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Chair

Mr. Larry Miller

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● (1535)

[*English*]

The Chair (Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC)): We'll call our meeting to order.

I'd like to thank our witnesses for being here today. We have representatives from the Canadian Public Works Association, the Federation of Canadian Municipalities, or FCM, and the Canadian Council for Public-Private Partnerships.

Thank you to all of you.

We'll start with Ms. Kealy Dedman from the Canadian Public Works Association, for 10 minutes or less, please.

Ms. Kealy Dedman (President, Canadian Public Works Association): Thank you, Mr. Chair.

Committee members, fellow witnesses, and ladies and gentlemen, I'm pleased to be with you this afternoon to represent the Canadian Public Works Association. Thank you for inviting us to participate in your examination of federal government investments in federal, provincial, and municipal infrastructure over the past 20 years.

Members of the CPWA are often unseen and unheard, but we are ever present in the lives of most Canadians. When you turn on your kitchen tap and clean water comes out, that's us. When you approach an intersection with traffic signals, that's us. When the snow is plowed in front of your home or business, it's the public works department of your community at work.

Canadians do not generally know CPWA members are also an essential part of the first responders teams when emergencies and natural disasters such as major floods hit cities and towns across the country. We clear public roadways of snow, ice, and other obstacles for police, ambulances, and fire trucks to respond to emergency situations. We ensure water comes out of the hydrants when firefighters are on the scene to fight a fire.

We have a great interest in all things related to the construction and maintenance of public infrastructure across Canada. Our focus is on what we believe to be an exciting future for public infrastructure in our country.

The new building Canada plan announced in budget 2013 and the new public transit fund announced a few weeks ago in budget 2015 represent an excellent opportunity to build, rebuild, and refurbish much needed public infrastructure across the country. We believe that with this opportunity comes an obligation to ensure Canada's new infrastructure investments are built to endure and are managed effectively.

As we look to the future, our focus is on two policy issues: asset management and sustainable infrastructure.

We think the single most important issue to consider and plan for when significant investments are being made in public infrastructure is proper asset management. Extending the useful life of major infrastructure assets by insisting upon proper asset management practices respects the prudent expenditure of public funds. It also keeps community infrastructure safer for longer.

A holistic approach to managing municipal infrastructure assets is being practised in other jurisdictions such as Australia and New Zealand, and is also making inroads in Canada, particularly in our western provinces. Canadian municipalities have a growing interest in applying proper asset management principles and practices to the infrastructure they are responsible for planning, building, operating, and maintaining.

One of the issues is that municipalities often need resources dedicated to building capacity at the local level in order to undertake proper asset management assessment practices.

As you think about the future of public infrastructure investments, we hope you will agree there is an important role for the Government of Canada to play in promoting asset management and capacity building within municipalities. We believe dedicated funding would be beneficial.

The second issue I'd like to summarize for you this afternoon is sustainable infrastructure.

The principles of sustainable development are now considered to be fundamental to how civil engineers and the public can more successfully address the return on investment in infrastructure and meet today's societal needs. These concerns have led to the development of sustainability rating systems that provide a holistic framework for evaluating and rating the community, environmental, and economic benefits of all types and sizes of infrastructure projects. These include not only the roads, bridges, waste-water treatment plants, and public parks municipalities deal with, but also the massive infrastructure projects such as pipelines, airports, dams, levees, power transmission lines, and telecommunications towers.

Our association believes in adopting and adapting best practices where possible, which is why in our written submission we provide an example of a sustainability rating system that has been developed in the United States called Envision. Used as a planning tool for projects, rating systems such as Envision can help identify sustainable approaches during the planning, design, construction, and operation of infrastructure.

In closing, Mr. Chair, here again we see a potential role for the federal government to play. The government could consider taking a leadership role in supporting the use of sustainability rating tools and systems for evaluating and rating the community, environmental, and economic benefits of all types and sizes of infrastructure projects.

Mr. Chair, I will leave it there, and I look forward to questions from the committee members.

The Chair: Thank you very much.

We'll now go to Mr. Carlton from FCM.

Mr. Brock Carlton (Chief Executive Officer, Federation of Canadian Municipalities): Thank you very much, Mr. Chair.

As you can imagine, this is a really important study for us. We are keenly interested in this discussion, so I really appreciate the invitation to be here today. I also send regards from our president, Brad Woodside. He is on stage right now as a governor in a graduation ceremony. He'll be giving his own son his graduation diploma, so that kind of trumps the committee today, unfortunately.

