

**Canadian Construction Association – Formal Submission and feedback for the Statutory Legislative Review of the Canada Infrastructure Bank**

**March 31, 2023**

**Mr. Glenn Campbell**

Senior Assistant Deputy Minister  
Infrastructure Canada  
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Dear Mr. Campbell,

On behalf of the Board of Directors and membership of the Canadian Construction Association (CCA), I am pleased to provide you, and Infrastructure Canada, our formal feedback for the legislative review of the mandate and operations of the Canada Infrastructure Bank (CIB).

CCA is the national voice for the construction industry in Canada, representing over 20,000 member firms in an integrated structure of 63 local and provincial construction associations. Our sector employs over 1.5 million people in Canada and contributes roughly \$155 billion to the economy annually, accounting for 7.6 per cent of Canada's gross domestic product (GDP). It is truly the backbone of the Canadian economy.

Infrastructure investment is a top priority for our association and has been the foundation of a large portion of our advocacy work during the same timeline as the Bank's tenure. We have worked with industry partners to put out the Canada Infrastructure Report Card in 2019, contributed to the National Infrastructure Assessment in 2021, and have consistently advocated for a long-term, stable investment plan to provide predictability for industry and sufficiently close the existing infrastructure gap for all Canadians.

To that end, our industry has watched with great interest and enthusiasm as the government developed and released the Investing in Canada Plan in 2016. It was very much needed and eagerly welcomed by our industry and Canadians across the country, and has been successful in ensuring a steady stream of projects and the improvement of aging assets across the country. We were optimistic that the creation of the Bank in 2017, and allocation of \$35 billion in funding to invest in infrastructure while seeking to attract private capital, would further facilitate large-scale projects in the national interest. The pillars of Public Transit, Green Infrastructure, Trade and Transport, Broadband and Clean Power make sense to our association and were eagerly welcomed by our industry.

We also participated in the 2021-2022 study of the House of Commons Standing Committee on Transport and Infrastructure regarding the Bank itself, for which I provided testimony. The committee's final report recommended the elimination of the CIB, which is something that our organization and industry disagree with as we believe the Bank has a vital role to play in Building a Better Canada. I did note that funding was slow to roll out, but recognized that much of that was due to stalled conversations between the federal government and provinces.

Our board and executive team have had productive and constructive relationships with Pierre Lavallée and Ehren Cory during the lifespan of the CIB and have always found them receptive to feedback and the concerns of our organization.

The mandate review seeks to cover the following areas:

1. *whether the policy premises and context that underpinned the creation of the CIB are still sound and pertinent;*
2. *whether the CIB's legislated mandate and authorities to support its operations remain relevant in the context of an evolving policy and infrastructure landscape; and*
3. *whether changes or clarifications are needed to position the CIB going forward.*

We put forward for your consideration the following thoughts and recommendations.

### **Policy premises and context**

The policy premise that facilitated the creation of the CIB was strong and we believe that taking a different look and approach to how projects are funded in this country is crucial. As the country emerges from the COVID-19 pandemic and braces for another potentially tumultuous economic period, CCA supports the Bank's role in ensuring the flow of steady infrastructure investments across Canada.

With any new organization there are always growing pains. It is evident that the CIB struggled during its first few years to become fully operational following the passage of the legislation in the spring of 2017 and faced a number of personnel changes at the senior level that prevented it from operating effectively from its inception. This also affected its ability to fund and approve projects in a timely manner. The release of the CIB's Growth Plan and outline of its priority areas has helped to clarify its mandate, and CCA has seen a marked uptick in MOU and formal agreements since 2020.

### **Mandate relevancy**

CCA trusts that the CIB is now fulfilling its core mandate of growing innovative partnerships, releasing funds quickly and efficiently, attempting to build a robust portfolio across the sectors identified in the Growth Plan, and attempting to remain nimble for new economic challenges. It is also remaining consistent and reflective of the economic priorities set by the Government of Canada.

As stated on the webpage outlining the parameters of this review – as of November, the CIB has committed \$8.3 billion in capital and attracted \$7.8 billion in private and institutional investment to support partnerships and transformative projects across Canada, encompassing all of its priority sectors. These are big strides from its inaugural years, and we believe that those challenges are no longer preventing the Bank from fulfilling its core directive.

The mandate continues to be as relevant and pressing today as it was in 2017. However, there is more work to be done to close the national infrastructure gap, to support massive trade-enabling infrastructure projects such as the National Plan for Trade Corridor Initiative, and to safeguard against international events. In the last few years, global supply chains have experienced unprecedented interruptions, including the pandemic, extreme weather events, and the illegal Russian invasion of Ukraine. Canada has not been spared from these shocks and our trade-enabling infrastructure is vulnerable. However, with the right investment, we are well positioned to alleviate vulnerabilities in the global supply chain and help grow the Canadian economy. We believe the CIB can have a central role in helping to tackle these issues.

### **Changes needed going forward**

There are two areas we would like to see considered and reflected as the CIB charts the next phase of its operations, which we have communicated directly to its leadership in the conversations mentioned above.

First, a significant deterrent to broader contractor involvement in infrastructure projects is the disproportionate risk they carry, due to how public owners structure these contracts. We strongly believe that a critical role of the CIB is to engage more actively in those projects within its mandate to mitigate risk. As an important industry partner, the CIB should also champion alternative project delivery models so that collectively we can generate more value to Canadians. A constant focus on lowest cost works against the opportunity for early collaboration, which would result in more innovative and productive solutions.

Secondly, we encourage the Bank's continued operation to be informed by the next phases of the Investing in Canada Plan. March 31, 2023 marks the last day where provinces can earmark remaining funding before it is redistributed. With final deadlines set, our industry turns to the Government of Canada once again to provide an updated, long-term plan for infrastructure investment that allows our members to plan with confidence, grow the economy, and build more resilient infrastructure to safeguard against climate change. Aging infrastructure across the country has reached a critical stage and needs to be addressed, updated and fixed.

### **Conclusion**

On behalf of CCA, I thank you, your officials, and Minister LeBlanc for the opportunity to provide feedback. We look forward to seeing the final review and recommendations when tabled in Parliament in June 2023, and are happy to connect to discuss these thoughts and recommendations further. We look forward to continuing our ongoing conversations on supporting a prosperous, vibrant, and growing construction industry that benefits all people in Canada and is crucial in ensuring a strong economy in the months and years ahead.

Best regards,

A handwritten signature in dark ink, appearing to read 'mva', with a long horizontal stroke extending to the right.

Mary Van Buren, MBA, CAE  
President, Canadian Construction Association

CC:

The Honourable Dominic LeBlanc, P.C., M.P. Minister of Intergovernmental Affairs and Infrastructure

Ms. Jennifer O'Connell, Parliamentary Secretary to the Minister of Intergovernmental Affairs and Infrastructure and MP for Pickering-Uxbridge