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MERIT CANADA

# CANADIAN CONSTRUCTION InSITES

FEDERAL ELECTION 2021

## Merit Canada Presents a Blueprint for Prosperity



**Walter Pamir**  
*Chair, Merit Canada*

On September 20, Canadians once again have the opportunity and responsibility to cast federal ballots, and to choose a government committed to policies and actions that will build significant, shared and sustainable prosperity across the depth and breadth of our country.

Construction activity – already the source of 1.5 million direct Canadian jobs – will be a tremendously important part of that prosperity and the resulting government revenues. But our sector relies on well thought-out policies, and on a healthy broader economy that drives strong demand for our services.

Construction held up remarkably well during the pandemic, but COVID-19 was still a major economic shock.

And as we increasingly focus on recovery, Canada faces significant challenges in the global competition for investment, many of them self-inflicted.

Merit Canada has therefore prepared a national policy document setting out our views, and detailed recommendations that we hope

the government elected this month takes to heart and acts on. You can review this blueprint in full at [www.merit-canada.ca](http://www.merit-canada.ca), and a summary version is presented here.

A federal ballot is always an important choice, and the stakes are particularly high under today's unprecedented circumstances. Merit Canada encourages everyone in the sector to give careful thought to the challenges and opportunities our country faces, and we hope you'll find useful insights here.



### Five Pillars for Federal Policies and Actions

Merit Canada's national election blueprint defines five policy pillars that we urgently need to strengthen if we want to find our footing in a post-pandemic world and increasingly competitive global economy.

1

**Investment,  
Trade and  
Growth**



2

**Open and Fair  
Government  
Procurement**



3

**Responsible  
Resource  
Development**



4

**Building  
Infrastructure**



5

**Skills, Training  
and Education**



# Where and Why We Need Federal Action

## Investment, Trade and Growth: Concerted Effort to Improve Competitiveness

A growing economy – and the jobs and tax revenues that go with it – starts with private sector investment. But our recent track record in Canada is weak:

- Outbound foreign investment has exceeded inbound investment since 2014
- Growth and job creation are uneven across the country
- Canada ranks 23<sup>rd</sup> globally for ease of doing business (World Bank review)

And we face strong headwinds as we try to get back on track:

- Ongoing pandemic and COVID variants
- Dramatically elevated government spending
- Demographic challenges
- US competition and protectionism
- Turbulent relations with China

### Re-gaining investor confidence will depend on:

- Reasonable taxation levels
- Reduced red tape and regulatory burdens
- Labour market flexibility
- Openness to international trade

1

## Open and Fair Government Procurement: Fairness and Transparency

Public construction procurement  
should be open to all contractors,  
whether: ✓

- Non-union
- Non-affiliated
- Traditional/craft union
- Organized through Employee Association

Governments should seek best value at lowest reasonable cost, without favouring any group.

BC's flawed and discriminatory 'Community Benefits Agreements' must be avoided.

**The model:**

Anyone working on designated provincial construction projects is forced to join a government-approved building trades union.

**The result:**

85% of the BC construction sector and workers are shut out from this work.

**The cost:**

- Complex and inefficient procurement processes
- \$4.8 billion in unnecessary extra costs in next three years
- Project scope reductions to stay within budget
- Sub-standard training outcomes

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It's **easier than ever to vote** in the federal election: Advance polls are open Sept. 10-13. And you can apply online to vote by mail – or vote at any of the hundreds of Elections Canada offices – up to 6:00 pm on Tuesday, September 14. For more information: [www.elections.ca](http://www.elections.ca)



# Where and Why We Need Federal Action

## Responsible Resource Development: Ending the Under-Appreciation

### Canada's energy industry:

- Is the biggest private sector investor in Canada
- Invested \$4 billion in 2017 alone
- Pays an estimated \$15 billion to government annually

But recently, federal policy makers have failed to focus on getting Canadian energy resources to market.

### Federal policy makers have actively inhibited natural resource investment:

- Bill C-69 – New costs and complexities for major project permitting
- Bill C-48 – Made Canada's northwest coast a "no exports" zone for oil

### We need a federal commitment to: ✓

- Timely and reliable project approvals
- Effective execution of national infrastructure projects
- Coordination of all stakeholders and rightsholders
- Climate action focused on where Canada can contribute most

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See back page for a listing of Merit Canada recommendations under each of these headings. **And you can read the full policy blueprint at [www.merit-canada.ca](http://www.merit-canada.ca)**

## Building Infrastructure: Renewing Essential Connections

### Investment is urgently needed: ✓

- We must address the "infrastructure deficit" provinces and municipalities face.
- We need multi-year federal funding commitments to infrastructure renewal.
- With a focus on investments that help accelerate growth in export trade.

### Lack of affordability is hurting families:

- World Bank rates Canada 64<sup>th</sup> in time it takes to process construction permits.
- This is constraining supply and driving the housing crisis in Canadian Cities.

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## Skills, Training and Education: Building Tomorrow's Talents

### Training calls for collaboration: ✓

- Federal policy makers have an important role in ensuring a skilled workforce across Canada.
- They must work with provincial counterparts to equitably provide training and incentives.

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# Merit Canada's Blueprint for Shared Prosperity

The following is an abbreviated statement of the 24 specific recommendations, under five pillars, that Merit Canada has put forward in its election blueprint. Read them in full at [www.merit-canada.ca](http://www.merit-canada.ca).

## 1 Investment, Trade & Growth

- Review and simplify Canada's complex tax system.
- Review and streamline Canada's overall regulatory burden.
- Review the *Canada Labour Code*, and restore secret ballot votes on union certification in federally regulated workplaces.
- Ensure access to steel products from international markets.
- Develop a comprehensive pan-Canadian, export-oriented jobs and investment plan.
- Put forward a plan to reduce the level of taxpayer funded debt and normalize government spending.

## 2 Open and Fair Government Procurement

- Maintain open, fair and transparent procurement processes, without preference for any defined group of contractors.

## 3 Responsible Resource Development

- Develop a framework and policies to ensure full Indigenous partnership in economic opportunities.
- Develop a vision, strategy and plan to advance responsible resource development.
- Replace Bills C-69 (project impact assessment) and Bill C-48 (tanker ban).
- Focus on incremental pan-Canadian LNG development.
- Develop a realistic climate action plan, and market Canadian LNG as a transition fuel.

## 4 Building Infrastructure

- Speed up approval and permitting of construction projects (housing in particular).
- Enhance commitments to multi-year federal cost-sharing for infrastructure renewal.
- Support infrastructure that connects communities, improves goods and people movement, and decongests highways.
- Support major port infrastructure development to improve Canada's export capacity.
- Improve access to highspeed internet and wireless network capacity.
- Invest in targeted airport infrastructure.
- Invest heavily in urban transit infrastructure.

## 5 Skills Training and Education

- Provide federal funds for training programs, in partnership with the provinces.
- Significantly expand the tax credits for employers training apprentices.
- Provide targeted support for new trades training spaces and new training facilities.
- Ensure apprenticeship funding is provided without preference based on union affiliation.
- Support entrepreneurship as a component of apprenticeship, and support succession planning for construction contractors.



*Construction InSites* covers issues and current developments relating to the construction sector federally and within the provinces represented by Merit Canada. It is produced regularly for member contractors, policy makers and commentators, and for all Canadians with an interest in workplace democracy, accountability and transparency within one of the nation's most important industries.

### Member Associations



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