I'm here representing Mayor Woodside and the FCM. I'm also joined by Daniel Rubinstein, manager of policy and research at FCM and the senior policy staff on infrastructure and transportation.

[*Translation*]

The Federation of Canadian Municipalities is the national voice of municipal government. Our municipal members represent 90% of Canada's population and all parts of our country. Our members include Canada's largest cities, small urban and rural communities, and 20 provincial and territorial municipal associations. As a leader in the municipal movement, the FCM works with all parliamentarians in order to strengthen municipalities and Canada. Canadians know that cities and communities are the drivers of employment and the economy and that the quality of our public infrastructure is directly related to Canada's productivity and long-term prosperity. A stronger economy is key to a higher standard of living for all Canadians.

In our big cities, public transit is a absolute necessity, and that is why the FCM was pleased to hear about the public transit fund announced in budget 2015. This investment is a big step forward on one of the main challenges that Canadians have to face on a daily basis. If such a high level of funding were allocated on a permanent basis, it could transform public transit across the country.

● (1540)

[*English*]

There are important details which remain to be discussed, such as ensuring that local governments retain the flexibility to determine the appropriate degree of private sector involvement. There is no one-size-fits-all for P3 projects, and in the end, it is the municipality that best understands the local context. Each municipality will need to carefully assess the impacts of local borrowing limits and debt-servicing costs on a project-by-project basis.

In addition, as a permanent federal investment envelope, it is critical that the federal government invest as a true one-third partner in these projects, as alternative financing through mechanisms like P3 does not reduce the need for government funding for the capital costs of public goods like major transit projects. While the public transit fund offers certainty and predictability for major municipal transit projects, Canadians still face growing challenges with roads, bridges, and water systems, the core infrastructure that they depend on each day.

Canada is at a crossroads. The core infrastructure that Canadians rely upon is at risk. That's what the first edition of the Canadian infrastructure report card told us in 2012. The report card measured the physical condition of municipal roads, drinking water, waste-water and stormwater infrastructure and found that one-third of these assets are at risk, requiring significant investment in the years ahead.

On top of these current challenges, new federal waste-water regulations pose a troubling challenge for our communities. The new building Canada fund has renewed funding in this critical area. However, even if every dollar were to be invested into updating municipal waste-water systems, it would not be enough by itself.

Municipalities across the country supported the new waste-water regulations when they were introduced several years ago. Local governments must comply to upgrade existing water and sewer infrastructure by 2040. Highest risk systems will be required to meet the new obligations by 2020.

FCM continues to call for dedicated funding to assist with meeting the new federal waste-water obligations given the scope of the challenge, especially for our smaller communities. We estimate the full costs of meeting the new federal regulations to be $18 billion, with $3.4 billion needed to meet the 2020 deadline.

Here are some examples: Madam Young, in your riding, metro Vancouver will need to find $700 million to upgrade the Lions Gate waste-water plant by 2020. Mr. Watson, Chatham-Kent, your neighbouring community, will require $16 million for upgrades in addition to the projects already in their capital plan. In Montreal, the estimated cost of compliance with these federal regulations sits at around $1 billion alone. In total, Quebec communities are under pressure to upgrade 174 systems, 30 of which will need to start now to hit the 2020 deadline.

Canadians expect all governments to come together to find solutions to these and other challenges. Investing in roads, bridges, transit, and water systems is one of the best ways to create local jobs and generates $1.20 in annual GDP growth for each dollar invested. In addition, investment in core infrastructure meaningfully improves the quality of life for all Canadians and helps business attract the best talent in a global market.

In order for the Canadian economy to thrive, we must ensure that the flow of goods and people in our cities and communities is not held back by crumbling roads or aging transit networks. We all know by now the cost of congestion: countless hours lost by Canadians commuting to and from work and $11 billion per year lost in productivity just in the Toronto area alone. Clearly a plan for our cities and communities is a plan for the economy.

The permanent indexed gas tax fund provides a long-term predictable investment that cities and communities can plan on and bank over time. Municipalities have repeatedly and unanimously endorsed the gas tax as a model for federal-municipal partnerships going forward.

The new building Canada fund also provides an opportunity for the federal government to partner with cities and communities, as well as with provinces and territories, to build and refurbish important municipal infrastructure across the country. Local governments have welcomed these announcements as significant steps towards a return to meeting and then exceeding historic averages for government investment in infrastructure.

