

Infrastructure, Dean review among top 2015 Ontario newsmakers

by DON WALL Dec 30, 2015

Promises of massive infrastructure spending could be the top Ontario construction news story of 2015, according to a variety of industry stakeholders, but positive steps taken by Queen's Park to address two vexing regulatory problem areas are equally big news, they argued.



Tony Dean's review of the [Ontario College of Trades](#) (OCOT), which examined issues related to the scopes of practice, or type of work performed in a trade, and the process for determining whether certification should be compulsory or voluntary, received approving comments from several industry executives. Meanwhile, other industry representatives pointed to continuing efforts to improve the Construction Lien Act as a top newsmaker in 2015.

Andy Manahan, executive director of the Residential and Civil Construction Alliance of Ontario (RCCAO), says he calculated that with the new federal Liberal government promising to spend \$125 billion over the next 10 years on infrastructure in addition to a similar amount pledged by the Ontario government, there could be \$18 billion spent on infrastructure in the province per year.

"That is a pretty good amount of money for infrastructure that is going to be devoted to Ontario so I think that is really good news," said Manahan.

It's not just the amount of funding promised that is significant, he said, but also the collaborative spirit exhibited between Prime Minister Justin Trudeau and Ontario Premier Kathleen Wynne.

That, Manahan said, "will lead towards a more evidence-based approach in terms of setting priorities."

Geoff Wilkinson, executive director of the Ontario Road Builders' Association (ORBA), said the federal promise to spend on infrastructure will "keep our members working...The municipal infrastructure deficit was consistently ranked as the top issue with our association and our board, and the numbers are still staggering, so we are glad to have that kind of commitment and that kind of attention from the federal government."

Similarly, Ontario Sewer and Watermain Construction Association (OSWCA) executive director Giovanni Cautillo said he was thrilled with the infrastructure funding promises, especially those of the provincial government which, he said, were more certain to provide work for his members. He also identified the way the Wynne government was implementing the spending package in Bill 6, the Infrastructure for Jobs and Prosperity Act — particularly the requirement for municipalities to engage in better municipal asset management — as smart policy.

But executives with the Council of Ontario Construction Associations (COCA) and the Ontario General Contractors Association (OGCA) suggested that infrastructure spending, even at the magnitude proposed by the federal and provincial governments, does not guarantee a healthy overall construction industry nor strength in all sectors.

Ian Cunningham, COCA president, acknowledged the continuing importance of large public projects to the industry and indicated that the big trend right now in Ontario was the shift from health care to civil engineering work among the projects financed by the likes of Infrastructure Ontario (IO).

But a diminishing backlog of projects in the industrial-commercial-institutional (ICI) sector is, he said, a worrisome sign.

David Frame, director of government relations for the OGCA, made the same point about ICI and said there are structural challenges in the industry as well.

"This industry is changing," said Frame. "With a focus on big projects, particularly when you get into AFPs (the Alternative Financing and Procurement model used on large infrastructure projects), there is only a handful of general contractors that are large enough to do it. There are more now than there were four or five years ago, which is good, but what's happening is a lot of medium-sized companies are getting squeezed."

Wilkinson said ORBA was spending a lot of time counselling its members as to how to get work in an era when the traditional design-build model is increasingly being supplanted by AFPs.

"There is a whole suite of different models that the MTO (Ministry of Transportation), Metrolinx and IO use, and our goal this year is to bring a greater awareness to these types of projects and really identify where the issues, challenges and most importantly where the opportunities lie for our members," said Wilkinson.

Cunningham explained his association also has spent a good deal of time working to contribute to the review of the Construction Lien Act. COCA's number one goal in that process is to see strong prompt payment legislation emerge, he said.

Cautillo said after meeting with the team conducting the lien act review, he was encouraged that the review seems to be comprehensive. A major concern for the sewer and watermain contractors, he said, was that a better system be developed for posting and perfecting liens so that so many disputes do not drag on in courts.

On another front, Cautillo said the Dean review represented a significant positive step for the industry. He suggested OCOT had deviated from 50 years of industry-driven classification and adjudication and that Dean's recommendation that some functions be re-evaluated by industry experts was a smart move.

"The Ontario College of Trades was seeking to make everything compulsory, which doesn't make a lot of sense," he said. "How you make it so that a labourer is an apprenticeable trade, that to me is mind-boggling."

Frame commented, "We were one of many who felt that the College of Trades moved in the wrong direction once it was launched. We were hopeful that it would be there to promote the trades and instead we felt they had a single focus on increasing the regulatory burden. What is going to change is, we saw a fast track to a number of things, for example, we saw a fast track toward mandatory certification of trades, and Dean has stopped that fast track."

Darrel Reid, Progressive Contractors Association of Canada's vice-president of policy and advocacy, also praised Dean.

"For our members it was potentially a big deal," said Reid. "Things like compulsory trades, and things like workplace enforcement, we were concerned that the transparency and process be very carefully thought out...there was a concern that people didn't know the rules. And I think Mr. Dean did an excellent job on that."