

Remarks for

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**Minister of Economic Development and
Trade**

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Introduction

- Thank you, Jim
- Good afternoon, everyone.
- The construction sector is a strong arm for Ontario's economy.
- It's great to be here to discuss how we can work together to make this sector even stronger.
- We live in a hyperactive, global economy and your industry is feeling the tug of the world marketplace.
- We have to ensure it's able to stay ahead of the pack.

- To do so, we must be:
 - Better at innovating;
 - Better at training and retaining our skilled workforce;
 - And, better at bringing new ideas to the jobsite every day.

- The future of Ontario's construction industry depends on championing innovation.

- Where better to speak about championing innovation than here at Aecon?

- Many companies reach the point when they feel the sky is the limit for their business.

- Aecon has reached the sky, and shows no signs of slowing down.

- It managed construction of the world's tallest freestanding structure, our very own CN Tower.
- The tower's construction required engineering innovation that had never been accomplished before.
- Aecon was up to the task.
- It embraced new ideas and thought outside the box.
- It made the impossible a 553 metre vertical reality.
- It's our goal to have every construction business in Ontario ready to rise to new challenges.

Strong economy means strong construction industry

- Our government has a broad-based strategy for economic growth.
- The strategy has three broad themes:
 - Building a modern infrastructure;
 - Boosting innovation;
 - Winning new investment.
- The construction industry is integral to delivering on each of these three objectives.

Infrastructure

- Infrastructure underpins our quality of life and the ability of business to create jobs and prosperity.

- It includes:
 - Schools, colleges and universities;
 - Hospitals;
 - Recreational and cultural facilities;
 - Water and wastewater systems, and;
 - Transportation network.

- All these things are vital to support a competitive economy, win investment and attract and retain skilled workers.

- After years of underinvestment, much of Ontario's infrastructure has deteriorated and become outdated.

- The infrastructure deficit prevents us from reaching our economic potential.

- When our government took office, we said we're going to fix this.
- We announced ReNew Ontario – an ambitious five-year \$30 billion infrastructure investment plan.
- Through ReNew Ontario we are investing in projects across Ontario – in every area of infrastructure provision.
- At Queen's Park we can set the policy agenda, and we can allocate the funds.
- But it is the construction industry that makes these projects happen.
- You have:

- The innovative design and construction solutions that deliver quality public assets, and;
 - The capacity, experience and management strength to complete projects on time and on budget.
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- Ontario's construction industry is a key partner in delivering a renewed provincial infrastructure.

Innovation

- Our ability to compete in a global economy will depend on our success at being innovation leaders.
- Our job as a government is to create an environment where innovation doesn't just happen – it's inevitable.

- We're working directly with industry to make this happen though through programs like:
 - The Ontario Automotive Investment Strategy,
and;
 - The Advanced Manufacturing Investment Strategy – we call it AMIS.

- These programs set in motion a winning chain of events:
 - The company boosts innovation, helping to grow its market share and create jobs;
 - Capital investments are required to meet that capacity;
 - Plant expansions and upgrades generate new construction contracts.

- The auto strategy has leveraged more than \$7 billion in new investments that will generate new construction work in a number of Ontario's parts and assembly facilities.

- AMIS – which provides interest free loans to leverage new investments in technology and innovation – has so far supported seven projects that will generate almost \$350 million in new investments.

- Again, this will lead to new construction projects.

- Here's just one example:
 - Back in March, we partnered with Roxul in Milton on its project to develop a new kind of insulation material that will use recycled material from the steel industry.

- Our \$10 million support under the AMIS program helped to leverage over \$100 million in total project investment.

- This will result in the construction of 350,000 square feet of new production and warehouse space.

- I use this example to illustrate the link between boosting innovation and generating new construction projects.

Investment

- The next pillar in our economic plan is making Ontario the number one choice for international companies looking to invest in North America.

- Investment is closely linked to innovation – companies want to invest where they can resource the best technology and the most skilled workers.

- And our government has an aggressive program to market these strengths via:
 - Business missions to key markets like India, China, and Japan.

 - A network of 10 international marketing centres that lift Ontario's profile on the world stage, and;

 - An ongoing, globally-focused marketing campaign.

- Each time we win a new investment – either a greenfield development or plant expansion – we all benefit:

- Local workers win through new jobs and opportunities;
 - The community wins through new revenue and economic growth, and;
 - Ontario's construction industry wins through new contracts.
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- Our plan is working and has attracted some major investments – and new construction projects – to Ontario.

 - For example:
 - Kellogg's chose Belleville to build its first new cereal plant in North America in 20 years.
 - Sutherland Global Services chose Windsor to build a new technical support centre.
 - Toyota chose Woodstock to build a \$1.1-billion assembly plant.

