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RE: Canadian Construction Association – Submission to the Call for Evidence to Support National Infrastructure Assessment Report 2

Canada's long-term resilience depends on its ability to build at scale and with purpose. As Prime Minister Carney stated in Davos: "A country that can't feed itself, fuel itself, or defend itself has few options. When the rules no longer protect you, you must protect yourself...we are building that strength at home." This unflinching assessment of the rapidly changing global economy has spurred the government to build more and build stronger, starting with housing and housing-enabling infrastructure as priorities to support the quality of life of Canadians and strengthen the communities in which they live, work, and thrive.

As the national voice for Canada's construction industry, the Canadian Construction Association (CCA) welcomes the call for evidence to support the National Infrastructure Assessment (NIA) Report 2. CCA represents 18,000 member firms through an integrated structure of 57 local and provincial partner associations. Our sector employs over 1.63 million people in Canada and generates approximately \$170 billion for the economy annually, representing 7.3 per cent of Canada's gross domestic product (GDP).

Since Budget 2021, CCA has been a long-standing advocate for the implementation and publication of Canada's first NIA. The committee's work is even more pronounced as NIA Report 2 takes shape, particularly given the need to operationalize the government's \$115 billion infrastructure investment through a coordinated, long-term plan across all levels of government. Achieving this will be critical to delivering the core infrastructure required to address Canada's housing crisis. The construction industry is proud of its central role in advancing these priorities and looks forward to providing recommendations that will directly unlock the sector's full potential to deliver on these ambitious infrastructure commitments.

Funding allocation models

CCA applauds the long-overdue \$115 billion infrastructure investment announced in Budget 2025. However, introducing new funding packages for enabling infrastructure must be supported by predictable, long-term funding and robust public reporting on how these funds flow through provincial and municipal channels to prevent the misallocation of risk and responsibility. At a systemic level, the disconnect between who bears responsibility for public infrastructure risk and who has the authority to deploy funds with agility continue to negatively impact Canada's economy and project delivery timelines.

Rather than funding individual projects on a case-by-case basis, CCA encourages a shift towards supporting the development of comprehensive, provincial municipal asset management plans. This more closely aligns funding objectives with the realities of provincial and municipal needs and alleviates pressure on municipal funding models that are forced to rely on development cost charges, thereby contributing to higher housing costs. Furthermore, funding for housing-enabling infrastructure is only one piece of the puzzle; stronger integration of land-use and infrastructure planning is crucial to ensuring that communities can support long-term housing growth in the first place.

Inconsistencies and duplications

The ownership of certain governance responsibilities adds another layer of complexity to the speed and ease of building and maintaining housing-enabling infrastructure. For example, across British Columbia, there are significant inconsistencies in municipal building codes, engineering standards, permitting requirements, and development approval processes, adding unnecessary layers of complexity that stall the construction sector's ability to make meaningful progress on project timelines.

Inconsistent and duplicative processes at the provincial level create greater uncertainty for municipalities, contractors, and developers, contributing to delays and increased costs for housing-enabling infrastructure projects. This points to a broader challenge: without a whole-of-government alignment of codes, policies, and regulations, top-down funding risks being undermined by inefficiencies and red tape, ultimately costing taxpayers while failing to deliver on the infrastructure needs in their intended communities. To rectify this, CCA recommends a streamlined, standardized provincial approach across Canada to improve efficiency, reduce administrative burden, and accelerate project delivery by establishing clearer parameters for municipalities, contractors, and developers to work within.

Extensive documentation

Moreover, the extensive requirements for permitting, environmental reviews, utility coordination, and fragmented approvals are key bottlenecks in infrastructure construction. While these policies are underpinned by regulatory and environmental rigour, there is still an opportunity to harmonize approvals and shorten permitting timelines across all levels of government to expedite housing-enabling infrastructure.

Along this thread, CCA has noted a growing push-and-pull dynamic in government, in which recent policies indicated that greening objectives are at odds with the need to build at speed and scale. For example, in C-15: *Budget Implementation Act*, there is a provision that grants Cabinet the authority to exempt any individual or company from any federal law – except the Criminal Code – if deemed in the “public interest.” Rather than de-burdening existing policies of excessive red tape, the government elects to override these rules at its discretion through exemptions. While this may work in the short term, it not only sends mixed signals about the government's commitment to embedding climate resilience in infrastructure but also fails to meaningfully address bottlenecks that affect infrastructure delivery capacity.