There still remain a number of outstanding questions about how municipalities can access these programs. While these issues remain unresolved, jobs are not being created and core infrastructure that fuels our country's national competitiveness is not being built. Cities and communities require long-term predictable investments to move forward. We still have a lot of work to do on this front.

The OECD has reported that total infrastructure investments by all orders of government currently stand at approximately 3.9% of GDP. To put this number in perspective, Canada spent well over 4% of GDP on infrastructure during the late 1950s and through the mid-1970s, a period of urbanization and of population and economic growth. However, the level of investment then dropped to close to 2% by the late 1990s, and we are still paying for this under-investment. The needs of Canadians and businesses are much more complex now than in decades past, and meeting these needs requires long-term investments dedicated to core economic infrastructure at the local level.

Current federal investments are a step in the right direction for the infrastructure challenges we will face today, but what about the emerging challenges that Canadians will face tomorrow?

I've spoken about the new federal requirements for local governments with respect to clean water, but our local infrastructure is also under stress from more severe weather and environmental pressures. We have all witnessed the dramatic rise in weather-related emergencies across Canada, from the flooding of the Bow River to the ice storm in the GTA, to forest fires and countless other disasters that have led to people and families being displaced, property being damaged, and local economies being disrupted.

Floods in Calgary and Toronto contributed to $3.2 billion in insurance claims by Canadian property owners in 2013. Canada's smaller rural and northern communities face additional geographical and capacity challenges responding to these events. The new building Canada fund will not be enough on its own to tackle these emerging pressures on our economy and on the cities and communities that drive it.

Canada's municipalities have consistently demonstrated that with a willing partner, we get the job done. We saw it during the great recession and it is consistently demonstrated in projects of economic significance around the country. What cities and communities need is further commitment to ensure long-term predictable and sustainable investment to tackle the challenges of today and those of tomorrow.

In closing, recent federal investments have signalled the beginning of a broader partnership with the federal government. It shows what we can achieve when municipalities and the federal government work together to ensure a strong future for Canada. We need to build upon these successes on other shared priorities, including the building of the core infrastructure that is essential to job growth and Canada's long-term economic competitiveness.

Thank you, Mr. Chair, for listening. I look forward to addressing any questions you may have at the appropriate time.

● (1545)

The Chair: Thank you, Mr. Carlton.

We'll now move to Mr. Romoff from the Canadian Council for Public-Private Partnerships.

Mr. Mark Romoff (President and Chief Executive Officer, Canadian Council for Public-Private Partnerships): Good afternoon, and thank you, Mr. Chair, members of the committee, the clerk, and staff for inviting me to speak with you today.

The Canadian Council for Public-Private Partnerships is a non-partisan, not-for-profit organization, with more than 400 members from government and the private sector right across Canada and further afield. It promotes innovative infrastructure and public services delivery solutions through the use of public-private partnerships. We provide the venue, the research, and the expertise to assist representatives at all levels of government to make smart public policy choices when procuring infrastructure. We seek to build awareness, acceptance, and adoption of P3s and we encourage all interested committee members to engage with us if you want to learn more about this particular sector.

Among our various activities across Canada and internationally, our signature event is our annual national P3 conference. This will be held in Toronto on November 2 and 3 and will be our 23rd annual event. It attracts more than 1,200 delegates from around the world. It's the largest conference of its kind and is recognized as the premier gathering of the P3 community across the world. It's a symbol of the success that P3s have had across Canada.

We take considerable pride in advancing the research agenda, promoting the next generation of talent among youth and women, and exporting Canadian expertise in the P3 sector. There are plenty of opportunities for the government to collaborate with us on these efforts.

If we were to look back at the last 20 years of infrastructure development in Canada, I would say we have come a long way, but there is more work to be done.

At the federal level, the last 10 years under successive building Canada plans have seen put in place the largest federal investments in infrastructure in Canadian history. The latest, a 10-year, $70-billion investment, including a second $1.25 billion over five years for the P3 Canada fund, has provided long-term certainty around future federal investments. In turn, we have witnessed provinces stepping up to the plate with their own long-term plans. Not to be outdone, the Province of Ontario unveiled its own 10-year plan, investing $130 billion. Action at the two senior levels of government has also given more certainty to municipalities as they develop their own long-term plans.

The recent budget 2015 announcement of an annual $1-billion public transit fund is yet another important investment that shows the federal government's commitment to infrastructure renewal and expansion across the country.

