



Moving the Canadian Economy Forward – How Businesses Need to Engage Government

Keynote Address

ACEC National
Leadership Conference

Speaking Notes for Warren Everson

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Level 4

Thank you John for your kind introduction and thank you for the opportunity to participate in ACEC's first annual National Leadership Conference.

The President and CEO of the Canadian Chamber of Commerce, the Hon. Perrin Beatty, wanted to be here today. He is unfortunately unable to attend, so I'm happy to take over for him. ACEC is an important partner of the Canadian Chamber and of Canada's business sector across the country, so we're glad to be aligning our priorities at this conference.

While this conference is about looking forward, I hope you're taking some time to take stock of what you have accomplished. ACEC's clear and consistent advocacy has moved the yardsticks in Ottawa on many issues, most notably on federal infrastructure investment.

L'AFIC est aussi un partenaire important de la Chambre de commerce du Canada. En supportant nos récents rapports sur les investissements en infrastructure et sur le développement des ressources naturelles, l'AFIC a aidé à crédibiliser notre travail et lui a donné le poids nécessaire pour faire la différence auprès du gouvernement.

I really enjoyed the panel discussion and learning about what lies ahead from some of the big thinkers in your business.

I'll start by saying up front that I understand the peril of being the last thing standing between this group and your reception this evening, so I'll be brief.

If I'm not mistaken, the reception is over at the newly renovated Sir John A MacDonald building. For those of you who haven't seen the building yet, it is a stunning piece of architecture whose renovation was led - not surprisingly - by an ACEC member.

You've picked a good time to be here; a year after this government was elected.

And a busy year it's been. In addition to the task of figuring out where and how the business community fits into a new government's agenda, the Chamber staff and I have had to introduce ourselves and our issues to a lot of new faces in parliament.

That is no small task. There are nearly 200 rookie MPs in Ottawa, the largest number in over two decades.

For their part, Prime Minister Trudeau and his Cabinet have been moving quickly on several of their electoral promises. To date, most of those have been the low-hanging fruit of their platform: the well defined promises that translate easily to federal policy.

On larger, more complex commitments such as infrastructure and innovation, their actions have been more...deliberate.

Their first budget provided statements of intent on these issues while indicating that the heavy lifting was still to come. This was followed by Cabinet fanning out across the country for an unprecedented amount of consultation.

At one point recently the count was up to 84 active consultations. You know, just in case you're wondering why our Chamber staff in Ottawa look like they haven't slept in a few months.¹

Having consulted as far as the eye can see, now it is time for the government to make some difficult decisions. In the coming months choices will be made that will shape the economic legacy of this government.

For all of us in the business community, it's a critical time to compel decision makers to see what lies beyond the electoral horizons.

This is especially true when it comes to infrastructure, a distinguishing feature of the government's economic strategy.

Like all of you in this room, the Chamber network of 200,000 businesses has a strong interest in the decisions that that will drive public infrastructure investment for the next decade.

We are supportive of the decision to reduce Canada's infrastructure deficiencies. Modern infrastructure is a core component of a competitive economy.

However, the promise of \$60 billion for transit, social and green infrastructure from the last budget, without an equally specific commitment to Canada's vital trade-enabling infrastructure, could represent a missed opportunity.

These infrastructure programs will be financed with borrowed money. It's essential that more of the investments we make be setting us up for future economic success.

¹ A Year After Trudeau's Election, Gov't Is Consulting, But Is It Really Listening? Jim Bronskill, The Canadian Press. http://www.huffingtonpost.ca/2016/10/16/a-year-later-liberals-are-busy-consulting-but-are-they-truly-listening_n_12515548.html

That's why, as the government considers how it will deliver this funding, the Chamber has provided a business perspective on these decisions.

We've said to the government that trade-enabling infrastructure should be a critical part of the new long-term plan. Trade infrastructure includes the roads, ports, railways, border facilities, airports, pipelines and even digital networks that move Canadian products, services and people to global markets.

In June we released *The Infrastructure that Matters Most*, a report that makes recommendations on how the government should put more emphasis on trade infrastructure in its plan.

It comes down to this – of all the different categories we could invest in, trade infrastructure has the highest return on investment. It is the infrastructure that makes us all wealthier by making us more competitive.

Sixty percent of Canada's GDP depends on trade. Our economic success as a country is therefore directly tied to the quality of this infrastructure.

Trade infrastructure also helps generate the jobs, economic growth and tax revenue that allow governments to spend on other social and economic priorities. To repeat the point - if the government is going to borrow to build new assets, much of it should be productive assets.

It is especially important now because Canada's trade infrastructure is falling behind. In 2008-2009, the World Economic Forum's Competitiveness Index ranked Canada's quality of infrastructure as the 10th best in the world. Today we're number 23.

