National Infrastructure Assessment provides an opportunity to develop mechanisms and best-practices that facilitate consistent improvement in meeting Canada's infrastructure demands. The *Engagement Paper on the National Infrastructure Assessment* has highlighted three priorities in achieving Canada's infrastructure potential:

- 1) Assessing infrastructure needs and establishing a long-term vision;
- 2) Improving coordination among infrastructure owners and funders; and
- 3) Determining the best ways to fund and finance infrastructure.

The NTCC believes that the key to the success will be ensuring that the mechanisms to support the Assessment are properly governed and informed by industry expertise.

The supporting governance structure for the National Infrastructure Assessment should be shaped by three principles to achieve short and long-term success:

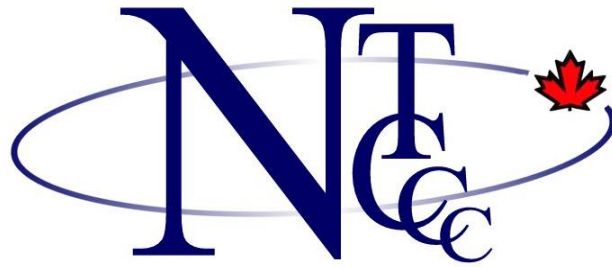
- 1. Industry expertise.** In order to identify current gaps in our infrastructure, gather on-the-ground insights, and establish key best practices, it is crucial that the National Infrastructure Assessment is informed by the expertise and insights of industry. Industry experts are best positioned to advise the government on where issues exist and how they can be resolved.
- 2. Regular evaluation.** The National Infrastructure Assessment has the potential to have a significant positive impact on how we plan and set priorities for infrastructure development. To maintain the positive impact and relevance of the Assessment, it must be consistently reviewed and evaluated. Regular evaluation will also provide an opportunity to track our progress on Canada's long-term vision while balancing short-term realities and goals.
- 3. Non-partisanship.** To maintain its long-term usefulness and credibility, there should also be a concerted effort to remove partisanship from the Assessment. Creating a governance structure that is independent and arms-length from government maintains a strong long-term vision despite changing government mandates, which will be crucial to the overall success of the Assessment.



To achieve these principles, the NTCCC recommends that the federal government learn from the model in the United Kingdom where a National Infrastructure Commission was created to undertake the Assessment. Based on the UK model, it is recommended that the Canadian commission:

1. Be created as an independent arms-length government body. Establishing the commission's clear independence from elected officials will allow for it to be wholly non-partisan and be informed primarily by industry experts. Removing the potential for political involvement will also create long-term consistency, amidst changing government mandates.
2. The advisory board should have a President appointed by the Minister of Infrastructure and Communities and have adequate resources and staff to gather evidence, conduct regular assessment updates and submit recommendations to the Minister – who is ultimately accountable to Canadians on the execution of infrastructure programs, plans and the broader vision that this Assessment should strive to set out. Creating a clear structure and providing resources will be central to long-term evaluations and Assessment updates and reviews by the commission.
3. The advisory board should be made up of other commissioners, who will act as representatives with a wide array of experiences and perspectives on Canada's infrastructure needs. Examples include:
 - Industry representatives
 - Economic experts/academics
 - Senior public servants at Infrastructure Canada
 - Indigenous, First Nations and Métis representatives
 - Representatives that provide regional balance/representation (i.e., provincial & municipal representatives)

Ensuring a balance of skills, perspectives and regional distribution will be key to highlighting and addressing the strengths and weaknesses of Canada's infrastructure development. Although there should be representatives from several perspectives in the construction sector, the commission should include representation from Canada's trade contractors. Trade contractors have historically been left out of both the policy and project stages when it comes to infrastructure investments, even though these contractors employ 80% of Canada's total



construction labour force. With trade contractors involved at an early strategic planning stage, they will be able to inform the conversation around labour market supply and the training regime needed to accomplish the larger vision. In respect to green construction the position of the trades was always once it is designed, we will build it. The trade contractors and their employees have demonstrated over and over that they can adapt, upgrade and work with the design community to achieve critical objectives. Their perspective on all matters related to Canada's 2050 infrastructure vision will therefore be invaluable in future stages of developing and maintaining the National Infrastructure Assessment.