Could more be done? Always; we know the infrastructure deficit is in the hundreds of billions of dollars, but let's take a moment to remember where we were 20 years ago. In the early to mid-1990s, governments at all levels were faced with deficits, mounting debt, and underinvestment in infrastructure. In many ways the country was at a crisis point. Fiscal prudence since the mid to late 1990s by successive governments allowed Canada to invest heavily in infrastructure during the 2008 global financial crisis, taking on modest debt but ultimately coming out ahead of its G-7 partners.

One of the successful moves of the 1990s in Canada was a slow shift in the way government procures its infrastructure. Many realized that government alone cannot manage multiple major infrastructure projects. Tired of overbudget projects running well past their expected completion dates, governments simply could not afford the status quo.

The emergence of public-private partnerships, P3s, became an increasingly attractive option for governments. The partnering of the public and private sectors and the sharing of risk based on who is best able to manage it has led to an impeccable record of on-time, on-budget, high-quality infrastructure projects across the country.

The Confederation Bridge was one of Canada's first P3 projects, and though it is still a huge national success story, there are now, in part because the P3 market in Canada has come a long way, 224 projects operational, under construction, or in procurement across the country. The value of the projects that have reached financial close exceeds $72 billion.

● (1550)

In an independent economic impact assessment of P3 projects undertaken over the 10 years between 2003 and 2012, we found that over 290,000 direct FTE jobs were created, adding $25.1 billion to the Canadian GDP, bringing in $7.5 billion in tax revenues for federal and provincial governments, and saving taxpayers $9.9 billion. These are very compelling outcomes.

Going forward, the future for P3s in Canada looks bright with new jurisdictions coming on board, including provinces, territories, municipalities, and first nations communities, and new sectors achieving prominence, including urban transit, water and waste water, social housing, energy, broadband, resource development, and government services.

We also know that P3s share widespread support among the Canadian public. In a recent survey by Nanos Research, 62% of Canadians supported the use of P3s. That support grows when they are familiar with a project in their own backyard. For example, residents in Sault Ste. Marie had support for P3s climb to over 70% with the recognition the hospital there was built under this model. In fact, the vast majority believed that without the help of the private sector, the hospital would never have been built.

We have also recently conducted across Canada focus groups and elite level surveys with municipal and aboriginal leaders that show further strong support for the use of P3s Those results will be published in the near future.

There are two important facts about P3s that I believe need to be emphasized.

First, P3s are not privatization. Government always owns the asset. The private sector simply designs, builds, finances, maintains, and in some cases operates the asset for a set period of time, but the government always owns it, controls it, and is accountable for it.

Second, P3s are not a panacea. P3s make up roughly 10% to 15% of projects across Canada. This is because they are only done where there is value for money in using the model and where risk can be appropriately transferred to the private sector. Where these conditions are not met, we will be the first to say, "Do not use public-private partnerships".

What do we need to do to build upon the successful use of P3s in the future in order to help fight the infrastructure deficit? Municipalities and aboriginal communities face the biggest infrastructure challenges in Canada while having the lowest capacity to raise revenues. Awareness of P3s is still low among these jurisdictions and many myths still exist. Less than 25% of Canada's P3 projects are done at the municipal level, and even more notably, only one first nations project has qualified for funding from the P3 Canada fund.

What is needed? First is capacity building at the municipal and aboriginal level. Second is streamlining the model for smaller projects that would involve less paperwork, fewer upfront costs, and easy to access technical services. Third is removing the P3 funding disincentive. Currently communities are only eligible for 25% of the costs under the P3 Canada fund, while they can receive 33% under the building Canada fund.

Our organization is also in the midst of a new research project that will look at what barriers exist to successfully procuring P3 projects in aboriginal communities. The need is clearly there, but certain barriers exist that prevent its wider use. It is our hope the research will provide a road map for government, aboriginals, and the private sector to capitalize on the success of P3s.

The new public transit fund is addressing a sector in need of better infrastructure. The Canada Line in Vancouver is a perfect example of a light rail transit project done as a design, build, finance, operate, and maintain. The provincial government has saved over $90 million compared to projects delivered this way using more traditional methods. It is now providing a direct link from the Vancouver airport to downtown.

