



ASSOCIATION OF CONSULTING
ENGINEERING COMPANIES | CANADA
ASSOCIATION DES FIRMES
DE GÉNIE-CONSEIL | CANADA

Submission to the House of Commons Finance Committee

**A Strategic Vision for Canadian Infrastructure:
Building Resilient and Prosperous Communities**

Submitted by:

The Association of Consulting Engineering Companies | Canada

August 4, 2023

Recommendations:

Recommendation 1: The National Infrastructure Assessment be implemented to detail the long-term strategy for addressing infrastructure needs in communities across Canada.

Recommendation 2: The government of Canada immediately renew funding for the Investing in Canada Infrastructure Program or unveil its successor program by spring 2024.

Recommendation 3: Future infrastructure investment plans allow for multi-project applications based on sound asset management planning, as well as individual project applications.

Introduction

Canadian communities are growing quickly, and right now, we need a plan and the resources to accommodate that growth. Years of unpredictability brought on by the pandemic have been coupled with economic strain for families, businesses, and entire communities. We've recently seen historic levels of inflation, quickly escalating interest rates, a persistent housing crisis, depleted healthcare systems, and much higher consumer prices at the pump and in the grocery line. Add to that the worsening risks from climate change and a need to grow the economy with higher immigration levels, and it's clear that we're facing a make-or-break era of community planning and infrastructure investment.

The Association of Consulting Engineering Companies - Canada (ACEC) represents consulting engineering companies from coast to coast to coast. Our members play an essential role in building a more sustainable, more accessible, more connected Canada. Consulting engineering firms share the federal government's goals of strengthening our communities, reaching Net-Zero, creating good jobs and opportunities, and growing the economy. As we look at the challenges in front of us, one thing is very apparent to our members: Canada can do more – and do better – when it comes to planning, designing, building, and maintaining our infrastructure assets. Simply throwing more money at infrastructure isn't the solution – we must think bigger and more long-term.

To that end, we are putting forward three recommendations for the upcoming federal budget. To build the kind of communities that Canadians deserve, we need a solid nation-wide infrastructure strategy, predictable infrastructure funding, and flexibility in how that funding is allocated.

In brief, we recommend that:

1. The National Infrastructure Assessment be implemented to detail the long-term strategy for addressing infrastructure needs in communities across Canada.
2. The government of Canada immediately renew funding for the Investing in Canada Infrastructure Program or unveil its successor program by spring 2024.
3. Future infrastructure investment plans allow for multi-project applications based on sound asset management planning, as well as individual project applications.

Recommendation #1: Implement the National Infrastructure Assessment

A national infrastructure strategy is more critical than ever.

Delivering infrastructure in a country as big and complex as Canada requires a long-term, deliberate, and clear-eyed vision. That's why ACEC has been a vocal advocate for the urgent implementation of the National Infrastructure Assessment (NIA) to guide our strategy as a nation. We commend the federal government for recognizing and acting on the need for such an assessment, and we strongly believe that its implementation will help all orders of government make informed, data-driven, and effective public policy. The NIA will allow public office holders and officials to make better investment decisions that are effective, forward-thinking, and strategy aligned.

Four pillars of the long-term plan in the National Infrastructure Assessment must be:

- I. An assessment of the current infrastructure assets in Canada.
- II. The establishment of long-term goals for what infrastructure needs Canada will have in the future.
- III. A roadmap that predictably outlines the demand for new infrastructure that will be delivered over the decades ahead with regional specificity.
- IV. Regular review, re-evaluation, and updating of the National Infrastructure Assessment.

All orders of government, businesses, and taxpayers would benefit from the NIA. Every dollar spent on infrastructure in this country will go further if delivered in the context of a long-term strategy. The NIA will also bring significant environmental benefits – an overarching strategy will allow policy leaders and decision-makers to consider all new assets in the context of one another, opening the door for planning and lifecycle efficiencies that enhance our climate resilience and help us move forward on the path to Net-Zero.

Establishing a long-term vision for Canada’s local, regional, and national infrastructure needs will result in smarter decision-making, allowing us to build prosperous, future-proof communities.

