

**House of Commons Finance Committee
2026 Pre-Budget Submission**



April 30, 2026

Recommendations

1. Ensure municipal participation in early-stage planning of major projects from the *One Canadian Economy Act*. Create structured mechanisms for municipal input during site selection, impact assessment, and mitigation planning.
2. Expand federal funding programs to include operations, maintenance, and climate-resilience upgrades. Municipalities cannot sustain new assets without predictable long-term funding.
3. Guarantee full PSBN access for public works agencies as critical first responders. Interoperability must include municipal operators of water, transportation, and public infrastructure systems.
4. Renew and expand all-hazard awareness funding through a permanent, indexed program. Funding should support training, risk modelling, climate data access, and public education.
5. Accelerate and modernize flood mapping using climate projections and open data standards. Maps must include fluvial, pluvial, groundwater, and coastal flood risks.
6. Expand federal incentives for infrastructure projects that use recognized sustainability and climate-risk methodologies such as Envision. This supports investment-grade infrastructure and aligns with climate-smart growth.
7. Integrate natural asset valuation into federal funding criteria and asset-management requirements. This encourages municipalities to protect and restore natural infrastructure.
8. Continue direct funding to local communities through an increase to the federal Canada Community-Building Fund.
9. Create a permanent federal funding mechanism to support and enhance the cost-effectiveness and sustainability of modern water and wastewater systems in communities of all sizes. “You can’t build another house if you can’t flush the toilet.”
10. Include affordability as a consideration in federal programs to ensure that disadvantaged communities are not denied essential water services.
11. Support programs that assist provincial, territorial, local, First Nation and critical service entities in increasing resilience to natural hazards and with drought-related activities and expand the technology transfer of drought and water conservation strategies.
12. Encourage the development of regional drought preparedness and response plans by water providers in cooperation with federal, provincial, territorial, local, First Nation and critical service entities, and require those plans mitigate the negative economic, social, and environmental impacts caused by a lack of available water.
13. Encourage planning and management efforts that include steps to reduce the vulnerability of future water interruptions, such as floods or drought.

Introduction: Public Works as the Foundation of Climate-Smart Growth

Canada is experiencing a time defined by climate risk, rapid adoption of new technologies, and the urgent need to modernize infrastructure systems that underpin economic competitiveness. Municipal public works professionals are central to this transformation. Municipal public works professionals are on the front lines of infrastructure delivery and land-use planning and their expertise is essential to ensuring that federal investments translate into real, durable outcomes for communities. The Canadian Public Works Association (CPWA) welcomes the April 7 announcement of the Build Communities Strong Fund and is encouraged by the government's action on budget priorities that support resilient infrastructure development. In particular, CPWA is pleased to see the inclusion of a direct delivery stream that is accessible to municipalities of all sizes.

Canada's government has prioritized climate-aligned economic growth, regulatory certainty, and long-term resilience. Public works agencies—responsible for water systems, transportation networks, emergency response, and critical infrastructure—are indispensable partners in delivering this agenda.

This submission outlines how federal policy can unlock municipal capacity, accelerate infrastructure delivery, and strengthen Canada's resilience to climate-driven disruptions.

Our recommendations focus on four pillars:

1. Municipalities as full partners in the operationalization of the *One Canadian Economy Act*
2. A national approach to emergency management and disaster resilience
3. Climate-resilient infrastructure as a driver of economic competitiveness
4. Water resilience as a foundation for housing, health, and growth

Operationalizing the *One Canadian Economy Act*

The One Canadian Economy Act (Bill C-5) aims to streamline project approvals and accelerate investment. However, the success of “one project, one review” depends on early, structured engagement with municipalities—the governments most familiar with zoning constraints, utility capacity, environmental risks, and community dynamics.

Without municipal input, fast-tracked projects may overload water or waste systems, disrupt sensitive ecosystems, or spark community opposition. These risks remain real, and they undermine both investor confidence and public trust.

Why Municipal Integration Matters:

- Municipalities manage the infrastructure that enables private investment.
- Early engagement reduces regulatory risk and prevents costly redesigns.
- Local data on stormwater, transportation, emergency services, and land use improves federal decision-making.

- Municipal participation accelerates project delivery by aligning federal timelines with local permitting and construction realities.

Recommendations:

1. Ensure municipal participation in early-stage planning of major projects from the *One Canadian Economy Act*. Create structured mechanisms for municipal input during site selection, impact assessment, and mitigation planning.
2. Expand federal funding programs to include operations, maintenance, and climate-resilience upgrades. Municipalities cannot sustain new assets without predictable long-term funding.

Emergency Management and Disaster Resilience

Public works agencies are critical infrastructure operators and first responders. They are responsible for assessing damage to buildings and infrastructure; clearing and disposing of debris; securing critical facilities; and restoring lifeline services. Yet, federal emergency management frameworks often overlook their central role.

Climate-driven disasters—wildfires, floods, droughts, extreme storms—are increasing in frequency and severity. A national resilience strategy must fully integrate public works agencies and into planning, training, and response. In part, this can be done through the Public Safety Broadband Network (PSBN). Reliable, interoperable communication is essential for emergency response. The Temporary National Coordination Office emphasized that PSBN development will require all levels of government to support its development. Public works agencies must be recognized as core users, not peripheral stakeholders.

