

October 30th, 2023

The Hon. Dominic LeBlanc, P.C., M.P.
Minister of Public Safety, Democratic Institutions and Intergovernmental Affairs
House of Commons
Ottawa, ON K1A 0A6

Dear Minister LeBlanc:

I am writing to you on behalf of the Canadian Home Builders' Association (CHBA), which represents some 8,500 members from coast to coast. CHBA supports policies that will help remove the use of modern slavery and child labour in the production of goods that are made available in Canada. However, CHBA is concerned about misplaced burden *Bill S-211: Fighting Forced Labour and Child Labour in Canadian Supply Chains* places on the home construction industry, given that it should be handled within the supply chain for those importing the goods, not builders and developers buying goods to build homes—this will also add inappropriate cost and red tape to the housing affordability and supply crisis. Our members are particularly worried about the lack of details and clarity surrounding compliance criteria so close to the January 1, 2024 coming-into-force date.

After reviewing the regulations currently available, CHBA is requesting an interpretive ruling from Public Safety on the applicability of home builders as producers or sellers of a good. It is CHBA's position that home builders or developers that do not directly import their materials into Canada should not be considered a reportable entity. Within Gross Domestic Product statistics produced by Statistics Canada, new homes are represented within business investment (not household consumption of goods) and the construction industry (not the manufacturing industry). Bill S-211 offers the definition of "production of goods includes the manufacturing, growing, extracting and processing of goods. (production de marchandises)." CHBA asserts that the construction of a home falls outside that definition. We ask that a member of your office provide a contact within Public Safety Canada that would be able to provide our industry with this interpretation, as we have not been able to secure one thus far despite our requests.

Should home builders and developers gain the interpretation that they are not a reportable entity as they are not involved in the "production of goods", CHBA does not believe that this erodes the protections the regulations are intended to provide. The sellers and distributors of the building materials that are used by our builder and developer members will likely be subject to these reporting and supply chain certification procedures.

If the regulatory interpretation results in home builders and developers designated as a reportable entity, CHBA joins other industries in asking for a one-year deferral of the current January 1, 2024 coming into force date. This will provide valuable time to our members for their due diligence in reporting to the best of their abilities, especially given the lack of published information only 2 months away from the coming into force date. Many of even the largest

homebuilders in Canada are privately owned and are less familiar with the Environment, Social, and Governance (ESG) reports common among publicly traded companies.

Canada is, as now widely accepted, amid a housing crisis, where new supply is needed more than ever. The pandemic showed how exposed economies are to the supply chain vulnerabilities. Canada cannot afford greater slowdowns or reductions to home construction's productive capacity. As such, CHBA believes that a deferral will be beneficial in allowing for a full consideration of the regulation's design and enforcement. This will reduce the risk of unintentionally blocking the flow of building materials due to mistakenly identifying products as originating from exploitative production. From surveying CHBA members, delays related to supply chain issues are still adding 7 weeks on average to the completion time of a home. It is critical that the full regulations, which have yet to be released, *accurately* target products that utilize exploitative labour practices. Our country cannot afford additional reductions in building capacity if we are to make progress in building 5.8 million new homes by 2030.

Thank you for your consideration and we look forward to hearing from you.

Sincerely,



Kevin Lee, P.ENG., M.ARCH.
CEO, CHBA