



May 26, 2020

Honourable Rod Phillips
Minister of Finance
Chair, Jobs and Recovery Committee
7th Floor, Frost Building South,
7 Queen's Park Crescent
Toronto, ON M7A 1Y7

RE: Ontario's Post COVID-19 Economic Recovery Plan

Dear Minister Phillips,

The Ontario Society of Professional Engineers (OSPE) is the voice of the engineering profession. We represent professional engineers, engineering graduates, students, interns, and retirees. Our members provide expertise and insight into the different sectors that they work in and our advocacy efforts are intended to elevate the profession for the entire community. Our profession's commitment to safeguarding the public has always been extremely important, and in these uncertain times, there is no exception.

Engineers generate wealth for the province, through the development and commercialization of new technologies and by designing innovative and sustainable solutions for the benefit of all Ontarians. Engineers also ensure safety and stability, by designing resilient infrastructure and reliable energy and water systems that Ontarians rely on daily. Engineers create opportunities and hope. During this pandemic, engineers have led the redesign of manufacturing processes to create much needed Personal Protective Equipment (PPE) and ventilators. Engineers use 3D printers to create tens of thousands of face shields and frames for our front-line workers. They are in the med-tech industry working diligently to bio-engineer new medications and a new vaccine to combat COVID-19. In times of crisis, you will always find engineers working tirelessly, in the background, without much accolade, diligently supporting the communities they serve.

In order to demonstrate the commitment and dedication of our member's dedication to assisting in the fight against COVID-19, OSPE has donated surgical masks and hand sanitizer to our front line health care workers, when they needed these scarce supplies the most.

Unfortunately, the engineering community has been severely impacted by this pandemic, as thousands of engineering jobs are directly linked to the infrastructure, manufacturing, technology and research and innovation sectors. Key activities such as the development of technical designs, studies, planning, operations management, and construction have ceased. This has not only affected engineers and engineering graduates but the entire Ontario economy.

Engineering knowledge and talent is beyond capable of leading Ontario's industries into the future and will play an important role in the immediate, short- and long-term economic recovery of our province. As such, the province must now support the engineering community in rebuilding the engine that drives Ontario, and the rest of the country.

Ontario's historic funding allocations and strategic planning unfortunately fell short of serving the province's needs during this crisis, and we would like to assist in re-introducing resiliency and value in Ontario's workforce and systems. To ensure preparedness for future events and build an economy that is strong and benefits all people, it is imperative that new funding allocations provide a sustainable benefit for diverse, future generations by ensuring a targeted focus on **building sustainability, investing in talent development and retention, and fostering innovation.**

We would like to commend the Government of Ontario for its leadership to date in addressing the impacts of the COVID-19 pandemic and taking an inter-ministerial approach to provide solutions for businesses and individuals alike.

OSPE would like to provide you and the Jobs and Recovery Committee with specific recommendations for consideration as part of the province's post COVID-19 economic recovery plan.

The engineering community believes that Ontario's economic recovery plan will be better suited to deliver tangible results if it is considered from a three-phase approach:

- **Phase 1:** Immediate and urgent measures needed today to create the conditions to re-open the economy, looking at strategic multi-sectoral economic levers.
- **Phase 2:** Short-term investments required to sustain the initial economic growth in Phase 1. These measures should support technologies that drive efficiencies and reflect the work force reality post COVID-19.
- **Phase 3:** Additional medium and long-term supports that create a prosperous transition to a knowledge-based, innovative economy that engineers are key in helping create and sustain.

OSPE would like to present the following recommendations, pertaining to **Phase 1:**

Immediate and Urgent Actions

OSPE believes that the government must prioritize certain actions that will enable the most prosperous recovery for Ontario. COVID-19 has taught everyone the great importance of building a resilient economy that is better prepared to withstand unknown threats of this magnitude.

A resilient economy can be supported by:

- Leveraging Ontario's existing assets
- Building the assets that both businesses and workers of the future need to succeed
- Strengthening Ontario's competitive advantage

These urgent actions should seek to build a sustainable, resilient, and innovative Ontario, where its talent is properly developed and nourished.

- 1. Adopt, in the immediate term, the recommendations presented by the Construction & Design Alliance of Ontario (CDAO) in their letter dated April 22, 2020.**

OSPE believes that proper, smart, and prioritized investment in sustainable infrastructure will help alleviate the economic burden the province is facing, while decreasing unemployment rates in several critical sectors of the economy.

Developing a comprehensive project investment pipeline document, which is informed by existing regulated municipal asset management plans will facilitate the prioritization of early works. These projects are not only 'shovel-ready', but 'shovel-worthy' and will provide a positive return on investment. By immediately utilizing these plans to select projects for investment, the province will be able to reduce application timelines and ensure a speedy and safe recovery.

2. Support small and medium sized engineering firms by tackling increasing liability insurance costs through regulatory reform.

Engineers support the provincial and federal government's approach to focus immediately on "shovel-worthy" infrastructure projects that can deliver short- and long-term benefits for Ontarians.

However, to achieve this, engineering firms must be able to compete in the market. Currently, insurance providers consider Ontario a high-risk jurisdiction. This has impacted engineering firms greatly, causing an increase in insurance costs and implications on coverage. These changes have not only resulted in the rising cost of liability insurance (professional liability as well as commercial general liability/property) but have prevented some engineers access to specific aspects of insurance coverage that were historically readily available.