Asset management planning

As reported in the Canadian Infrastructure Council's (CIC) *State of Clean Water and Sanitation Systems in Canada* technical paper, approximately 10 per cent of existing water and wastewater infrastructure assets were found to be in poor or very poor condition nationally, with no data being available beyond 2022. While 10 per cent is not an insignificant amount, this sample also obscures the reality that most regions in Canada today have no information on the condition of their underground assets. This points to a major issue: Canada lacks an institutionalized data-collection system to ensure robust, up-to-date tracking of our water and wastewater systems. Without an official body tracking infrastructure and producing annual reports on its nationwide condition, many projects risk delay or are deemed unfeasible to proceed, as contractors are forced to work with incomplete, haphazard, and outdated snapshots of information.

At a more granular level, where some municipalities do track their water and wastewater systems, tracking age-based data is the predominant approach. While useful, age alone is not a reliable predictor of asset performance, which can result in major infrastructure failures. CCA recommends shifting to a more proactive philosophy of using inspection-based grading as the best practice. Not only does it provide a clearer picture of the condition of underground assets through inspection rather than age, but it also benefits by increasing asset longevity and performance, ultimately resulting in long-term cost savings.

Small and rural communities may require different delivery and governance models suited to their context. An example is placing water and wastewater systems under an arms-length utility management model; not only does this provide better risk management for infrastructure, but it also presents an opportunity to crowd in private-

sector investment. Another benefit of regionalizing infrastructure is that it centralizes and shares technical capacity, ensuring longevity and efficient resource management.

Procurement modernization

Canada's current procurement model is in urgent need of modernization. Reliance on long-standing practices, such as awarding contracts to the lowest bidder or pursuing public-private partnerships (P3S), reinforces inefficiencies and discourages innovation. This call for evidence has been clear in its desire to "promote innovative made-in-Canada practices across design, procurement and delivery." As the construction industry continues to deliver greater value through innovation, public procurement practices must also adapt to reflect these changes, fostering long-term resilience and improving productivity. Moreover, adopting a collaborative and agile approach to public procurement can maximize and accelerate the benefits to be gained from the government's \$115 billion investment.

Contracts

The discussion of risk has become increasingly pronounced over the past couple of years, especially amid ongoing uncertainty from the United States. In the current contract and procurement status quo, there is no recourse to protect contractors from absorbing the risk pushed downstream from inflation and supply chain pressures and volatility. This, in turn, drives up costs, discourages bidders, and, in extreme cases, leads to insolvencies. Not only will many planned infrastructure projects risk being postponed indefinitely due to financial unfeasibility or long-term disruptions to the project timelines, but it will also weaken the industry overall.

A made-in-Canada solution to this is the adoption of industry-standard documents that codify risk-sharing for all parties, such as the Canadian Construction Documents Committee (CCDC) contracts. CCDC is the Canadian industry standard. No other country operates under a truly consensus-based model like this one. Through a consultative, consensus-based approach, CCDC contracts, forms, and guides are developed with fair risk allocation in mind and reflect the industry's best practices. By assigning risk to parties based on their ability to manage it, this approach strengthens overall project outcomes and embeds resilience; as such, it can drive private-sector investment while balancing public-interest outcomes.

Delivery models

Innovative delivery models tend to be highly project-dependent, but as projects grow in complexity and scope, the increased use of alternative and innovative project delivery models, such as progressive design-build, integrated project delivery, and construction management, that promote early contractor involvement ensures successful project completion through proactive cost and scheduling management.

Lastly, CCDC documents are already being used in varying capacities by Public Services and Procurement Canada (PSPC) and Defence Construction Canada (DCC), which sends a positive signal to the industry. This good-faith adoption serves as a positive model for other purchasers of construction in Canada, with the potential to drive broader uptake for fair and balanced risk-sharing models that set infrastructure projects up for greater success and resilience.

Conclusion

On behalf of CCA and our membership, we appreciate the opportunity to contribute to this call for evidence and share the construction industry's insights and recommendations on how best to deliver the housing-enabling infrastructure needed to address Canada's housing crisis.

We would welcome the opportunity to meet with the council at a mutually convenient time to discuss this submission in greater detail and explore how we can support the CIC in its work. We wish the Council every success in delivering NIA Report 2.

Warm regards,



A handwritten signature in black ink, appearing to read 'R. Gilbert'.

Rodrigue Gilbert
President, Canadian Construction Association