

Eliminating Barriers Roundtable

Seeking Industry and Government Solutions for Economic Growth and Business Success October, 2020

OVERVIEW

This report outlines the conversation of the Government-Industry Roundtable hosted by the Mechanical Contractors Association of Canada (MCAC) and Canadian Institute of Plumbing & Heating (CIPH) October 28th, 2020. The roundtable was attended by leaders from Canada's plumbing, heating and mechanical sector and officials from government departments and agencies including:

- Natural Resources Canada;
- National Research Council;
- Treasury Board of Canada Secretariat;
- Employment, Workforce Development and Labour;
- Standards Council of Canada; and
- Environment and Climate Change Canada

The roundtable also welcomed observer participation from representatives of the Regulatory Reconciliation and Cooperation Table and the Provincial-Territorial Advisory Committee of the Standards Council of Canada.

The October 28th roundtable was a follow-up meeting to a roundtable held on June 23rd which outlined the industry's priorities and allowed for updates from the attending government officials on their departmental initiatives. Those discussions motivated a more structured, working meeting that allowed participants to highlight barriers from their perspectives and to build on the delivery of key priorities from the federal government's Speech from the Throne.

PROGRESS TO DATE

Health continues to take a centre stage during the pandemic but looking ahead, senior political officials in the Prime Minister's Office, Deputy Prime Minister's Office and Finance Canada indicate that the federal government is positioning Canada for a recovery that will require industry support.

The federal government made three key commitments that will require significant support from CIPH and MCAC, and that will benefit from collaboration with departmental champions. These are:

- **Recovering 1 million jobs lost due to the COVID-19 pandemic by creating growth**
 - Investing in infrastructure
 - Investing in retrofits
- **Generating historically large investments in training for Canadian workers**

- Eliminating Internal Trade Barriers.

In order to achieve these goals, plumbing, heating and mechanical sector used the discussion to share what changes must be made to ensure the government's plan delivers investments efficiently and generates the highest possible return for Canadians.

To add, the federal government stepped up in October by bringing forward funding committed to the Canada Infrastructure Bank (CIB) that would leverage private investments to create jobs by retrofitting facilities for greater energy efficiency.

The investments in this new "Growth Plan" will help businesses in the plumbing, heating and mechanical sectors across regions, but there is a strong need to ensure the funding flows quickly to replenish the project pipeline.

INDUSTRY VISION

Based on the previous roundtable's recommendations and the political updates that have occurred since, the discussion at the October roundtable CIPH and MCAC presented the following vision to participants to direct the conversation:

To deliver results for Canadians we need new equipment approved, with faster updates and less red-tape, and installed by skilled tradespeople to make sure they are optimized for use in Canada's homes and buildings.

Realizing this vision will require:

- Federal/Provincial/Territorial collaboration on modernized building codes and equipment standards;
- Rolling out updates more quickly will help businesses grow and cutting red-tape for consumers; and
- Installing modern products that provide better comfort, health and sanitation, which are better for the environment when properly installed.

DISCUSSION

The discussion from all participants was constructive and added new information about political decision making and where gaps and barriers exist to shared industry and government priorities.

What is the greatest barrier you anticipate for delivering new retrofits in Canada over the new five years?

Treasury Board of Canada Secretariat

- From a regulatory and cooperation perspective, it is important that the provinces and territories are aware of the work being done on internal trade.
- It is also critical to highlight the benefits of eliminating internal trade barriers and demonstrating which gaps need to be closed.

Standards Council of Canada

- Industry needs to continue communicating where existing barriers are and the economic benefit of harmonizing codes with support the Standards Council of Canada in advancing this priority through various avenues.

Natural Resources Canada

- On ensuring that the “best equipment” is approved, more information should be communicated on what the runway looks like for approval and deployment. There needs to be clarity on what needs to be addressed when looking at different policies and programs in order to understand which individual pieces are needed for retrofits.
- A skilled workforce is also part of the broader ecosystem for what is needed to drive retrofits. Therefore, more information on the skills gaps and barriers and what is being done to address these issues must be communicated across this ecosystem.
- Programs, policies and regulations must all be coordinated to ensure success.

National Resources Council

- The general thrust of harmonization is to make the code system more effective and responsive for stakeholders. Providing an evidence basis and FPT collaboration is critical.
- Codes are one tool but there are other tools that can be leveraged. Considering other tools for mitigation, adaptation, accessibility, and more is especially important in reaching vulnerable populations, such as in communities where new buildings maybe cannot be built. Any evidence industry can gather on this makes it easier to pitch to government.