At the same time Canada is falling behind, the global middle class is expected to grow from 1.8 billion people today to 5 billion by 2030. This expansion represents a massive opportunity for Canadian exporters. But these new customers will buy from someone else if our trade infrastructure networks don't allow us to deliver.

When I am in Asia, people tell me it's a priority to get new sources of natural gas. They don't say 'Canadian' natural gas. They don't care where it comes from. If we are slow to market, someone else will provide it.

So what should the government do? We hope to see trade infrastructure made an equal priority in the federal plan. We also recommend that the government renew the now expired federal gateway and corridor programs that can help focus public and private investment in border crossings.

Another issue we're paying close attention to is the federal commitment to create a Canadian infrastructure bank, an idea reintroduced last week by Finance Minister Morneau's Advisory Council on Economic Growth.

As originally proposed in the Liberal platform, the promise of a bank was to establish an institution to provide loan guarantees to provinces and municipalities. There might be merit to this proposal since lower borrowing costs will activate more projects.

But we want to be sure the creation of a "bank" isn't a distraction from the real challenges of Canadian infrastructure, which are divided jurisdictions and overly complex regulatory processes.

Our June report recommended that the government establish an independent body to help prioritize Canada's long-term infrastructure needs, consistent with models that exist in Australia and the UK.

The reason is simple. Improving Canada's infrastructure is not just about spending more, it's about spending smarter. It's about ensuring we can identify and prioritize the most economically important projects in the country.

This is not the Chamber's idea alone. The Advisory Council on Economic Growth and the Canadian Transportation Act Review by David Emerson have both suggested that Canada needs a mechanism to determine where investments in infrastructure should be targeted.

It sounds like the government is listening. There were indications last week that the government is considering expanding the bank's original concept so that it can appraise and help plan approaches to dealing with Canada's national infrastructure needs.

Addressing the terrible inefficiencies of Canada's regulatory processes is one of the Canadian Chamber's major priorities. We'll be launching a project on this issue in 2017. We think this is one of the fastest ways to create growth in our economy.

There are far too many high-profile projects that are being delayed because of heavy handed regulatory processes, politics, lack of clarity on the duty to consult or some combination of all three.

This is the infrastructure that Canada's economy needs. These are projects that will generate jobs and wealth without the use of public funds.

To that end, we're telling the government they absolutely must do more to unlock more private sector investment as part of their infrastructure plan.

The private sector is a more dynamic infrastructure investor. Its bigger, moves faster, takes more risk, thinks longer-term and innovates.

Bluntly speaking – Canada needs private investment if we are to have an infrastructure plan that meets our needs and does so quickly.

I'm reminded of Thomas Edison's words when he said, "We shall have no better conditions in the future if we are satisfied with all those which we have at present."

It was warning against complacency. And Canada is becoming complacent about the infrastructure we need in order to sell our natural resources to customers that want them.

Canadians have achieved a high standard of living, thanks both to our enviable natural resource riches and to the innovative ways we've decided to harvest and develop those riches. This has provided Canada with advantages that many countries can only dream of. Protecting and growing those advantages will require a clear plan on how to continue to develop and deliver our resources in a sustainable and responsible way.

We need to shift the discussion from whether we should be doing it to how we are going to do it. And I believe much of the answer is here, in this very room. Your knowledge and know-how, your innovative ideas and your resourcefulness are what we need to create these new pathways to prosperity. We can work together to make that case and we can provide an important boost to our national economy.

Not only are you engineers, with credibility on how to build the facilities and networks we need, but you are also 'consulting' engineers – you eat what you hunt.

Yours is a unique combination of business realities and technical competence. There are just not that many voices speaking to government with that kind of credibility.

So, I urge you to speak loudly and proudly on your own behalf, but also with the interests of all Canadian businesses riding on your shoulders, and with the support of the Canadian Chamber for your message.

Our job is to warn against complacency and not just to talk about problems, but to help develop solutions.

Our job is to present a positive vision of how Canada can reach its economic and environmental potential.

Notre travail consiste à démontrer qu'un plan d'infrastructures de cent vingt milliards de dollars peut contribuer à changer le Canada pour le mieux, si ces montants sont bien investis.

Notre travail consiste à favoriser les investissements privés et voir au-delà de la bureaucratie.

Finally, our job is to remind governments that their interests are the same as ours: to create more jobs, wealth and prosperity for Canadians.

I wish you luck as you take the issues you've discussed today into your meetings on the Hill tomorrow. Together we can continue to point the government towards the right decisions.

Best of luck with the rest of your leadership conference and thank you again for having me.