Recommendation #2: Renew funding for the Investing in Canada Infrastructure Program

The strategic plan can only be as good as the funding behind it. However, we cannot allow the infrastructure deficit to grow while we wait for the NIA’s implementation. Meanwhile, the application windows for the successful and important Investing in Canada Infrastructure Plan and other similar programs have recently closed. That’s why ACEC’s second recommendation is to immediately renew funding for the Investing in Canada Infrastructure Program (ICIP), or alternatively, unveil its successor program by spring of 2024.

In an era defined by unpredictability, we need more stability, not less. The consequences of lapsed infrastructure program funding are significant and disruptive, ultimately delaying the inevitable, essential nation-building work ahead of us. When public sector project streams dry up, or when funding increases on the horizon aren’t detailed in full, consulting engineering firms and the entire supply chain are left wondering whether there will be any available work in the near term. Uncertainty is bad for business, bad for workers, and bad for municipalities and public infrastructure owners that want to plan for the future.

That’s why, for years, ACEC has encouraged successive governments to outline their forthcoming infrastructure plans before the current program funding lapsed. While this will presumably be addressed in the future with the implementation of the NIA, there are immediate needs and challenges that cannot wait.

There is significant demand for immediate infrastructure investment in communities across the country. Renewing the ICIP or a successor program will help governments address the current infrastructure deficit and prevent a lack of action from making it worse. It will also ensure that owners and operators of infrastructure assets – as well as public and private-sector investors that plan, design, and build infrastructure – can make informed business decisions, manage supply chains, and develop the skilled talent necessary to deliver projects, all while creating good jobs for Canadians. Renewing infrastructure funding will enable the private sector and all orders of government to address many of our country’s challenges, including mitigating the devastating effects of climate change, remedying supply chain issues, and addressing labour shortages. It will also help achieve our national goals when it comes to climate adaptation and resilience, environmental sustainability, and growing the economy.

Recommendation #3: Allow for Multi-Project Applications

Even with an infrastructure strategy to guide us and adequate funding in place, our third and last recommendation for Budget 2024 is to make the infrastructure application process more flexible and efficient.

Right now, federal government programs typically accept single-project applications. There is no question that this is holding Canada back—it’s inefficient, doesn’t guarantee the best return on investment, and deters innovative big-picture thinking.

Infrastructure assets do not exist in isolation. A community’s infrastructure is an ecosystem of interrelated assets that collectively ensure a strong and resilient Canada. Allowing municipalities and other infrastructure owners the option to also apply for investments based on multi-project programs supported by asset

management planning will allow for coordinated implementation of important infrastructure assets in communities across the country. Like renewed infrastructure funding, multi-project applications inform better business decisions, improve management of supply chains, and increase talent development which creates good jobs. It will open up new opportunities for creative efficiencies and solution-driven proposals.

This approach also recognizes that a community's infrastructure, being an interconnected ecosystem, is only as effective as the weakest link. It will give communities the confidence to develop and implement asset management plans that address long-term needs. Long-term planning is a powerful tool in ensuring a better return on investment and addressing lifecycle challenges like climate change—this should be a feature of infrastructure investment programs, as well as a fundamental tenet of the NIA.

Conclusion

A long-term strategic vision. A renewed infrastructure funding program. A more flexible application process.

ACEC strongly believes that these three recommendations will work together to give our communities the certainty they need to encourage investment, fight climate change, create jobs, and deliver long-lasting infrastructure to serve Canadians for the foreseeable future.

Let's work together to overcome the real challenges we face, get big things done, and build a better future for everyone.

About ACEC

ACEC is the national voice of over 400 companies that provide engineering and other professional services to both public and private sector clients across Canada and the world. Our members, who range from employee-owned small businesses to some of the largest engineering companies in the world, collectively employ over 60,000 Canadians. Consulting engineering firms are Canada's trusted advisors that are at the forefront of designing and building a more prosperous, sustainable Canada. Visit www.acec.ca or contact us at president@acec.ca to learn more.