

The Honourable Peter Bethlenfalvy
Minister of Finance
c/o Budget Secretariat
Frost Building North, 3rd Floor
95 Grosvenor Street
Toronto, Ontario
M7A 1Z1



Sent electronically to: submissions@ontario.ca.

RE: Spring 2022 Budget Consultations

It often seems that Ontario and Canada are not at the forefront of innovation. This has been shown repeatedly in international rankings – first is that Canada ranks 34th out of 35 OECD countries in the length of time it takes to get a general construction project approved. Second, the World Bank ranked Canada 64th out of 190 countries when it comes to construction permitting. Moreover, we have the highest amount of immigration amongst G7 countries, but the lowest housing supply. RBC notes housing supply and affordability issues risks our ability to attract skilled talent, with Canadians looking to relocate to more affordable countries. Scotiabank recently reported that Ontario needs 650,000 more units just to hit the Canadian average per capita – whereas 1.2 million units are needed to hit the G7 average. We must and can do better.

RESCON is pleased to submit its Spring 2022 Budget submission, which provide recommendations to address the above issues, including support for a province-wide comprehensive e-permitting system and data exchange platform, One Ontario; training and apprenticeship initiatives; and greater provincial oversight on municipal overreach as it relates to climate policies.

We appreciate the opportunity to provide the Ministry with our recommendations and look forward to continuing our work with the Province.

Regards,

Richard Lyall
President

1. MODERNIZE DEVELOPMENT APPROVALS BY ADOPTING & FUNDING ONE ONTARIO, A DATA EXCHANGE AND E-PERMITTING PLATFORM

The number of development applications continue to increase to meet housing demands yet limited resources at the municipal approvals level act as a bottleneck in the ability of the private sector to deliver much needed housing. Historically, municipalities have relied on antiquated paper-based submissions and review, leading to further inefficiencies in the approvals process. This reliance on paper-based submissions in the development approval and building permitting processes have further exacerbated approval timelines as COVID-19 has pushed municipal staff to work remotely without the necessary tools in place to do their jobs efficiently, and moreover, has resulted in immense staffing shortages within most municipal departments.

A 2020 CANCEA [report](#) showed the economic benefits to speeding up the development approvals process by adopting a comprehensive and centralized development planning and building e-permitting system across Ontario. Specifically, regions in Ontario could see thousands of additional housing units and attract millions of dollars in additional jobs and investment. The GTA alone could see up to 100,700 additional housing units by 2040 if there was a reduction in delays to the approvals process by six months and a 10-per-cent increase in investment.

While digitization of the approvals process is occurring in various Ontario municipalities, existing e-permitting programs are siloed, fragmented, and often only focus on a single department within a municipality rather than a holistic look at all municipal departments involved in development and external applicable law agencies within the Province. A secure data exchange platform and related standard needs to be created to provide for the secure sharing of information between all parties regardless of the system or platform they are using.

Through [One Ontario](#), a growing coalition of 30+ organizations including RESCON, OHBA, City of Toronto, City of Windsor, Town of Oakville, AMO and Conservation Ontario we have developed a proposal for a common Development Approval Data and Information Exchange Standard; a Central Review Platform; and Central Analytics and Reporting Platform for use by municipalities, Provincial Ministries, Conservation Authorities, and all applicable approval and law agencies in Ontario for the development and permitting processes.

The Province should fund (\$1,975,000) the One Ontario proposal through the newly established Streamline Development Approval Fund or through other similar funds.

2. EXPAND AND FUND PATHWAYS INTO THE RESIDENTIAL SKILLED TRADES

Expand and amend OINP program

By 2030 in the GTA alone, 42,840 construction workers, or nearly one-quarter (23%) of the current labour force is set to retire. Thousands of additional workers will need to be hired, trained and retained replaces these retiring workers and to keep up with demand for much needed housing, infrastructure etc. Domestic training and hiring alone will not offset these shortages.

Canada's immigration system has disproportionately recognized immigrants with formal education, certificates and language skills. This recognition has been enshrined and transferred to the Ontario

Immigrant Nominee Program (OINP). Most foreign trained construction workers, especially in the voluntary trades, do not have these certifications and moreover are not required be licensed or certified to work in the voluntary trades in Ontario.

RESCON, with the support of the Ontario Skilled Trades Alliance (OSTA) and other industry associations is requesting that MLTSD:

- **Expand the list of eligible professions** to include NOC Skill Level C and D positions and allocate OINP spots on a regional basis to address labour market needs.
- **Allocate 1,000 of 9,000 seats** within the OINP for NOC Level C&D general labourers who:
 - Can self-attest to having construction skill sets
 - Have verifiable Work Experience
 - Secured sponsorship
- **Remove administrative burden** – including repetitive paperwork – on employers to allow for a streamlined process to hiring
 - Employers with a proven track record and previous use within the OINP system should be eligible for an even further streamlined application process.

MLTSD should implement amendments to the OINP to allow for, and make easier, more immigrants with international experience in voluntary trades to come to Ontario to work and live. The province should continue engagement with federal counterparts on immigration reform.