Transit projects in Edmonton, Winnipeg, Kitchener-Waterloo, York, Toronto, and Ottawa are now under way using P3s, but we know much more needs to be done. In Toronto, a downtown subway relief line is needed, as is funding for Mayor John Tory's SmartTrack proposal. Ottawa has plans for phase two of its LRT, and there's a need for at least two new lines in the greater Vancouver region. These are just a few examples of the needed projects across the country.

Another area to which the government can turn its attention in the same way it has for transit is water and waste water. With stringent new regulations coming into force, and given the direct health and safety impact of having safe, clean drinking water, many municipalities and first nations will need to invest in new infrastructure in these sectors.

● (1555)

The 2011 national assessment of water and waste-water facilities on reserves showed over $1 billion in immediate investments were needed and over $4 billion in investments were needed over the next 10 years.

P3s have a track record of success in this sector. The new Regina waste-water facility will save the city over $130 million and provide a state-of-the-art facility. Smaller towns like Goderich, Ontario, have also been able to use this model successfully, despite some who say it is only applicable to very large projects.

The last point I'd like to make to the committee has to do with Canada having taken major steps at addressing the infrastructure deficit in this country while maintaining a strong fiscal position. Furthermore, we have developed a P3 approach that is recognized globally as best in class, and Canadian industry has acquired the experience and expertise to successfully compete on the international stage.

Now is not the time to take our foot off the gas pedal. We have seen the damage of the past because of underinvestment in infrastructure, and it will be future generations that will pay the price. As the fiscal situation improves, the government should ensure that a significant portion of future surpluses is spent on infrastructure renewal. To ensure that money is stretched further, and ensure high-quality, well-maintained infrastructure that is delivered on time and on budget, I would suggest to you that public-private partnerships are a proven procurement tool at the disposal of government.

Thank you. I look forward to the discussion that will follow.

The Chair: Thank you, Mr. Romoff.

We'll go right to questioning.

Mr. Kellway, for seven minutes.

Mr. Matthew Kellway (Beaches—East York, NDP): Thank you very much, Mr. Chair, and through you, I thank the witnesses for their presentations today.

Mr. Carlton, perhaps I could start with you.

I think you described our study today as an important one. I agree with you, but it is also, I think, a bit of a curious study in that there's no explicit purpose for it. I think you have to read between the lines.

In the absence of a clear purpose statement for what we're doing here, I was wondering if you might lend us one. If you were to say, "Guys, you ought to be studying this issue in infrastructure and this is why", what would the why be? How would you advise that we go about this study? What metrics ought we to be using here to see whether we're meeting the purpose that you give it? I'm going to presume for a moment that the purpose is have we done it right for the last 20 years, have we spent the right amount of money on the right things, have we spent money prudently, has it been too much or too little?

Does that make sense?

● (1600)

Mr. Brock Carlton: Sure.

The purpose of this study, as far as I would advise, is that there is a history of experience in investing in infrastructure. It has different forms, different shapes, and different sizes, but in all of that there are lessons learned. There are lessons learned about how to go about the process of investing in infrastructure, about the quantum, about the kinds of collaboration that were acquired, and all with the intention of making the Canadian economy as strong and competitive as it can be and the Canadian communities environmentally sustainable as they can be.

To me, the purpose statement is that the experience has led us in lessons learned. What are those lessons learned? What is that going to tell us about the future investments in infrastructure? What's the best way to go about investing in infrastructure so that the different actors can work most effectively together and use the money most efficiently to the benefit of Canadian communities?

I think the metrics would be something sometimes as simple as job creation, the metrics that one would employ to assess economic competitiveness and growth, local economic development, and the metrics around environmentally sustainable communities and managing an environmental footprint at the local level that would be appropriate for a country of our wealth.

Mr. Matthew Kellway: You have the economic and the environmental in there. Would you throw any social criteria in there, too?

Metrolinx recently commissioned a report about transit equity in Toronto. I wonder what your thoughts are about the role of infrastructure in, broadly speaking, equity issues.

Mr. Brock Carlton: You're absolutely right; social issues should be included in there.

I was part of a summit last week on reducing poverty, and one of the thrusts of the conversation highlighted the importance of effective public transit as one way of helping to level the playing field and enabling those who are less fortunate to move easily around the city and go to and from jobs.

Certainly, investments in infrastructure have a strong social benefit along the lines of poverty reduction, as I was just mentioning, but also in terms of enhancing the quality of life for seniors and the quality of life for immigrants. These are the populations that disproportionately use public transit. Investments in public transit and investments in infrastructure help to create, as I said, a more level playing field for the various groups and those less fortunate than others in our society

Mr. Matthew Kellway: You've laid out a number of metrics for us. Broadly speaking, what are the major lessons learned over the last 20 years?