- All these investments present major opportunities for Ontario's construction industry.
- The spin-off economic benefits they create will lead to further construction activity.
- This is the main message I want to convey to you today:
 - Our strategy to build a strong economy will benefit the construction industry, and;
 - You are integral to delivering this strategy.

Skilled Labour Training/Retention

- But tools of any kind are only as effective as the workers who use them.

- That's why we're spending more money on apprenticeship training and retention.
- We want Ontario's construction workers to be highly skilled, highly innovative and stay in this great province.
- The McGuinty Government's new budget extended the Apprenticeship Training Credit to 2012.
- The credit gives employers tax relief based on the wages and salaries paid to employees.
- We've also added a new trade –exterior insulated finish systems mechanic– to widen the spectrum of employers who can benefit from the credit.
- In addition, we're providing \$25 million for upgraded and new equipment in union-employer training centres.

- This will help strengthen the industry's ability to attract, train and retain skilled, innovative workers.
- As much as we try, it's very hard to keep all of our skilled workers.
- That's just reality.
- Different jurisdictions are competing for talent.
- And who are more talented than Ontarians?
- This is when we, as a government, must be innovative.
- We must build partnerships with other jurisdictions, to leverage our strengths and create opportunities for businesses in our province.

- On the world stage, we've built strong relationships with China and India.
- At home, we negotiated at length with Quebec to resolve the labour-mobility issue that plagued your industry for years.
- Since the agreement in '06, Ontario contractors and workers have greater access to jobs in our neighbouring province.
- Now, we're shifting our focus from east to west.
- I recently led two business missions to Alberta.
- I'm pleased that some members of COCA joined me during last month's mission, to showcase their strengths.
- The goals of these missions are simple:

- To position Ontario as a value-added link in the oil sands supply chain;
 - And to create inter-provincial partnerships between innovative businesses in our jurisdictions.
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- We've worked hard and are making great headway.
 - Construction and manufacturing companies are already forging partnerships.
 - For example:
 - OilSands Development Inc. has entered into a joint venture with Architecttura Inc., a Windsor-based architectural firm, to develop designs for six models of pre-fabricated homes.
 - The units will be fabricated in Ontario and then shipped to Alberta for assembly.

- The initiative will help address Alberta's accommodation shortage, while generating fabrication and professional services business in Ontario.

- Architecttura's partnership shows how innovation thrives when governments and businesses work together.

- I'm confident there will be many more success stories like this over the next few months.

- It's important that we show businesses in Ontario how others, like Aecon and Architecttura, generate prosperity.

- These innovative companies must be showcased to the rest of our workforce.

- We must also showcase the industry's innovative products to the people who make decisions.
- In February, we sponsored a Home Depot Vendor Fair.
- Small business owners and entrepreneurs from the construction and manufacturing sector had the opportunity to display their products to one of Canada's largest retailers.
- The fair was a great success.
- 12 companies are now in negotiations with Home Depot Canada.
- This is a great step forward for small business and innovation in communities across the province.

- A step forward that will create more jobs and a better quality of life for workers.

Challenges

- As Ontario moves forward, it's important that we work together to solve some of the problems the industry faces.
- The underground economy is very real.
- It takes away from legitimate business, hurts gross revenue for the province and adds to the labour shortage.
- To discourage workers from joining illegitimate businesses, the McGuinty Government has hired 200 new Occupational Health and Safety inspectors to increase enforcement capacity.

- The environment is also a top priority on many political and business agendas.
- We're changing regulations to meet growing environmental concerns.
- For example, we've implemented an objective-based building code to encourage a greener Ontario.
- The code increases the energy efficiency requirements for buildings.
- It helps the industry meet the growing needs of consumers.
- We must ensure that businesses are aware of these regulations and amend their practices accordingly.
- That's why meetings like this are so important.

- We can have open dialogue.
- We can discuss important issues and work together to determine an action plan.
- An action plan that will ensure long-term sustainability and prosperity for construction in Ontario.

Conclusion

- Last year, my ministry funded a pilot-study administered by The Canadian Construction Innovation Council.
- Two major results of the report are very encouraging.
- Number one: customers are satisfied with the service they're receiving from the construction sector.

- Number two: companies are adapting new technological innovations.
- Your industry is meeting the needs of its customers, while keeping its eyes on the horizon for technologies that will make business more efficient.
- This is what it means to be innovative.
- Your industry is prospering because of it.
- As leaders in the construction sector, your voice is strong and your cooperation is vital.
- We need you to promote Ontario's initiatives and encourage innovation among your colleagues and partners.

- We rely on you to hammer home Ontario's message:
 - Our workforce is here to stay;
 - Businesses are here to prosper;
 - And the future is now for the construction industry.

- You've heard my thoughts on the construction industry in Ontario.

- Over the next twenty minutes or so, I look forward to hearing yours.

- I'm excited to work with all of you to make the industry thrive for many years to come.

- Thank you for allowing me to speak today.

- It's been a pleasure.