Environment and Climate Change Canada

- In order to move forward, it must be understood to what extent existing programs been effective, what can we learned and improved from these, what works best in terms of the government’s direction, and if there is a mix programs that could be most effective.
- Special consideration should also be given to how to support specific areas from residential, high density, rural, remote areas and more.

Employment and Social Development Canada

- On the skills issue, there is a need to identify who the players are who could train and upskill people in the sector. Industry can help make connections.

In your view, are provincial governments ready to partner on needed updates to model codes, efficiency standards, building codes and other interprovincial barriers?

What is industry’s role?

Employment and Social Development Canada

- On trades training needs, there seems to be a bit of a misalignment between existing trades training regulations and demand in market. The challenge is that all of these regulations are at the provincial level so in order to make a changes in trades training and certification, there needs to be comprehensive way to approach this across the country.

Standards Council of Canada

- There is lots of interest and support for harmonization but industry should continue communicating this message.

Treasury Board of Canada Secretariat

- Advice is currently being developed for the government on the priorities identified in the Speech from the Throne based on conversations like these and there will be a need in the future to engage industry as those programs develop.

What kind of partnerships will help speed the deployment of new technologies? Are new investments enough, or are incentives needed to deliver those funds?

Environment and Climate Change Canada

- New information to understand what's going on with industry, especially as things evolve and change quickly with COVID-19 is always helpful for government.

National Research Council

- The need for more evidence that showcase the effectiveness and the return on investment of new technologies and equipment. It was also mentioned that there may be opportunities for funding support available to generate this evidence.

Natural Resources Canada

- The [market transformation roadmap for energy efficient equipment in the building sector](#) published in 2018 could serve as a guide to understand what types of activities should be the focus both in the short and long-term.

Treasury Board of Canada Secretariat

- The need for more evidence, especially evidence that can be demonstrated through the lens of the "Canadian advantage," was reiterated as crucial to support progress in this area.

OUTCOMES AND NEXT STEPS

- This discussion shows that departmental priorities and CIPH/MCAC are well-aligned.

- Industry representatives will need to increase efforts at the provincial level, both to make provinces aware of barriers and to include them in plans to cut that red-tape.
- There is a need to educate federal politicians on the barriers that federal department officials are facing when engaging with provincial partners. This will facilitate improved coordination at the federal level when engaging with provincial partners.
- The [market transformation roadmap for energy efficient equipment in the building sector](#) should be investigated as a potential resource. If retrofits are going to be a pathway to success for the government, having provincial buy-in is key for a successful path forward and industry can partner with government to implement this roadmap.
- CIPH and MCAC will reach out to begin working with the Canada Green Building Council (CaGBC) by including them in future roundtable discussions and leveraging existing resources created by CaGBC such as their report, [A Roadmap for Retrofits in Canada II](#).
- With clear direction given by the government, industry can move forward to innovate and develop new technologies for products that meet the goals of government as well as training to support the installation and retrofitting of these technologies.

RECOMMENDATIONS

Process

1. Industry will work to facilitate the right connections between provincial and federal departments to facilitate coordination and progress on the goals and priorities identified by the roundtable.
2. Industry will leverage existing programs and resources to share this information with CIPH and MCAC members and to identify how these programs could be improved.
3. Industry will work collaboratively and innovatively to help find solutions to assist government in reaching its goals.

Policy

1. Once Ministerial mandate letters are available, CIPH and MCAC will use these to determine specifically where to apply pressure to move forward on addressing internal trade barriers, prioritizing skills and training, and retrofitting for clean growth.

About the Mechanical Contractors Association of Canada and the Canadian Institute of Plumbing and Heating

The Mechanical Contractors Association of Canada (MCAC) is a national, non-profit federation of autonomous provincial associations working for the betterment and advancement of the trade and mechanical contracting industry in Canada. Established in 1895, MCAC is a vibrant and diverse national association serving the needs of mechanical contractors of all sizes engaged in such disciplines as plumbing, heating, ventilation, air conditioning, controls systems, medical gases, welding, and fire suppression primarily within the industrial, commercial and institutional sectors. With offices in each province and 15 regional offices in Ontario, the MCAC is Canada's largest trade contractor Association.

Founded in Montreal in 1933, the Canadian Institute of Plumbing and Heating (CIPH) is a not-for-profit trade association that is committed to providing members with the tools for success in today's competitive environment. More than 283 companies are members of this influential Canadian industry association. They are the manufacturers, wholesaler distributors, master distributors, manufacturers' agents, and allied companies who manufacture and distribute plumbing, heating, hydronic, industrial PVF, and waterworks, and other mechanical products. CIPH wholesalers operate more than 700 warehouses and showrooms across Canada. Total industry sales exceed \$7 billion annually and CIPH members have more than 25,000 employees from coast to coast.