Mr. Brock Carlton: One of them would be that infrastructure investments should be maintained at a level of somewhere between 4% and 5% of GDP. One of the facts of our history is that we were at that level, and then there was a dip, and we're paying for the fact that we took our foot off the pedal for a period of probably a couple of decades. The lesson there is that we need an appropriate and sustained level of investment in infrastructure.

The second lesson would be that it is much more effective for infrastructure investments to be framed in long-term, predictable financing arrangements, so that our interests—well, in our case, obviously municipalities—are able to understand the level of investments from the federal government and understand it over the long term so that they can actually plan.

When we find ourselves in an environment in which infrastructure funding is short term and ad hoc, what that situation means is that municipalities can't plan for the long term. It's harder to plan for a sustainability agenda, harder to plan for a P3 environment, if you don't know what your longer-term investment scenario is going to look like.

That's covering some degree of order of magnitude, the long term and the predictable. I think it is a fair assessment that all three orders of government are in this, as well as private sector and other entities, but right now my remarks are specifically with the three orders of government. The three orders of government need to be putting resources into the game so that the collective investment in infrastructure is significant and sizeable.

Also, if you're going to frame infrastructure programming that is going to have results on the ground, you have to work with the municipalities. The municipalities have to be partners in the design of whatever the infrastructure investment program or framework is going to be and in the design of the metrics that allow us over time to monitor and evaluate success of those investments. I would say that's the key.

There are three features there that I think are lessons learned from where we've come from, over...I know this study is 20 years, but one could expand the scope beyond that and consider those as key lessons learned.

● (1605)

The Chair: Thank you very much.

Mr. McGuinty, you may have seven minutes.

Mr. David McGuinty (Ottawa South, Lib.): Mr. Carlton, picking up on your lessons learned, can you tell us right now what your understanding is? Leaving aside the gas tax, how much money is the federal government investing in infrastructure this fiscal year, from April 1, 2015 to March 31, 2016?

Mr. Brock Carlton: I don't have the figure for 2015.

Mr. David McGuinty: You don't have a figure for this fiscal year?

Mr. Brock Carlton: No, we don't have a figure for this specific fiscal year. We know what the frame is for the new building Canada fund over the five- and ten-year timeframe, but I don't have a figure for this fiscal year, partly because it's on a project-by-project basis. Projects need to get under way, and then receipts need to be sent in to the government for payment.

Mr. David McGuinty: For your members, up to what amount would that be? Is it unlimited?

Mr. Daniel Rubinstein (Manager, Policy and Research, Federation of Canadian Municipalities): For the building Canada fund in particular, the cost share varies from 32% as a typical federal maximum, and as we talked about before, currently there's a 25% cap on it, if it's procured through P3.

Mr. David McGuinty: I understand that. How much money are we talking about? You represent the FCM, thousands of municipalities. How much money is available to your members this year? If they make applications for this fiscal year, how much infrastructure money is available?

Mr. Daniel Rubinstein: I think the key, again, is to look at a program such as the building Canada fund, which is application-based, over the duration of the program. What our members look at is whether they can bank against a guarantee of having a project funded. As Mr. Carlton said, they get reimbursed when construction happens. Right now, at the beginning of a program like this, what matters is that guarantee.

Mr. David McGuinty: Going back, Mr. Carlton, to one of your lessons learned, “long-term, predictable financing arrangements” for planning, is this a long-term, predictable financing arrangement for planning?

Mr. Brock Carlton: Do you mean the new building Canada fund?

Mr. David McGuinty: No. How much money is available to your members? If I'm a mayor from a small town right now and I want to apply and I call up your offices, can you tell me how much money I can apply for?

Mr. Brock Carlton: No, because they can put together a project proposal and work through the province and territory.

Mr. David McGuinty: Okay.

When the Minister of Infrastructure came here, I asked him why the old building Canada fund, which had grown to about $1.6 billion a year, had dropped by 89% this year to $210 million for this fiscal year. The number we have is that there is $210 million available under that fund for your members.

Is that a right number?

