

Infrastructure Canada

A stronger economy, cleaner environment
and liveable communities

Une économie plus forte, un environnement
plus propre, des collectivités habitables

Federal Infrastructure and Asset Management

Presentation to Asset Management Workshop

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Celebrating 10 years of excellence

Célébrons 10 ans d'excellence

Overview

- Overview of Infrastructure Canada
- Our current infrastructure programs and support for asset management to date
- Asset management and the development of the long-term plan for public infrastructure: *What we heard*
- The New Building Canada Plan

Overview of Infrastructure Canada

INFC: Who we are

INFC serves as the focal point for the Government of Canada on public infrastructure matters

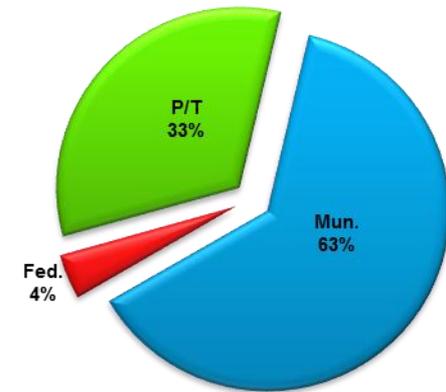
- Created as stand-alone entity in 2002
- One of the largest budgets in the government with small staff complement
 - 2013-14 appropriations almost \$4 billion
- Since 2007, there have been significant amount of announced funding, including:
 - Gas Tax Fund - \$2B per year legislated (now indexed at 2% in \$100M increments)
 - 2007 Building Canada Plan - \$33 Billion*
 - 2009 Economic Action Plan - \$5.5 Billion
 - 2014 New Building Canada Plan (incremental) - \$47 Billion*

* Includes funding managed by other departments (e.g. GST rebate – administered by Canada Revenue Agency)

INFC: What We Do

- INFC manages federal contribution programs targeting provincial, territorial and municipal infrastructure
- Investments made under these programs help Canadians benefit from sound public infrastructure from coast to coast to coast
 - Funding provided for infrastructure that is owned by other levels of government
 - We do not own or manage these assets
- Public infrastructure supports Canada's priorities, including economic growth, competitiveness and productivity
- Infrastructure funding has also been used to support larger national policy agendas including restoring fiscal balance and economic stimulus

Core Public Infrastructure by Asset Owner
2010 Gross Capital Stock (Current \$)



Partnership Approach

INFC partners with the provincial/territorial and/or municipal governments, who are the owners of the project assets and undertake the work

Provinces/Territories	Partners in setting overall priorities, signing framework and funding agreements, research, funding and program delivery
Municipalities	Partners in setting local priorities, funding, research, program delivery, infrastructure project management and community sustainability
Municipal Associations	Partners in setting regional priorities, delivery of the Gas Tax Fund, and identifying municipal priorities

