

# Transport, Infrastructure and Communities-- Surface Infrastructure Programs Group: Partnering for Infrastructure Investments

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## Status of Infrastructure

Varied geography and demanding climate

Urbanization and population growth

Three orders of government:

--federal, provincial/territorial and municipal

Large number of owners/operators: more than 3,700 municipalities

High demand on aging infrastructure – advanced state of deterioration

--In 2005, average age of infrastructure estimated at 16.1 years.

--Aging trend has stabilized in recent years, due to increased investments

No single figure to estimate the infrastructure “deficit” (cost of rehabilitating infrastructure to an “acceptable” level of repair),

--as of 2004, estimates range from \$44B to over \$125B

# Federal role in infrastructure

- Most infrastructure owned and managed by provinces, territories, municipalities
  - In 2005 - net stock of public capital in infrastructure was \$239.6B in constant 1997 C\$
  - Provincial/territorial and municipal shares of this net stock total 83%
- Significant federal infrastructure programming re-established in 1994; was intended to stimulate economy and create jobs
  - Historical presence; tied to national identity, nation-building
- Over course of the 1990s
  - growing investment in public infrastructure and
  - increased understanding of link between infrastructure, quality of life, environmental goals and economic growth

## Transportation, Infrastructure and Communities Portfolio

- Government's strategic themes:
  - Economic competitiveness
  - Quality of Life
  - The Environment
  - Accountability to Canadians
- Portfolio regroups Transport Canada and Infrastructure Canada under a single Minister
- Provides Minister Cannon with capacity to make integrated policy and program delivery decisions

# Surface Infrastructure Programs

- Mandate—general program and project management
- Focus on National Highway System (NHS)
- Manage all federal transportation and transit programs
  - SHIP/CSIF/BIF
  - Outaouais Road agreement

## National Highway System

- Canada's road network is 1.4 million two-lane equivalent kilometres
- NHS represents almost 3% (38,021 kms) of Canada's total road network but carries over 30% of all traffic
- Key trade corridors and the Trans-Canada Highway connecting East and West coasts are included in the NHS
- NHS comprises three categories of routes:
  - Core
  - Feeder
  - Northern and remote

# Key Programs

- Strategic Highway Infrastructure Program (SHIP)
  - \$600M managed by Transport Canada
- Outaouais Road Agreement
  - \$57M managed by Transport Canada
- Border Infrastructure Fund (BIF)
  - \$600M managed by Infrastructure Canada, implemented by Transport Canada
- Canada Strategic Infrastructure Fund (CSIF)
  - \$4Billion—managed by Infrastructure Canada, transportation and transit implemented by Transport Canada

# Transit

- Canada is a highly urbanized country with over 80% of population living in urban centres
- Maintaining and expanding transit infrastructure is a key strategy in combating congestion and grid-lock which costs the economy an estimated \$3.7billion annually
- Total funding dedicated to transit since 2000 could amount to as much as \$7.6Billion
- Surface programs is active in development, management and delivery of programs

# Public-Private Partnerships

- Surface Infrastructure Programs Group proven record for PPP transportation infrastructure projects
- Current P3s:
  - Canada Line, Vancouver, B.C.
  - Anthony Henday Drive ring road, Edmonton, AB
  - Kicking Horse Canyon, B.C.
  - Toronto Air-Rail Link, Toronto, ON
  - New Brunswick Twinning of TCH
  - Highway 30, Montreal, QC

## Meeting Program Objectives

- Challenge: meeting federal program objectives in an environment of separated jurisdiction with provinces/territories and municipalities
- Solution: Federal government
  - signs contribution agreements with program recipients (provinces/territories and municipalities)
  - establishes joint project management committees or oversight committees
- Contribution agreements set out conditions and obligations for funding:
  - Financial terms
  - Eligible costs for reimbursement
  - Environmental assessments
  - Mandatory project standards
  - Open, competitive contracts
  - Reporting, evaluation, auditing obligations
  - Governance mechanisms for federal government oversight for its contribution

# Lessons Learned

- No single order of government can address infrastructure challenges on its own
  - Partnership, collaboration and consultation a requirement
- Funding can be leveraged
  - Example: Public-Private Partnerships
- Integrated approaches to investments and policy objectives
  - e.g. lifecycle management approach to assets
- Accountability
  - through contribution agreements, joint management/oversight committees, articulated results and outcomes