This impacts the ability of small to medium sized engineering companies to operate in the province, which limits the amount of infrastructure that can be built, further debilitating economic growth. Further, this increases the costs of engineering projects, costs which are being downloaded to consumers. As the largest procurer of infrastructure projects, the government should be deeply concerned with these escalating costs, and the availability of design talent required to build the infrastructure needed in this province.

Several factors have caused these conditions:

- The regulatory body, Professional Engineers Ontario (PEO) does not currently make continuing professional development (CPD) mandatory in Ontario, despite the recommendation brought forward by the Elliot Lake Commission of Inquiry;
- There is no minimum required liability insurance for professional engineers with a Certificate of Authorization, thus offering services to the Public;
- Engineers are not regularly focused on projects within their specialization, and many lack micro-credentials.
- Engineering firms are not required to train and develop their own talent

3. Provide further relief to Ontario's businesses and families by making surplus electricity available at current market rates.

Ontario must leverage its existing assets, which include its low-emission electricity system. This system has already been transformed into a low emission system, which produces significant amounts of emission-free electricity that is in surplus to domestic needs. Ontario currently exports most of this surplus to other Canadian provinces and the United States at low wholesale market energy prices and discards the amounts it cannot export. Unfortunately, Ontario consumers cannot access this low-cost surplus electricity, as Ontario's retail price plans do not allow surplus electricity to be made available at its low wholesale market energy price.

The government's recent announcements of suspending time-of-use rates for 45 days and deferring a portion of Global Adjustment (GA) charges for some industrial and commercial electricity consumers are only beneficial to some energy users.

The Government of Ontario should take this opportunity to implement **permanent electricity price reform** that will allow consumers to purchase surplus electricity now and in the future. This will alleviate the economic burden posed by COVID-19 by reducing energy bills for consumers and businesses, as well as decreasing greenhouse gas (GHG) emissions. This reform is required to achieve real economic relief both in the short and long term. Additionally, low-cost, carbon free electricity can support increased adoption of electric vehicles (EV), supporting job creation in the selling of EVs and its required infrastructure in both public and private locations.

4. Work with the Federal Government to upgrade and modernize the digital infrastructure that will ensure businesses and workers succeed.

COVID-19 has shown all of us that technology and high capacity infrastructure is no longer a luxury, but a necessity for both businesses and consumers to engage in today's economy. Unfortunately, access to high-speed internet is inconsistent or not available to some Ontarians. This has made working remotely challenging to certain businesses and individuals, having an impact on economic productivity.

In an environment geared towards e-commerce and online learning solutions, the government should prioritize access to broadband internet to all Ontarians, keeping in mind the need to properly connect remote and rural communities. Once construction sites open, investment in digital infrastructure will also ensure that certain simple practices and permit issuing is kept online, in order to help maintain physical distancing protocols.

As digital becomes embedded into business models and operations, it is imperative that all of Ontario's engineering companies have the capacity to operate in the new ecosystem. There is a clear chasm that exists between organizations and companies in their digital capacity. Funding digitization will enable the government to close some of the gaps that exist and keep business operating and safeguard engineering jobs in the province.

5. Support local manufacturing innovation and production

The Government of Ontario has launched a procurement tool that will remove barriers and leverage Ontario manufacturing capacity in the fight against COVID-19. Immediately, the government must continue to support the manufacturing sector to maintain strong supply chains.

The government should refocus investment in "Made-In Ontario" solutions and products. This could be achieved by working with the federal government to identify nationally strategic products and services and establish a minimum level of domestic production of these. Items such as medical supplies, PPE, food, energy, and other essentials should be included.

The uptake of technology and digitization will improve the sectors ability to be able to switch production to respond to consumer demand more quickly, not only in times of crisis but also in response to market shifts. For economic recovery it is critical that engineering expertise be deployed to ensure the safety and optimization of innovative solutions within industrial spaces. Ontario should

work with the federal government to provide additional advanced manufacturing (AM) focused programs with potential financial incentives for Ontario companies to enhance their competitiveness both domestically and internationally. Supporting businesses in improving current manufacturing processes and methods, developing, and implementing digital technologies and focusing on developing more sustainable and energy-efficient products, will help create resiliency in this sector and improve Ontario's export potential.

OSPE believes that these recommendations are essential for the economic recovery of our province. We look forward to working with the government to further develop these recommendations. If you have any additional questions please contact Stuart Atkinson, OSPE Policy and Government Relations Lead at satkinson@ospe.on.ca or 416-223-9961 ext. 225.

Sincerely,



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Chair and President
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CC:

Hon. Doug Ford, Premier of Ontario
Hon. Vic Fedeli, Minister of Economic Development, Job Creation and Trade
Hon. Peter Bethlenfalvy, President of the Treasury Board
Hon. Caroline Mulroney, Minister of Transportation
Hon. Christine Elliott, Deputy Premier and Minister of Health
Hon. Ernie Hardeman, Minister of Agriculture, Food and Rural Affairs
Hon. Greg Rickford, Minister of Energy, Northern Development and Mines and Minister of Indigenous Affairs
Hon. John Yakabuski, Minister of Natural Resources and Forestry
Hon. Laurie Scott, Minister of Infrastructure
Hon. Lisa MacLeod, Minister of Heritage, Sport, Tourism and Culture Industries
Hon. Lisa Thompson, Minister of Government and Consumer Services
Hon. Monte McNaughton, Minister of Labour, Training and Skills Development
Hon. Prabmeet Sarkaria, Associate Minister of Small Business and Red Tape Reduction