Implement Youth Advisor Report recommendations

The Youth Advisor Report provided ambitious recommendations to improve the training and apprenticeship system in Ontario. With COVID-19 labour challenges, coupled with the already known retirements from the industry and increase demand for new housing, fully funding and implementing these recommendations is crucial. Two recommendations in specific should be prioritized.

1. *It is recommended that MLTSD creates an Apprenticeship Training Recognition (ATR) program for skilled trades employers in consultation with key partners. The ATR program will encourage and promote a culture of training in which employers incorporate and prioritize meaningful training into all employer activities.*

This recommendation is important as it recognizes that employers play a key role in recruitment and retention, and also recognizes that without a ‘culture of training’ that enshrines strong hiring, onboarding, mentoring and training and retaining strategies, new employees will not stay on the job and/or with an employer.

2. *MLTSD should offer financial support to youth seeking to pursue a career in a non-apprenticeable skilled trade.*

The recommendation highlights the fact that most voluntary trades, which make up the majority of the residential skilled trades, do not require completion of a formal apprenticeship program. Up until recently, funding (grants) for skilled trades training programs or individual trainees has been limited to formal apprenticeships or those pursuing a formal apprenticeship. However not referenced specifically in the report, specialized skill sets are also a cornerstone of many voluntary trades and of most residential skilled

trades. This should be recognized by the province and incorporated into the implementation of the recommendation above.

MLTSD should prioritize investment and implementation of the above two recommendations of the Youth Advisor report to foster better and swifter recruitment, training and retention of voluntary residential skilled trades.

Fund Durham Tower Crane program

The demand for housing is an historic high and has far exceeded supply. Experts have cited that nearly 1 million residential units are required to address the backlog and future needs over the next 10 years. Moreover, the GTHA remains the top region for home buyers as well as a top destination for new immigrants. Due to this demand, and density requirements, the number of midrise and highrise units built will increase in absolute terms and as a percentage of units built. These projects cannot proceed without an adequate supply of crane operators.

Durham College is the only college in Ontario with TDA status to deliver a Tower Crane apprenticeship program (339B), and because of this, coupled with their strong training and employment track record, RESCON is supportive of the Tower Crane Program.

To get the program up and running, Durham College, with the support of RESCON and other industry representatives is requesting the province invest \$2 million toward this project to purchase and install the tower cranes required to deliver this program.

3. UNCOORDINATED GOVERNMENT APPROACH TO TECHNICAL BUILDING REQUIREMENTS

Municipal overreach is a term RESCON has coined whereby municipal governments act independently, mandating their own unique technical building requirements as they see fit. In 2015, Canada and 194 other countries reached the Paris Agreement, an ambitious and balanced pact to fight climate change. Through this nationally determined contribution under the Paris Agreement, Canada pledged to reduce emissions by 40-45% below 2005 levels by 2030 and reduce its emissions to net-zero by 2050. Then, the [Pan-Canadian Framework on Clean Growth and Climate Change](#) followed in 2016 which committed to a net-zero energy-ready model national building code by 2030.

More recently, in 2020, Ontario signed the Reconciliation Agreement on Construction Codes, whereby Ontario committed to harmonizing the Ontario Building Code with the National Construction Codes. The harmonization of codes will help reduce barriers related to labour mobility, product manufacturing and building design, all while ensuring a path forward for net zero buildings across Canada. This federal and provincial government agreement to harmonize construction codes may seem to move slowly to certain municipal governments, but this is explained by the rigour which goes into process. The development of building codes involves countless subject matter experts, comprehensive research and development initiatives, monitoring of case studies, material and product evaluations as well as demonstration projects. This is a costly and complex process, which is why code development is typically left to provincial and federal governments, including support from the National Research Council Canada which co-ordinates the process and validates code change proposals.

The process of harmonizing construction requirements across Canada is being jeopardized and undermined by municipal jurisdictions who have implemented their own unique technical requirements. While we applaud these municipal governments for showing leadership in the fight against climate change through implementation of municipal green standards, acting independently and more hastily ahead of higher-tier governments can sometimes come with unintended consequences. Municipal green requirements are unproven in their efficacy for lowering greenhouse gas (GHG) emissions in new homes and buildings. Despite the best intentions, many municipal green standards have proven futile in lowering GHG emissions and improving energy efficiency. Unfortunately, homeowners ultimately paid the price, as the municipal green requirements increased the cost and complexity of construction passed on to new homebuyers yet delivered lackluster performance in return. This is why RESCON supports the provincial and national building code development process over municipal programs, as the built-in checks and balances vet code change proposals and institute accountability to the process before any changes can be made. To reiterate, RESCON strongly believes municipal governments should fall in line with federal and provincial harmonization efforts to unify construction standards across Canada. Fragmented building requirements implemented at a municipal level create a duplication of efforts with higher tier governments and contribute to policy confusion, ultimately hampering the industry's ability to deliver much needed housing supply.

The Ministry of Municipal Affairs and Housing should bolster their commitment to code harmonization and reign in the fragmented municipal requirements.