Mr. Brock Carlton: It must be the right number, if you've done the research. I don't have the number with me specifically, partly because, as we have said many times, the thing with the building Canada fund is that it's for projects that are approved. Work is done, receipts are sent in, and payment is made—

Mr. David McGuinty: Yes, I think most people—

Mr. Brock Carlton: —so, profiling the money over a five-year timeframe, it makes sense in the reality of the way things work in this program that most of the money comes later on in the project timeframe, because that's when the receipts are going to be coming in and municipalities are going to be looking for reimbursement.

Mr. David McGuinty: Okay, so you can't tell us either. The government won't tell us and you can't tell us how much money is available for your members.

I'm going to go to another area that I asked the ADM of policy about when he came here and read the documents that he was asked to prepare by the government. I asked him repeatedly whether we had a global number for the infrastructure shortfall in Canada. One of his answers was:

> We only have the answers that may have been provided to us by the Federation of Canadian Municipalities or other national think-tanks that have tried to do some work on this.

Let me ask you what the shortfall is. We hear that the government spends 3.9% of GDP on infrastructure, but they don't tell us that a lot of that money is provincial and municipal. They try to claim it as their own, but it's actually combined money.

We know it's 3.9% and you're arguing for it to be between 4% and 5% of GDP. That's an irrelevant number, if we don't know what our real needs are, you would agree. What are the real needs in Canadian society? Do you have the metrics to do that assessment? Has it been done?

● (1610)

Mr. Brock Carlton: What we did, we being FCM, with a variety of other organizations, including CPWA and the other professional organizations that are key players in the question of infrastructure, was launch the Canadian infrastructure report card in 2012.

Mr. David McGuinty: Right. Do we have a number? Can you give us the number? What is the number?

Mr. Brock Carlton: The infrastructure report card said that 30% of all municipal infrastructure, particularly focusing on roads and water, is at risk. The infrastructure report card was a combination of a qualitative assessment of the state of infrastructure—

Mr. David McGuinty: I've got that. So what is the number?

Mr. Brock Carlton: What we've come up with is that when you think of what's at risk, and 30% of infrastructure is at risk, if we were to have to replace all of that stuff, it would cost on the order of $170 billion.

Mr. David McGuinty: Is that the global number for all infrastructure?

Mr. Brock Carlton: That's for municipal infrastructure related to roads and water.

Mr. David McGuinty: It doesn't include federal infrastructure; it doesn't include provincial?

Mr. Brock Carlton: No, it doesn't include federal or provincial.

Mr. David McGuinty: Do we have a global number in Canada?

Mr. Brock Carlton: We don't have one that I know of.

Mr. David McGuinty: Okay. The Government of Canada doesn't have one either, because we asked for one repeatedly. You don't have one, and they don't have one, so we don't have one.

Mr. Brock Carlton: Our interest is only municipal.

Mr. David McGuinty: Okay.

May I go to the third theme, which is sustainable development.

Ms. Dedman, you raised the important question of the federal government playing a role in this regard. I just want to remind you, and if I could, get a reaction from you, that it's rather hard to prevail upon a government to do something on sustainability when it eliminates the eco-energy program and thus eliminates a whole new economic sector in Canada, eliminates the commercial building retrofit program, eliminates the wind power production incentive, eliminates the renewable power production incentive. It won't even take its lead from the U.K. Conservative government, which brings in a whole new green deal that actually goes as far as compelling British homeowners to put a GHG rating on their home, which has a profound influence on the property markets and property values. The higher the GHG efficiency in the home, the higher the price of a home is now in the U.K., because they've actually incented a private sector approach to property ownership and to becoming more efficient.

Would you see the holus-bolus adoption of the American Envision program? They get it. They've just done it. Now you say that there are some Canadian projects looking to the U.S. Envision model. Should we be migrating it north? How do you see this?

Ms. Kealy Dedman: With significant investments that are coming in over the next decade through the new building Canada plan, there is a good opportunity to look at how we assess sustainability. That's why, through our submission, we refer to sustainability rating tools such as the Envision tool. It gives us some metrics and some standards that we may want to look to.

That tool in particular our organization looks to adopt and adapt where possible, and you are correct that it has been used in Canada in several projects. Just recently, the Grand Bend waste-water treatment facility received a platinum award through the Envision rating system.

I think the key for the federal government is that it could take a role in promoting the use of those tools and systems as we go forward with the investments in infrastructure.

The Chair: Mr. Braid, you have seven minutes.

Mr. Peter Braid (Kitchener—Waterloo, CPC): Thank you to all of our witnesses for being here today and for contributing to our important study on infrastructure and infrastructure investments in Canada.

