

## Standing Committee on Finance (FINA)

### Pre-budget consultations 2012

## Canadian Public Works Association

### Responses

#### 1. Economic Recovery and Growth

*Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?*

Established in 1986, the Canadian Public Works Association (Association Canadienne des Travaux Publics) is the national voice for the Canadian public works community. Quite simply public works is the backbone of society. Water and wastewater treatment, roads and bridges, traffic signals and lighting, sanitation, mass transit, and snow removal are just a glimpse of what public works professionals do to ensure our communities are sustainable and safe, healthy places to live, work, play, and invest. Investments into Canada's national infrastructure are critical if we hope to continue the economic recovery and protect the health, safety, and prosperity of our citizens and their communities. Municipalities cannot manage the financial burden of this challenge alone and Canada's public work's professionals have seen the benefit of increased stable support from the federal government and would recommend that the partnership continue. CPWA continues to support the consultations currently underway by Infrastructure Canada as the Government develops the next Long-Term Infrastructure Plan. Only through long term predictable and stable funding can all levels of government effectively plan for necessary infrastructure development and renewal. At the same time the \$150 million announced in Budget 2012 was a welcome addition to the infrastructure funding envelope allowing additional capital improvement projects to begin sooner. This investment will create jobs now and will reduce the growing pressure on municipalities faced with aging infrastructure. Canada has worked steadily to close the infrastructure gap in recent years. The Building Canada Fund and the additional stimulus contained in Canada's Economic Action Plan have enabled public works professionals and municipalities to plan and progress on projects that will bolster Canada's competitive edge and economic stability, but we must protect the gains we have made and plan for the future. Therefore the CPWA recommends that additional funding be allocated in the 2013 budget to the regional economic development agencies to enhance the capital improvement fund projects while the details of the Long-Term Infrastructure Plan are finalized to ensure continuity in the efforts to maintain the gains that have been made in recent years.

#### 2. Job Creation

*As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?*

Canada's ability to benefit from foreign investment and trade is directly tied to the state of our domestic infrastructure. Roads and bridges bring our products to markets around the world, telecommunication connects our communities and allows for global collaboration like never before and the nation's highways allow hundreds of thousands of workers to move from work to home. When any piece of these networks fail the cost to our economy and Canada's ability to compete is negatively affected. The government's investment in new bridges, ports and rail will enhance trading opportunities and allow us to continue our economic recovery but mounting pressures at the municipal level to deliver those

services that ensure the free flow of people and goods must be supported by the other levels of government. Not every jurisdiction has the same pressures so the CPWA recommends that the next Long-Term Infrastructure plan be flexible enough to respond to the unique challenges of the many diverse regions and permit sufficient latitude to manage local priorities. Proper asset management will ensure that existing investments will realize the full benefits over the lifetime of the asset. As discussed below the challenges in public works with an aging population will require a significant influx of younger workers entering the field while experiences older workers retire and take with them years of experience. The CPWA recommends that the Government of Canada support skills training and certification programs that will support the next generation of public works professionals especially in areas of federal jurisdiction such as on-reserve infrastructure.

### **3. Demographic Change**

*What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?*

As Canada's public works professionals reach the age of retirement we are faced with a knowledge gap between the young workers hired to replace older more experienced staff. At the same time a greater emphasis on asset management and compliance with government regulations require the next generation of public works professionals to be better trained and have more credentials and certificates than their predecessors. Municipalities are working to develop those skills while there is time for a transition before the majority of the experienced workers retire and the CPWA is supporting that work through available training and certification services. CPWA believes there is a role for the federal government to support these skill training initiatives including supporting opportunities to develop capacity in First Nation communities. CPWA has considerable experience implementing strategies and initiatives that promote capacity building, professional development, certification and accreditation of public works agencies. CPWA in partnership with its sister organization the American Public Works Association has developed training programs in public works, covering all public works disciplines and management topics. Moreover, CPWA was one of the founding partners of Canada's InfraGuide, which established best practices in several areas including governance, water and transport. Therefore CPWA recommends that the Government of Canada support a pilot program that links experienced public works practitioners with First Nations communities. Working with HRDSC and AANAC, CPWA's existing programs would address the need for training, certification and capacity development to assist First Nations in improving life-cycle management of civil infrastructure assets, including water and wastewater treatment facilities. It would also serve a risk assessment purpose to identify assets in need of maintenance, decommissioning or replacement and provide marketable skills to those who participate in the program.

### **4. Productivity**

*With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?*

A 2010 Study by David Stiff and Paul Smetanin titled "Public Infrastructure Underinvestment: The Risk to Canada's Economic Growth" suggested that at Canada's current rate of investment in new construction and rehabilitation of infrastructure could "cost the Canadian economy 1.1 per cent of real gross domestic product (GDP) Growth." The future costs of not properly managing public infrastructure today are not limited to the higher capital costs of future critical repairs, but also include the drag on workforce productivity and the cost of delay to manufacturing and trade. As nations continue to become more competitive in the global market place it is imperative that Canada continues to maintain

our position in the world as a good place to invest and build a business. The state of our infrastructure is a major factor in making those investment decisions. Access to energy, clean water, and a robust transportation network are Canada's advantages today and we believe that with a commitment to the next Long-Term Infrastructure Plan that is properly funded, we can maintain that economic advantage.

## **5. Other Challenges**

*With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?*

The key to successful asset management is having a clear understanding of the condition of those assets and an understanding of the future value of the costs to maintain. Both in terms of establishing priorities and budgeting. Having accurate data in the condition of key infrastructure is crucial to ensuring that proper ongoing maintenance is being performed to ensure the greatest possible return on the investment. While there have been several attempts to quantify the state of Canada's infrastructure they have mostly been done on an ad-hoc basis. The CPWA in partnership with the American Public Works Association and the Institute for Sustainable Infrastructure have developed an infrastructure rating system developed to help designers, builders and infrastructure owners build and direct infrastructure projects toward increasing levels of sustainability. CPWA believes that the Government of Canada should play a role in ensuring that civil infrastructure projects have been scored by a standardized system that can provide clear direction in how best to invest the available funds. CPWA recommends that the Government of Canada support a pilot project to identify projects that can best demonstrate the benefits of proper asset management evaluation and sustainability using tools developed by the Institute for Sustainable Infrastructure. As a goal, the Government could require future federal investments into projects include some form of standardized sustainability certification as a requirement of project approval. The CPWA thanks the Committee for this opportunity to submit these recommendations for consideration in the development of the 2013 federal budget. We are interested in appearing before your committee to answer any questions you may have and will be available at a time and place of the Committee's choosing.