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Testimony to the

House of Commons Standing Committee on Transport, Infrastructure and Communities

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Association of Consulting Engineering Companies – Canada

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(Please check against delivery)

Thank you for this opportunity to appear before the Committee.

The Association of Consulting Engineering Companies – Canada (ACEC):

- Voice of consulting engineering companies across Canada
- Represents over 400 companies collectively employing 60,000 Canadians
- ACEC member firms provide wide range of engineering, scientific and other professional services to both public and sector clients
- ACEC member companies are directly involved in the delivery of most public infrastructure in Canada

ACEC believes infrastructure is a core business of government and an investment in our quality of life. It connects communities, enables commerce and protects the environment.

We therefore applaud the meaningful and significant infrastructure commitments by several successive governments and the ambitious investments proposed by this current government. It is encouraging that all Parties are generally rowing in the same direction.

Commitments of seven, then ten and now twelve years provide the opportunity for owners of infrastructure to more effectively plan and manage their assets. It allows the design and construction supply chain, including municipalities and public agencies, to more effectively manage and invest in their capital, technological and human resources.

However, there has been much discussion over the slower than anticipated pace at which investments are being made. This is concern to us as well.

The government has noted that their funding regime is based upon receipts received when projects are constructed resulting in a “reprofiling” of commitments. This is a fair and reasonable explanation and the government’s new requirement for provinces and territories to provide a three-year rolling forecast is prudent and will be helpful going forward.

It also appears that the bilateral negotiations with the provinces took longer than the government had initially anticipated. I suspect that the government is as frustrated as the rest of us. But we are grateful and encouraged to see the recent announcements of phase 2 funding.

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However, while we remain confident that the government will eventually fulfil its current commitments to infrastructure investment, albeit much of it later than originally anticipated, it is important that the commitments are not only long-term but also timely and as consistent as possible.

Both the Investing in Canada Plan under this government and the Building Canada Plan introduced by the previous government are significantly “back end loaded” with much of the investment skewed towards latter years of the program. The recent delays, while understandable and defensible, will even further back end load the infrastructure commitments.

This threatens to negate some of the advantages of making long term commitments, by making it difficult for municipalities, engineers, constructors and even regulators to manage resources effectively.

We are all trying to maintain our current workforce through this early period of relatively modest investment. Then suddenly we will all be charging up a steep hill with no idea what is on the other side. Labour and materials will become more expensive because of intense competition, approval and regulatory processes become overwhelmed. Municipalities could have challenges with cash flow and meeting their contributions. Delays and overruns will be almost inevitable. The resultant business uncertainty may discourage private investment. The important economic and societal benefits of infrastructure are delayed or unmet.

To help make infrastructure investments timelier and more consistent in the short term, we recommend “reprofiling” the existing Building Canada Plan so investments are made earlier in the program to help offset the recent “reprofiling” of phase 2 and other investments until later.

Our second recommendation is to begin planning and renegotiating the next generation of federal infrastructure investment prior to the expiry of current programs. Gaps between programs result in layoffs and lost capacity and expertise... only to have to rebuild years later when a new program is announced. For example, after the expiry of the previous Building Canada plan, there were three announcements over two governments. Each successively - and legitimately - claimed to be the largest infrastructure commitment in Canadian history. Yet, over this period, we saw our industry shrink by 15% as we waited for funding to flow – resulting in a loss of much needed expertise and capacity. Only recently have we been rebuilding that capacity.

In cases where municipalities have robust and well considered asset management plans in place, we recommend providing funding based upon their investment program rather than on a project by project basis. This could allow multiple strategically related projects to be approved under a single application. More importantly, it will serve as an incentive for municipalities to develop and adopt asset management plans to guide strategic investment decisions.



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Finally, I would also suggest that you examine the cumulative regulatory burden that can significantly delay or increase the costs of projects. Every year, all levels of government introduce new laws and regulation impacting everything from labour to licencing, from building permits and accessibility requirements. Each of these individually may be sound public policy, but there is rarely consideration of cumulative impact.

In particular, you will need to keep a close eye on Bill C-69 regarding environmental impact assessments. Many provincial and municipal infrastructure projects will likely be subject to Bill C-69. And while there is much detail yet to come, there is a significant risk that unless Bill C-69 and its regulations are sufficiently clear and appropriately scoped, it may result in projects being delayed or not proceeding at all.

I would like to conclude by acknowledging that we are grateful for the significant investments made by this and previous governments. It is a sound investment in Canada and in Canadians. Notwithstanding the challenges of implementing and delivering programs of this magnitude, we can make it work and the consulting engineering sector is here to help.

Thank you. I look forward to your questions.