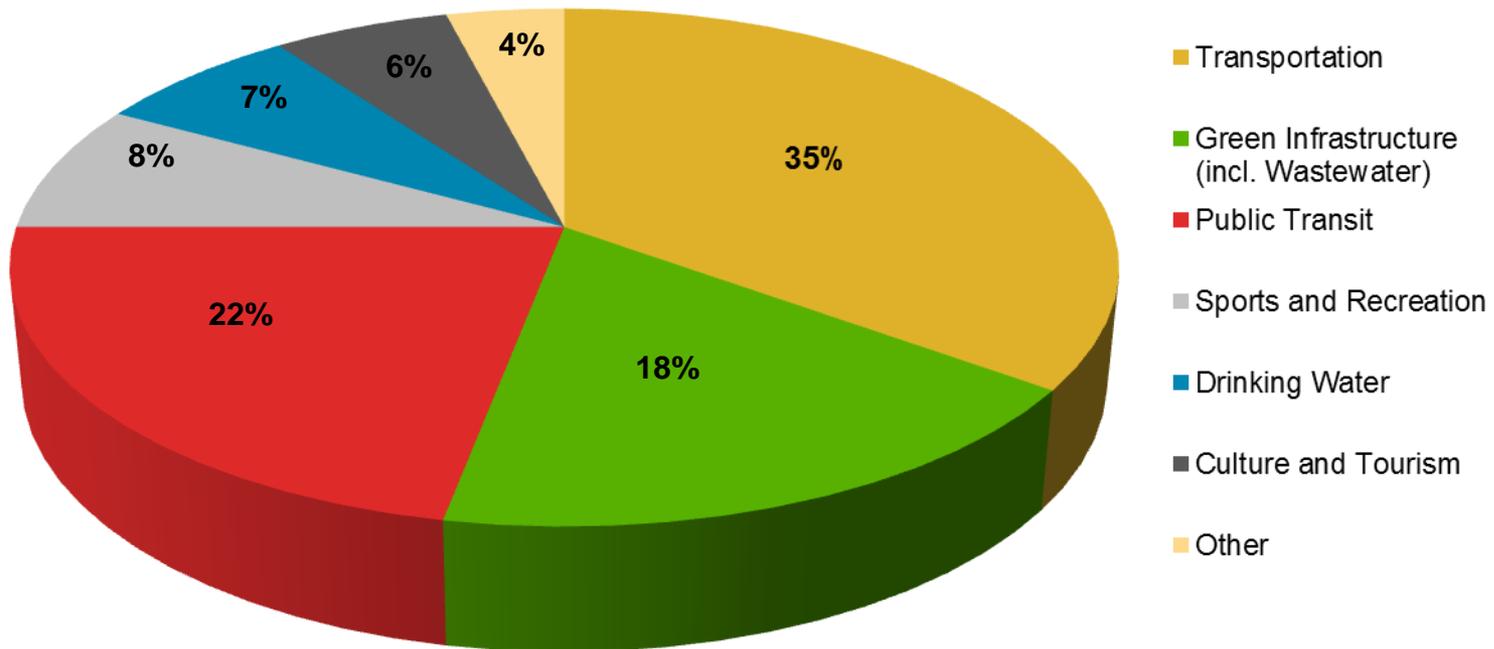
The majority of INFC programs are **contribution programs**

- Projects are *cost-shared* between the Government of Canada and the other partners

What we invest in

Targeted Funding by Major Category*

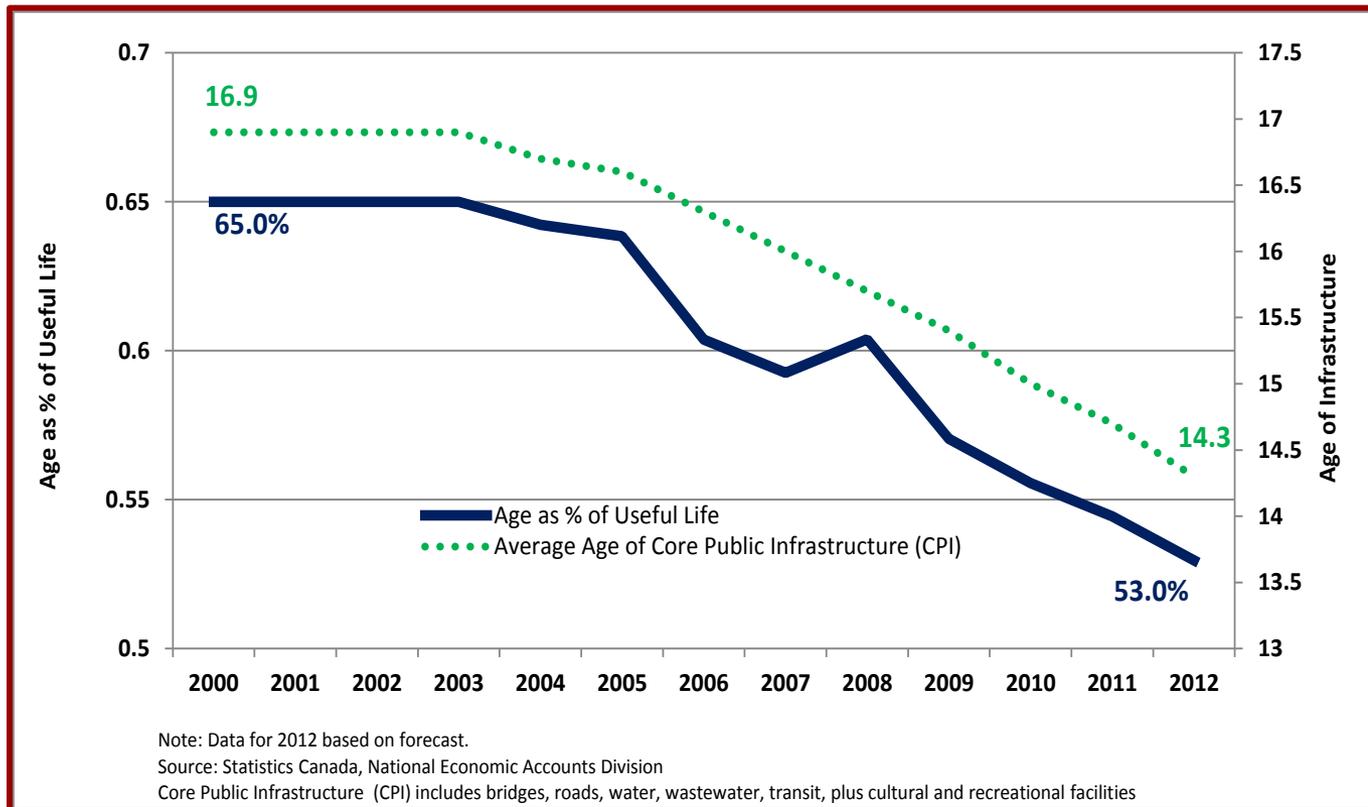
(dollars committed)