Recommendation:

3. Guarantee full PSBN access for public works agencies as critical first responders. Interoperability must include municipal operators of water, transportation, and public infrastructure systems.

In addition, Budget 2019 provided \$5 million over five years for all-hazard preparedness and awareness activities. That funding has expired, leaving many small and rural communities without the resources to develop emergency plans or access modern forecasting tools.

Recommendation:

4. Renew and expand all-hazard awareness funding through a permanent, indexed program. Funding should support training, risk modelling, climate data access, and public education.

Flooding is Canada's most costly natural disaster. The National Risk Profile notes that "flooding is Canada's most common and costly disaster." Public works agencies rely on accurate flood maps to plan infrastructure investments, yet many maps are outdated or incomplete.

Recommendation:

5. Accelerate and modernize flood mapping using climate projections and open data

standards. Maps must include fluvial, pluvial, groundwater, and coastal flood risks.

Climate-Resilient Infrastructure as Economic Strategy

Infrastructure failures disrupt essential services, undermine economic activity, and threaten public safety. A climate-resilient infrastructure strategy is therefore an economic strategy. [Infrastructure Canada's Climate Lens](#) recognizes that infrastructure investments can more successfully address environmental pressures and climate change impacts by encouraging the incorporation of climate change considerations into the project development process. Foreseeing the need for such considerations, the APWA/CPWA joined partners in establishing the Institute for Sustainable Infrastructure (ISI) in 2010.

ISI's *Envision* sustainability rating tool is a holistic framework for evaluating and rating the community, environmental and economic benefits of all types of infrastructure projects and is accepted as a Climate Lens methodology to assess climate change risk and resilience. *Envision* also recognizes infrastructure projects that use transformational, collaborative approaches to assess sustainability indicators over the course of a project's life cycle.

Recommendation:

6. Expand federal incentives for infrastructure projects that use recognized sustainability and climate-risk methodologies such as *Envision*. This supports investment-grade infrastructure and aligns with climate-smart growth.

Natural assets—wetlands, forests, riparian zones—provide essential services such as flood mitigation, water filtration, and stormwater absorption. Natural assets may provide services in perpetuity if properly protected.

Recommendation:

7. Integrate natural asset valuation into federal funding criteria and asset-management requirements. This encourages municipalities to protect and restore natural infrastructure.

Water Resilience: The Foundation of Housing, Health, and Growth

Public works agencies operate and maintain critical infrastructure services susceptible to the impact of climate change, including the delivery of drinking water supplies and the management of wastewater and stormwater.

Public works agencies and municipal water providers use chemical substances to treat water for public use and automation and connected technologies are part of many water management strategies, which can be vulnerable to cyberattacks. In addition to addressing such issues as phosphorus, flushables, effluent discharge limits, and water quality, public works agencies are facing the pressure that climate change is putting on water and wastewater systems.

Recommendations

8. Continue direct funding to local communities through an increase to the federal Canada

Community-Building Fund.

9. Create a permanent federal funding mechanism to support and enhance the cost-effectiveness and sustainability of modern water and wastewater systems in communities of all sizes. “You can’t build another house if you can’t flush the toilet.”
10. Include affordability as a consideration in federal programs to ensure that disadvantaged communities are not denied essential water services.
11. Support programs that assist provincial, territorial, local, First Nation and critical service entities in increasing resilience to natural hazards and with drought-related activities and expand the technology transfer of drought and water conservation strategies.

According to Canada’s [Core Public Infrastructure Survey](#), municipal governments own over three-quarters of every type of potable water asset but less than half reported having an asset management plan. In addition, over one-third of potable water asset owners issued a drinking water advisory in 2016. According to Environment and Climate Change Canada, most boil water advisories are issued because equipment and processes used to treat, store or distribute drinking water break down, require maintenance, or have been affected by environmental conditions. This includes issues such as broken water mains, planned system maintenance, power failures or equipment problems.

Recommendations:

12. Encourage the development of regional drought preparedness and response plans by water providers in cooperation with federal, provincial, territorial, local, First Nation and critical service entities, and require those plans mitigate the negative economic, social, and environmental impacts caused by a lack of available water.
13. Encourage planning and management efforts that include steps to reduce the vulnerability of future water interruptions, such as floods or drought.

Climate change impacts are placing further pressure on water and wastewater systems. According to the report, [Canada’s Future: The Cost of Climate Adaptation at the Local Level](#), avoiding the worst impacts of climate change at the municipal level will cost an estimated \$5.3 billion per year. Drought will result in a loss of potable water amid increased demand, permafrost degradation will lead to the rupture of water lines and storage infrastructure, sea level rise will result in saltwater intrusion, and increases in rainfall and storm surge will lead to the failure of drainage systems. The report also notes that some studies have shown that for every dollar invested in mitigation measures, \$6 is saved in future damages.

Conclusion

Canada’s economic future depends on resilient, modern, and climate-aligned infrastructure. Public works agencies are essential partners in delivering this future. By embedding municipalities in federal decision-making, modernizing emergency management, investing in climate-resilient infrastructure, strengthening water systems, and adopting a national resilience strategy, the federal government can accelerate growth, reduce risk, and improve quality of life

for all Canadians. The Canadian Public Works Association stands ready to work with the Government of Canada to build a safer, more resilient, and more prosperous country.