



**THE NATIONAL TRADE CONTRACTORS COUNCIL OF  
CANADA (NTCCC)**

**Submitted: February 10, 2023**

## **SUMMARY OF RECOMMENDATIONS**

1. NTCCC recommends that the federal government expedite the introduction of regulations for the *Federal Prompt Payment for Construction Work Act* and bring the Act into force.
2. NTCCC recommends that the federal government create a joint inter-departmental and industry advisory group to assist in efficient infrastructure investing and expansion of Canada's labour capacity based on evolving market needs.
3. NTCCC recommends that the federal government expand immigration supports for skilled tradespeople coming to Canada, and invest in short-term training and upgrading skills development programs to assist in the rapid transition into the workforce.

**Recommendation #1: NTCCC recommends that the federal government expedite the introduction of regulations for the Federal Prompt Payment for Construction Work Act and bring the Act into force.**

In 2019, the government passed the *Federal Prompt Payment for Construction Work Act*. This legislation was an important policy step to bring us in line with our allies, including the United States, United Kingdom, Australia, and the European Union, and to reduce significant barriers for contractors that prevent job creation and investment in Canadian industry. Despite this historic step, the government has yet to implement regulations allowing for the benefits of the legislation to be fully realized. Draft regulations have continuously been delayed and pushed down the road. The federal government must act now so that they are able to harmonize federal regulations with the provinces that have moved ahead with similar legislation.

The consequences of these implementation delays are economically significant for trade contractors, who have already seen inconsistent cash flow and work during the course of and subsequent to the COVID-19 pandemic. Coupled with ongoing labour shortages, higher interest rates, and supply chain issues, trade contractors continue to face mounting challenges as we move beyond the pandemic. This not only impacts small- and medium-sized businesses, but these challenges also result in limiting apprenticeship opportunities for students looking to enter the sector.

The need for the *Federal Prompt Payment for Construction Work Act* has long been established and is widely accepted by both industry and government alike. Many provincial jurisdictions have already implemented their own prompt payment legislation; bringing federal prompt payment legislation into force will create harmonized regulations across jurisdictions.

NTCCC believes that draft regulations must not be delayed further. We are calling on the government and federal decision-makers to ensure that these regulations are introduced promptly, and that the Act is brought into force.

**Recommendation #2: NTCCC recommends that the federal government create a joint inter-departmental and industry advisory group to assist in efficient infrastructure investing and expansion of Canada's labour capacity based on evolving market needs.**

NTCCC knows that investment in infrastructure is the best way to help Canadian communities and enhance Canadians' quality of life. By leveraging infrastructure investments, the government can use the trade contractor sector and its growth as a key driver in Canada's economic growth and stability. Trade contractors employ a significant majority of construction workers and support apprenticeship training, both financially and through on-the-job training, across the country.

To ensure there is harmony and predictability with infrastructure investments and the supply of labour to meet demand, there needs to be strong coordination between government agencies and industry. Committed, structured and consistent consultation with industry will alleviate these issues and give a more realistic perspective on what can be delivered on a year-to-year basis. The creation of a joint inter-departmental and industry advisory group that includes representatives from relevant federal departments, industry stakeholders, and provincial/municipal representation to examine ongoing infrastructure investment needs and plan for the expansion of labour and market capacity.

This advisory group would present a short- to medium-term solution to address infrastructure investments. In the long-term, NTCCC believes that the National Infrastructure Assessment will serve as an important vehicle for independent industry advice for this sector. A long-term strategy informed by annual reviews will be critical to ensuring efficient delivery of projects and will provide the trade contractors' industry with the ability to plan for upcoming projects.

**Recommendation #3: NTCCC recommends that the federal government expand immigration supports for skilled tradespeople coming to Canada, and invest in short-term training and skills development programs to assist in the rapid transition into the workforce.**

NTCCC applauds the commitments set out in the 2021-2023 Immigration Levels Plan; NTCCC shares the belief that skilled newcomers will play an important role in driving economic growth into the future. Over the next seven years, the skilled trades sector will lose approximately 700,000 skilled workers due to retirements, with many having already begun to transition out of our labour force. This will require the industry to recruit over 170,000 workers. This labour shortage must be addressed immediately with a robust influx of skilled trades workers with experience in our sector.

In order to recruit and retain these skilled trade workers, the government should also make it easier for these newcomers to move through our workforce with flexibility. By expanding sponsorship opportunities to larger 'industry groups', in addition to individual employers, newcomers will have increased opportunities to gain experience in their relevant field. These industry groups could include unions, employer groups, or regional trades committees. Allowing for industry groups to sponsor an eligible foreign worker provides more flexibility and mobility for that individual to find employment and stay in Canada. Current immigration timelines within existing programs, such as the Temporary Foreign Worker Program, must also be examined in order to reduce delays between the selection of an applicant and their approval.

In addition to providing greater mobility and flexibility for these newcomers, it is also important that we are strengthening efforts to efficiently assess their existing skills, upgrade outstanding skills and ultimately certify them to work in Canada. To do so, the federal government should increase investments in provincial training institutions and colleges that handle assessment, upgrading, and certification of foreign workers. Doing so would highlight the importance of the certificates and diplomas that are the cornerstone

of the skilled trades, and reduce reliance on post-secondary academic credentials, which are currently prioritized within the immigration process.

## **Conclusion**

Budget 2023 must chart a plan for economic resiliency that addresses inflationary pressures, shortages in the labour market, and supply chain constraints. This will be necessary to reinforce predictability and consistency in infrastructure investments, and to support the skilled trades workforce needed to deliver these projects. The federal government has made commitments to drastically expand our affordable housing supply and achieve a net-zero infrastructure transition. NTCCC and our partners will need to be key players to deliver these commitments to Canadians. We look forward to collaborating with the government to build a stronger, more sustainable Canada.

## ABOUT NTCCC

NTCCC is a group of like-minded national trade contractors' associations who have come together to identify and advocate on issues of common interest. The member associations of NTCCC are actively involved in several projects to assist not only the constituent membership of each association, but the industry as a whole.

Currently, 80% of total construction work in Canada is completed by trade contractors. NTCCC represents the ten largest national trade contractor associations, with membership from predominantly small and medium-sized enterprises. There are over 1.5 million Canadians currently employed in Canada's construction sector and the industry accounts for over \$140 billion of Canada's annual GDP.<sup>1</sup>

The 10 trade organizations that make up NTCCC 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

NTCCC urges the government to collaborate with industry in order to address the challenges that are facing this sector. By emphasizing communication and collaboration between the public and the private, we can ensure that these challenges are addressed in a sustainable manner that will help Canadian workers and the Canadian economy thrive in the coming years.

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<sup>1</sup> Canadian Construction Association, *Value of Industry*. <https://www.cca-acc.com/about-us/value-of-industry/>