*Includes Building Canada Fund-Major Infrastructure Component, Building Canada Fund-Communities Component, Infrastructure Stimulus Fund and Green Infrastructure Fund

Results of Investments

- Canadians have seen the benefits of investments that the federal government, provinces/territories and municipalities have been making



*Our current infrastructure programs and
support for asset management to date*

The Building Canada Plan 2007

Building Canada plan: 2007-2014 (\$33B)

Transfers to other governments –
BASE FUNDING:
 \$20B/7 years

Municipal Base: \$17.6B/ 7 years
 Gas Tax Fund: \$11.8B/7 years
 GST Rebate: \$5.8B/7 years

Provincial-Territorial
 Base Fund
 \$2.275B/ 7 years

Targeted project funding for national priorities –
PROGRAM FUNDING:
 \$13.2B/7 years

Gateways and Border Crossings Fund (\$2.1B)
 Asia-Pacific Gateway (\$1B)

Building Canada Fund
Major Infrastructure & Communities Components
 \$8.8B

Public-Private Partnerships (P3) Fund
 \$1.25B

EAP 2009 and Stimulus Funding for Infrastructure

- Canada’s Economic Action Plan announced new infrastructure funding to stimulate economic growth and employment while also supporting Canada’s long-term productive capacity

Program	Allocation	Objective and Outcome
New Programs announced under EAP 2009		
Infrastructure Stimulus Fund	\$4B	Targeted, timely, temporary stimulus funding resulting in ~4,100 provincial/territorial and community based projects
Communities Component Top-Up	\$500M	Funded 535 construction-ready projects – required PTs to commit all of their existing Building Canada Fund CC
National Recreational Trails Fund	\$25M	Funding that created, sustained, and/or upgraded 474 trails across Canada

- EAP 2009 accelerated existing funding under the Building Canada plan and worked to reduce duplication and streamline the approvals process

Support for Municipal Capacity Building

- In addition to investing in capital projects, infrastructure Canada has also promoted municipal capacity building through its programs
 - Asset management included as part of capacity building
- Focus on situating capital investments within longer term plans
 - Integrated Community Sustainability Plans
 - Capital Investment Plans
 - Provincial/Territorial Infrastructure Plans
 - Municipal asset management Plans



Effective management of Canada's existing multi-billion dollar infrastructure stock arguably more important to state of infrastructure than new funding

Capacity Building under Building Canada plan 2007

Building Canada Fund (BCF)

