



Pre-Budget Submission
to the
House of Commons Standing Committee on Finance
by the
Canadian Public Works Association

August 2014

EXECUTIVE SUMMARY

CPWA was founded in 1986 as the national voice of the Canadian public works community from coast to coast to coast. Working in tandem with the American Public Works Association (APWA), CPWA represents 28,000 public works professionals in North America working on both sides of the border to innovate and assure excellence in the public works profession. Our public works professionals from both the public and private sectors plan and manage the roads and bridges, water and wastewater treatment facilities, traffic signals and lighting systems, snow removal, sanitation and mass public transit services representing the backbone of Canadian communities that are sustainable, safe and healthy places to live, work, play and invest.

The Government of Canada responded positively to the critical infrastructure needs of Canada's communities with the announcement of the New Building Canada Plan (NBCP) in Economic Action Plan (EAP) 2013. New federal funding of over \$47 billion (over ten years) offers a degree of certainty that all levels of government need to help meet the country's critical infrastructure requirements.

An exciting opportunity exists to rebuild and refurbish much-needed public infrastructure across the country. CPWA believes that with this opportunity comes an obligation to ensure that Canada's new infrastructure investments are built to endure and are managed effectively. Our recommendations, therefore, focus on asset management and sustainable infrastructure.

Recommendation: Build municipal capacity in the management of public infrastructure assets

In light of the importance of the prudent management of public finances and of promoting safe communities, CPWA recommends that the Government of Canada take steps to promote and assure that municipalities receive the training and technical support needed to build municipal capacity in the management of public infrastructure assets. To accomplish this, we recommend dedicating additional specific funding and support for capacity building as the New Building Canada Plan moves forward.

Recommendation: Ensure sustainability in public infrastructure projects

We believe that the federal government has a role to play in ensuring that the investment of public funds are directed towards public infrastructure projects have been planned and executed in accordance with sustainability principles. Accordingly, CPWA recommends that the Government of Canada consider supporting the use of the Envision™ sustainability rating tool which provides municipalities with a holistic framework for evaluating and rating the community, environmental and economic benefits of all types and sizes of infrastructure projects.

As stewards of our nation's community infrastructure assets, CPWA is pleased to make these recommendations to the Government of Canada during the pre-budget consultation process and will be available for additional consultation.

INTRODUCTION

The Canadian Public Works Association (“CPWA”) is pleased to present its views to the House of Commons Standing Committee on Finance (“Committee”) regarding Canada’s economic and fiscal policies in response to the Committee’s request for input from Canadian individuals and organizations. The Committee’s pre-budget consultations are an important instrument of public outreach and offer us an opportunity to engage in the key policy debates that affect the lives and livelihood of Canadians. The CPWA believes it has a responsibility to contribute to the dialogue on these important public policy issues and we are pleased to participate.

The Committee requested that written submissions address some or all of six themes described in the Committee’s press release dated June 6, 2014. This submission focuses on one of those themes, namely “Ensuring prosperous and secure communities, including through support for infrastructure.”

WHO WE ARE

CPWA was founded in 1986 as the national voice of the Canadian public works community from coast to coast. Working in tandem with the American Public Works Association (APWA), CPWA represents 28,000 public works professionals in North America working on both sides of the border to innovate and assure excellence in the public works profession.

Our public works professionals from both the public and private sectors plan and manage the roads and bridges, water and wastewater treatment facilities, traffic signals and lighting systems, snow removal, sanitation and mass public transit services representing the backbone of Canadian communities that are sustainable, safe and healthy places to live, work, play and invest. CPWA members are also an essential part of first responders teams when natural disasters hit cities and towns across the country, an increasingly important role as Canada experiences more frequent extreme weather events.

CPWA provides a forum for public works professionals to exchange information, develop ideas and share skills, knowledge and technologies on issues that are unique to Canada. Over 2,000 Canadian members participate in eight Canadian Chapters, covering all ten provinces and three territories.

RECOMMENDATIONS

The Government of Canada responded positively to the critical infrastructure needs of Canada’s communities with the announcement of the New Building Canada Plan (NBCP) in Economic Action Plan (EAP) 2013. New federal funding of over \$47 billion (over ten years) offers a degree of certainty that all levels of government need to help meet the country’s critical infrastructure requirements.

An exciting opportunity exists to rebuild and refurbish much-needed public infrastructure across the country. CPWA believes that with this opportunity comes an obligation to ensure that Canada’s new infrastructure investments are built to endure and are managed effectively. Our recommendations, therefore, focus on asset management and sustainable infrastructure.

1) Asset Management

The single-most important issue to consider and plan for when significant sums are being invested in public infrastructure over the next decade is proper asset management. Extending the useful life of major infrastructure assets by insisting upon proper asset management tools and measures respects the prudent expenditure of public funds and keeps community infrastructure safer longer. While this may be particularly true of new NBCP projects, asset management is also vitally important when it comes to the ongoing maintenance of existing public infrastructure.

The Canadian Infrastructure Report Card (“Report Card”) released in 2012 was the first report providing a national assessment and comprehensive analysis of the condition of four primary asset categories of Canada’s municipal infrastructure: drinking-water systems; wastewater networks; storm water networks; and, municipal roads. One of the most notable outcomes of the Report Card was the data illustrating the need for more robust asset management policies and practices in municipalities across Canada. For example, of the 346 municipalities that registered to participate in the survey, only 123 municipalities could provide data usable in the analysis for the four aforementioned asset classes.