Vision & Scope

In developing Canada's first National Infrastructure Assessment, it will be important that the government establish a scope and mandate for the Assessment that factors in the wide-range needs of the construction sector at all stages of the infrastructure process - from design, procurement, construction, and project maintenance. For example, this means that while we consider what Canada's infrastructure in 2050 should encompass and achieve, we also need to consider how to develop and invest in the labour force that will support the realization of this vision.

From the perspective of the NTCCC, there are several key areas that the government should consider when defining the mandate of the Commission and Assessment. These considerations include:

1. Examining private and public funding mechanisms and barriers to efficient allocation of infrastructure dollars in the short-medium term;
2. Examining Canada's training and employment regime for skilled tradespeople, especially for historically underrepresented groups in the trades and having the right people with the right skills in all areas of the country, including rural, remote and northern communities;
3. Examining the scalability and diversification of infrastructure investments and how current practices support those working in the sector, the varied needs of Canadian communities, and individual Canadians; and



4. Examining current data collection practices for all public infrastructure programs to achieve maximum accountability and efficiency for all parties involved.

Reaching Canada's Full Infrastructure Potential

To achieve Canada's full infrastructure potential, NTCC has identified a number of elements that are crucial to a successful strategy.

First, there must be a full understanding of the reasons behind the delays in getting projects underway. For decades, projects have lagged behind their investment and deployment goals. Unfortunately, we are currently seeing this again with the Investing in Canada Plan. According to the Parliamentary Budget Officer, federal investments continue to be delayed at around \$2 billion through the first years of the plan.¹ These are critical dollars that are needed on the ground to create jobs and stimulate an uneasy construction market.

Inconsistencies in investments making their way to projects on time has a significant impact on trade contractors and the construction sector as a whole. Without a strong idea of what projects will be funded and when, the industry is unable to plan for a sufficient workforce, what equipment will be needed and what an efficient timeline would look like. Planning issues lead to delays and delays take away from Canada's ability to be an efficient infrastructure leader.

The infrastructure commission should work with all levels of government and industry leaders to identify barriers to efficient investment across the country and develop a consistent plan for project approval, investment and deployment.

The second element that is crucial to success is capacity-building that allows for both long-term transformative projects and a rapid deployment stream for specific types of builds, so as to be able to respond to changing market conditions. As we have seen this year with the COVID-19 pandemic, external events can have a profound impact on the market and can negatively impact jobs and infrastructure development in the immediate-term, especially when public funding is already set for long-term large-scale projects. When there is immediate-term insecurity and a

¹ Update on the Investing in Canada Plan, 2020. https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/RP-2021-008-S/RP-2021-008-S_en.pdf



lack of funds allocated for smaller projects that communities need, the construction sector suffers. When the industry's view of the market is uncertain, it tends to curtail investment and workforce development, even in light of long-term forecasts of labour shortages. In order to address this issue, the Commission should recommend a plan that can facilitate the rapid approval and deployment of funds based on shifting market needs.

In addition to eliminating project delays and creating a rapid deployment stream, there needs to be a concerted effort to collect data and assess outcomes. Currently, the construction industry struggles to determine where public money is going and when it will be ready to be used. Infrastructure investment announcements through the *Investing in Canada Plan* and the Canada Infrastructure Bank's Growth Plan are appreciated by the industry. However, once funds are announced, there is a lack of clarity on when dollars will make their way to the ground, or why projects have been delayed.

To provide industry with confidence and understanding regarding public investments, the Assessment should create a regular data reporting model that will provide up-to-date information to the industry. This model should cover not only what is approved, but what projects have been started or delayed, as well as benchmarking the results on an annual basis.