- Building Canada plan Framework Agreements required all PTs to develop a 10-15 year Long-Term Infrastructure Plan
- Up to 1% of each jurisdiction's BCF allocation was available for collaborative projects - PTs could use all or none of this funding for these types of projects
- Of \$85M available (1% of BCF), just over \$4M went to collaborative projects
 - 3 BCF-MIC projects (\$3.9M) - Feasibility study for wastewater treatment plant for Capital Regional District in BC and Long-Term Infrastructure Plans for NS & PEI
 - 14 BCF-CC projects (\$0.5M) - storm sewer studies, water source studies, research

PT Base Fund

- BCF allocations for the territories were administered through the PT Base Fund
- Training was eligible under collaborative projects in the North
 - 14 collaborative projects were identified with total eligible costs estimated at \$14M
 - Projects identified included planning studies, climate change research, and long-range water system capital improvement plan

Capacity Building under the Gas Tax Fund

- Existing FPT agreements require municipalities to develop Integrated Community Sustainability Plans (ICSPs) and Capital Investment Plans (CIPs) over life of agreements
- Planning costs were eligible under Capacity Building investment category
 - Training eligible in territories (e.g., water treatment plant operator, financial planner)
- Over \$71M spent to date on ~1,500 Capacity Building projects such as:
 - Development, consultation and implementation of ICSPs
 - Feasibility studies
 - Acquisition of asset management software
 - Engineering studies

Asset Management Projects

- New intelligence systems for infrastructure management - City of Cambridge,
- Region-wide strategy to upgrade water systems- Fraser Valley Regional District
- The Regional Municipality of Prince Albert used their Gas Tax funding to go one step further while compiling an inventory of their tangible capital assets.



*Asset management and the development of
the long-term plan for public
infrastructure: What we heard*

Ministerial Engagement

Budget 2011 Commitment:

“The Government will work with provinces, territories, the Federation of Canadian Municipalities and other stakeholders to develop a long-term plan for public infrastructure that extends beyond the expiry of the Building Canada plan”

The Engagement Process

On November 30, 2011, the Government of Canada launched a three phased engagement process to develop a new long-term plan for public infrastructure

1. TAKING STOCK

- Working with partners to take stock of recent accomplishments

2. IDENTIFYING KNOWLEDGE PRIORITIES

- Working with partners, stakeholders, leading experts and academics to collaborate on research and analysis that will inform and guide the long-term infrastructure plan

3. INFORMING THE NEXT AGENDA

- In-depth discussions with partners and stakeholders on the principles and priorities that should inform the plan