Asset management requires a holistic approach to managing community assets. This approach is being practiced in other jurisdictions – CPWA believes it is important that Canada follow suit. For example, our partner organization, the Institute of Public Works Engineering Australasia is an acknowledged leader in the field of asset management. (For further information please see: www.ipwea.org/assetmanagement/home/). The IPWEA has been holding workshops in several Canadian cities as the issue of asset management moves to the forefront of infrastructure planning and maintenance, demonstrating the growing interest that Canadian municipalities have in applying proper asset management principles and tools to the infrastructure they are responsible for planning, building, operating and maintaining.

It should be commended that the Government of Canada has recognized the benefits of asset management and has initiated a “tiered approach” to asset management requirements through the new Gas Tax Fund Agreements. “Recognizing that each Local Governments' progress to date on asset management planning practices has varied greatly but overall significant work is required to ensure continued progress is made towards achievable goals, a tiered approach to the establishment of goals will be taken. This tiered approach will reflect the local capacity of Local Governments and the current state of asset management planning in municipalities, with more advanced goals set for larger centers as compared to other municipalities (from the Manitoba agreement).”

CPWA also recognizes and appreciates the Government's flexibility. We also believe the tiered approach is an illustration of the need to build capacity for asset management in many municipalities. While the Gas Tax Fund does list capacity building among eligible projects, we are concerned that long term capacity building will be a lower priority when compared to infrastructure projects as municipalities prioritize their Gas Tax Funds.

In light of the importance of the prudent management of public finances and of promoting safe communities, CPWA recommends that the Government of Canada take steps to promote and assure that municipalities receive the training and technical support needed to build municipal capacity in the management of public infrastructure assets. To accomplish this, we recommend dedicating additional specific funding and support for capacity building as the New Building Canada Plan moves forward.

2) Sustainability for Infrastructure

There is a strong and compelling indication that civil engineering infrastructure projects are falling behind the societal and functional expectations of what is needed both for today and into the future. The principles of sustainable development are considered to be fundamental to how civil engineers and the public can more successfully address the return on investment in infrastructure and meet today's critical societal needs. These concerns led to three major U.S.-based associations – the APWA, the American Council of Engineering Companies, and the American Society of Civil Engineers – to launch a new not-for-profit organization dedicated to sustainable infrastructure, the Institute for Sustainable Infrastructure (ISI).

Working jointly with the Zofnass Program for Sustainable Infrastructure at the Harvard University Graduate School of Design, ISI developed the sustainability rating tool Envision™. This tool provides a holistic framework for evaluating and rating the community, environmental and economic benefits of all types and sizes of infrastructure projects including roads, bridges, pipelines, railways, airports, dams, levees, solid waste landfills, water supplies, wastewater treatment plants, power transmission lines, telecommunications towers and public spaces in our cities, towns and local communities. Envision™ evaluates, grades, and gives recognition to infrastructure projects that use transformational, collaborative approaches to assess the sustainability indicators over the course of a project's life cycle. (For further information please see: <http://www.sustainableinfrastructure.org/rating/index.cfm>)

ISI and Envision™ have earned a reputation as the leader in rating sustainability for infrastructure in both the public and private realm. Notably, the use of the Envision™ sustainability rating tool and framework is provided on a complimentary basis for use in planning sustainable projects. Public agencies and individuals may join the Institute for Sustainable Infrastructure (ISI) on a complimentary basis. To date, some 800 public professionals representing 400 public agencies in Canada and the U.S. have joined ISI. Moreover, over 2,300 individuals in Canada and the U.S. have been credentialed by ISI as an ENV Sustainability Professional and a number of large firms in Canada and the U.S. have committed to “fast track” training 100 of their professional staff to use Envision™.

We believe that the federal government has a role to play in ensuring that the investment of public funds are directed towards public infrastructure projects have been planned and executed in accordance with sustainability principles. Accordingly, CPWA recommends that the Government of Canada consider supporting the use of the Envision™ sustainability rating tool which provides municipalities with a holistic framework for evaluating and rating the community, environmental and economic benefits of all types and sizes of infrastructure projects.

CONCLUSION

The Government of Canada is embarking, along with its provincial/territorial and municipal partners, upon a series of significant investments in much-needed infrastructure in communities across Canada. These investments will help to ensure prosperous and safe communities and contribute to Canada's economic growth in the years ahead. We believe that the Government of Canada should seize the opportunity to build in accountability measures that demonstrate prudent management of public finances and promote safe and sustainable communities.

Accordingly, CPWA recommends that the Government of Canada:

- a) take steps to promote and assure that municipalities receive the training and technical support needed to build municipal capacity in the management of public infrastructure assets. To accomplish this, we recommend dedicating additional specific funding and support for capacity building as the New Building Canada Plan moves forward.
- b) consider supporting the use of the Envision™ sustainability rating tool which provides municipalities with a holistic framework for evaluating and rating the community, environmental and economic benefits of all types and sizes of infrastructure projects.

Thank you for this opportunity to offer our views as Committee Members undertake their annual pre-budget consultations.