Finally, the NTCCC recognizes and appreciates the government's commitment to creating transformative long-term green infrastructure projects. Investing in innovation will be crucial in ensuring Canada's infrastructure is in line with the needs of the future. That said, it is equally important for the assessment to account for the types and sizes of projects that are inclusive and reflective of regional and local needs. According to the 2019 Canada Infrastructure Report Card, 150,000 kilometres of road are in poor or very poor condition.² In addition, over 30% of water facilities are either in fair, poor or very poor condition. Combined with the lack of access to housing and proportional healthcare facilities across the country, it is clear that there are many current priorities and projects that need to be completed in the short-term. Since local communities and their governments know their needs best, it is important that the assessment develops recommendations that allow for flexibility in the execution of projects.

² Canadian Infrastructure Report Card, 2019. <http://canadianinfrastructure.ca/downloads/canadian-infrastructure-report-card-2019.pdf>

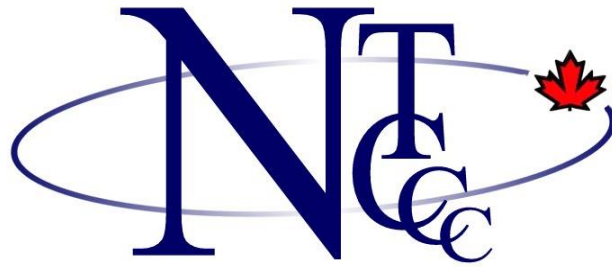


The current federal Gas Tax Fund is a laudable program that involves decision-making from all levels of government and allows for the rapid deployment of funds. However, the project-by-project approval system creates unnecessary delays for local communities attempting to address their needs. To create efficiencies and provide communities with the flexibility to deliver on their infrastructure goals within their own timeline, allocation of dollars as part of all infrastructure spends should be based on community asset management plans. The Infrastructure Assessment and Commission would develop guidance and objectives for communities to adhere to and long-term plans would receive funding and be reviewed on a regular basis. Moving from a project-by-project basis to asset management for public investments will improve efficiencies and provide local communities with the flexibility to get projects underway depending on immediate need.

CONCLUSION

Through its first ever National Infrastructure Assessment, Canada has an opportunity to deliver transformative change to the way we think about and deliver infrastructure. With a strong foundation and leadership, the government will be able to promote economic growth and create jobs, tackle climate change, and make sure we are leveraging infrastructure to continuously improve the quality of life for all Canadians. This foundation starts with determining the right vision and governance structure. It will be crucial that the Assessment is sustainable, independent and has the right people at the table to be successful in reaching its objectives for 2050.

Among those involved in this assessment, it is vital that the government include the construction sector, and particularly, trade contractors. Trade contractors are the on-the-ground experts who do the majority of the work on many different construction projects and are responsible for training workers and providing the labour to meet the market demand. In many ways, trade contractors offer an invaluable perspective with insights into the main problems and solutions when it comes to infrastructure projects and the construction market generally. To reach its full potential, the Assessment should recognize the contributions of industry leaders and ensure their voices are central.



That said, the construction sector is ready and eager to meet the challenge of achieving Canada's 2050 infrastructure vision. In order to best serve the country's needs there must be an understanding of the ongoing barriers that prevent efficient work, especially delays in the deployment of public investments. While thinking of the long-term goals and planning for the future, the unpredictability brought on by COVID-19 has shown us that the Assessment should develop recommendations for the rapid deployment of investments based on changes in short-term market conditions. For the industry to properly plan for the future, the Assessment must also improve how we collect and provide data. The construction sector should have an idea of the status of investments and projects to ensure the appropriate labour force and other resources are accounted for. Finally, long-term aspirational infrastructure projects aimed at reaching our net-zero targets are crucial but the Assessment should also take into consideration the short-term regional and diverse core needs of communities across the country. Improving communication and coordination between industry, owners and funders will solve many of our current problems, while also setting us up for success in the future.

The NTCC applauds the federal government for taking on this ambitious but necessary step to create a National Infrastructure Assessment. This Assessment will give us the tools to grow our capabilities as a country and build a sustainable plan for future generations. We look forward to the Assessment's next steps and further opportunities to participate.