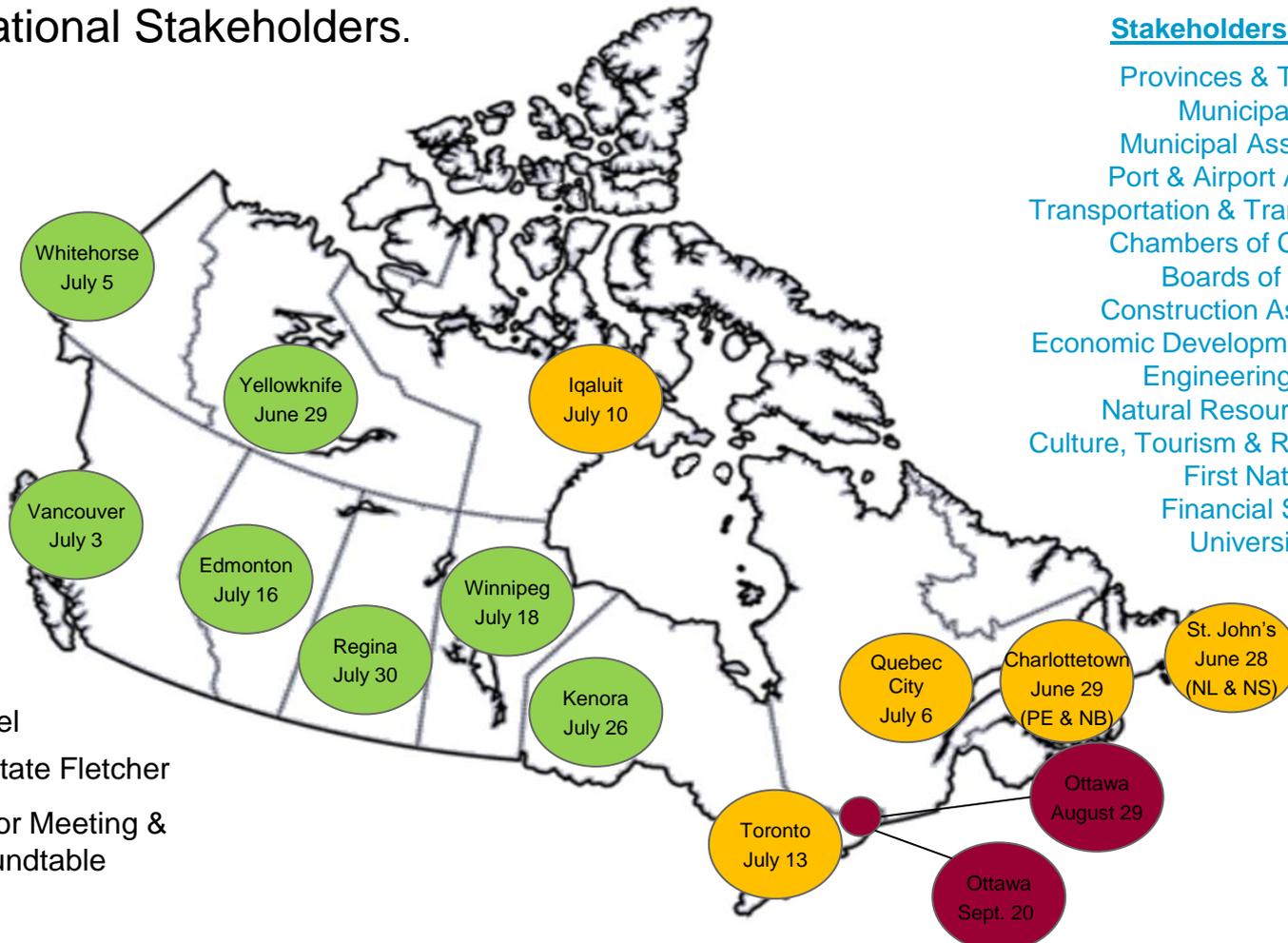
infrastructure.gc.ca

Roundtable Meetings across Canada

- Close to **200 partners and stakeholders** were engaged during 12 ministerial regional roundtables, 1 national private sector roundtable and a final roundtable for National Stakeholders.

Stakeholders Engaged

Provinces & Territories
Municipalities
Municipal Associations
Port & Airport Authorities
Transportation & Transit Associations
Chambers of Commerce
Boards of Trade
Construction Associations
Economic Development Associations
Engineering Sector
Natural Resources Sector
Culture, Tourism & Recreation Sector
First Nations
Financial Sector
Universities



- Minister Level
- Minister of State Fletcher
- Private Sector Meeting & National Roundtable

What We Heard: Asset Planning and Sustainability

Municipal Challenges

Context

- Ageing infrastructure
- Climate change
- Diverse and multi-modal infrastructure
- Rapid growth places increased demands on infrastructure
- Managing in an environment where funding is constrained

Capacity

- Planning and education of the workforce as well as municipal leaders is key for effective decision making
- Average age of public works professionals in leadership positions: 55 years old
- There can be limited staffing, time and financial resources
- Sometimes there is a lack of asset management knowledge by council and administration, and institutional silos
- Often no formal process for collecting and maintaining asset information

What we heard: Asset Management and Sustainability

- Broad support for asset management
 - *Municipalities would benefit from tools for asset management to maintain the sustainability of infrastructure - **Association of Manitoba Municipalities***
 - *Consideration of life cycle costing in the building of new capital projects, which may result in selecting more expensive initial investments in order to minimize maintenance over the life cycle. Low bid options and pricing often run counter to long-term planning - **Ontario Coalition for Sustainable Infrastructure***
 - *Planning is essential for municipalities, demonstrates accountability and good management. Support to develop an asset management program would be very helpful - **Union of Nova Scotia Municipalities***
- However, there was not a clear consensus on what the federal role should be in promoting asset management

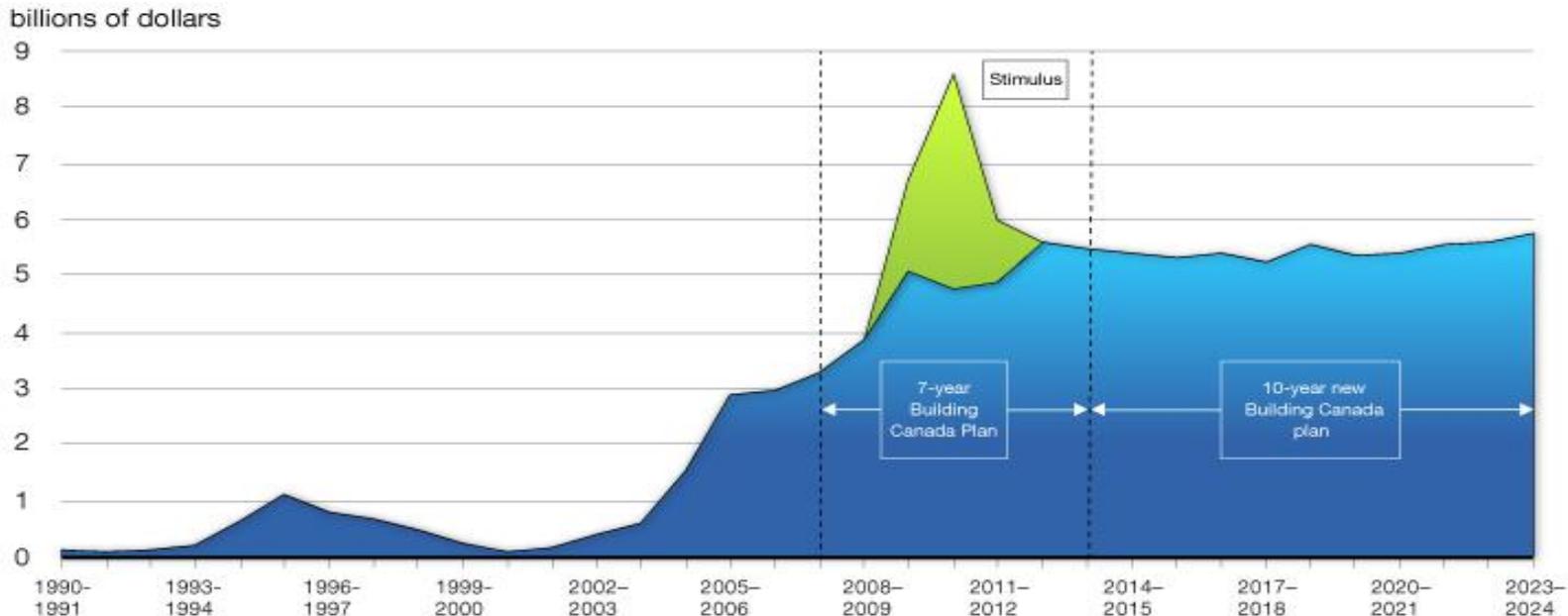
The New Building Canada Plan

The New Building Canada Plan: 2014 - 2024

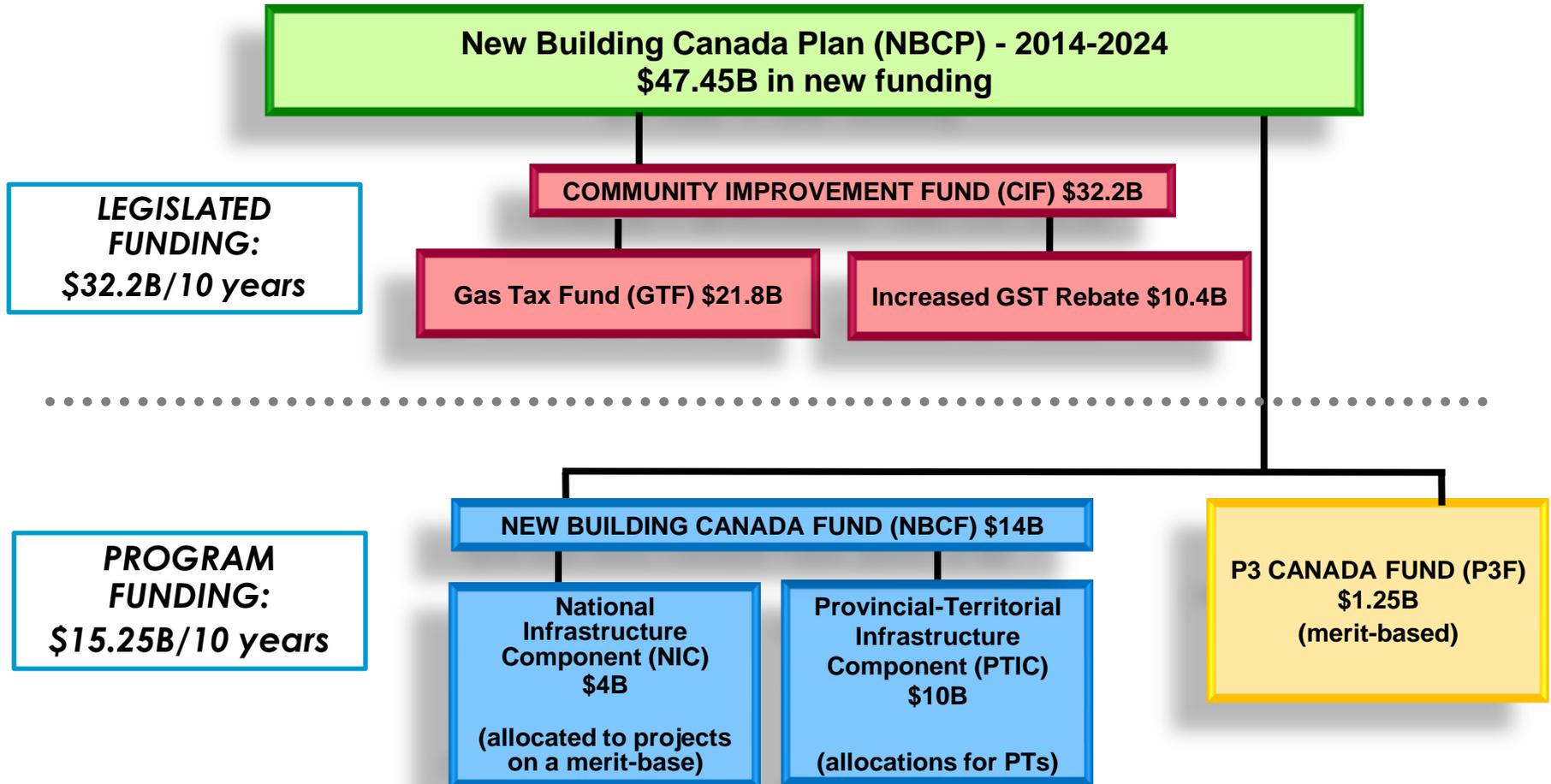
“The New Building Canada Plan, the largest long-term federal commitment to Canadian infrastructure in our nation’s history. \$53.5 billion over the next 10 years for provincial, territorial and municipal infrastructure”

Budget 2013

Federal Investments in Provincial – Territorial – Municipal Infrastructure



New Building Canada Plan Program Framework



Asset management, Life cycle costing and the New Building Canada Plan

“to maximize the value and ensure the sustainability of investments in our public infrastructure, the Government encourages all jurisdictions to undertake life-cycle cost assessments and develop robust capital asset management plans”

Budget 2013

Implementing the Budget Direction: Gas Tax Fund

Asset Management specific objective for renewed Gas Tax Fund:

- Providing municipalities with access to a predictable source of funding;
 - Investing in community infrastructure; and
 - Supporting and encouraging long-term municipal planning and asset management.
- INFC will work with provinces and territories to develop a tailored requirement for asset management within each jurisdiction that takes into account that jurisdiction's specific capacities, planning needs and long-term objectives
 - Intention is to make progress on asset management over time but not place undue burden on municipalities
 - Capacity Building will continue to be eligible under the Gas Tax Fund:
 - Focus on Long term planning, Capital Plans and Asset Management

Next Steps: Develop asset management requirements specific to each GTF Agreement

Discussion

- What are the greatest needs for local governments with respect to asset management?
- What has been your experience with respect to the Integrated Community Sustainability Plan requirements under the GTF?
- What are your ideas for improving asset management in British Columbia through the Gas Tax Fund program?