Ms. Dedman, I want to start with you, if I may. Could you begin by briefly describing who your organization is, the Canadian Public Works Association?

Ms. Kealy Dedman: Our organization is a non-partisan organization made up of members who are municipal workers across Canada. We are the practitioners who look after, who design, build, maintain, operate the municipal infrastructure across the country. We also have a private sector involvement. There are consultants and contractors, who also bring a balanced approach to our organization and to the work that we do.

● (1615)

Mr. Peter Braid: How many members are there in your association?

Ms. Kealy Dedman: We have 2,200 members across Canada.

Mr. Peter Braid: You talked about the importance of asset management with respect to helping to meet, to manage, and to monitor infrastructure needs. Clearly some municipalities are better equipped and further advanced with respect to their asset management and their asset management plans.

Do you have any thoughts or recommendations for how we can move the yardstick on this, how we can help, in your words, build capacity in municipalities so that they can improve their asset management capabilities?

Ms. Kealy Dedman: The 2012 infrastructure report card that was referred to earlier identified that there are pockets of brilliance across the country with regard to asset management practices. There are still quite a few municipalities, typically the small and the rural municipalities, that...it's not that they don't have the wherewithal, but that they don't have the internal capacity, the staff resources and the financial resources, to undertake real-time evaluations or assessments of the infrastructure state and performance.

We see a role for the federal government in taking the lead by providing dedicated funding for building that capacity across the country and within the municipalities.

Mr. Peter Braid: Thank you very much.

Mr. Carlton, thank you for being here from the FCM.

You mentioned in your opening presentation that every dollar spent on infrastructure has an impact of $1.20 on our GDP. Are you familiar with any formulas that exist to translate investments in infrastructure into jobs or job creation?

Mr. Brock Carlton: When we were having discussions with the government around the economic action plan, we were working with one of the consulting firms in town, and their research had come to a formula that $1 billion of investment in infrastructure would create jobs on the order of 11,000.

Mr. Peter Braid: Thank you very much.

Mr. McGuinty was asking about federal government investments in infrastructure. Now, I can understand why Mr. McGuinty may not have read every page of the budget, but there is a page with a graph that clearly indicates that this year the federal government will spend $5 billion on infrastructure. That grows over the next 10 years to an average of $6 billion over those 10 years. It's between $5 billion and $6 billion on average every year over the next decade, just for clarification.

Mr. Carlton, you spoke about the waste-water regulations, saying that some municipalities may have some challenge in meeting the regulations required by either 2040 or 2020 for higher-risk infrastructure.

Are you aware of any municipalities that have met the requirements thus far? If so, how have they done it?

Mr. Brock Carlton: Yes, there are municipalities that have. I can't say that they have acted to meet the standards since the regulations were brought in, but they happen to have waste-water treatment systems that meet the new standards. They've done that through their own investments, through investments using the gas tax and possibly the previous building Canada fund.

Just to quantify your “some municipalities”, 25% of the municipalities in the country require water system upgrades to comply with the new regulations.

Mr. Peter Braid: Thank you.

You also spoke about the impacts of changing weather, climate change, and severe weather events. Disaster mitigation is an eligible category in every component of the new building Canada plan. To my frustration, this is a category that remains undersubscribed. The plan has only been open for business for a year, but that's still a fair statement.

Do you have any comments or suggestions on how we can promote this and encourage municipalities to apply for the money, for the funding that's available to them right now?

Mr. Brock Carlton: Specifically for disasters or generally?

Mr. Peter Braid: Yes, to disaster mitigation.

Mr. Brock Carlton: I would say encourage a disaster, but that would be rather inappropriate.

I think part of the problem is that it's unclear at the provincial level how municipalities access money. It varies across the country in terms of the ways and means for municipalities to access building Canada funds.

There's a lot of uncertainty about access, levels of funding, and the criteria being used at the provincial level to determine what projects are eligible or are going to be accepted. There's some work to do there at a communications level between the feds and the provinces and territories on how to make it crystal clear to our members how to access that money and what the specific criteria are.

● (1620)

Mr. Peter Braid: All of the information is available on the Infrastructure Canada website in terms of the various eligible categories. There are business case guides that outline how municipalities can apply and what criteria we're looking for.

Mr. Brock Carlton: Yes.

Mr. Peter Braid: If certain jurisdictions are still confused, I seriously am concerned about those jurisdictions, quite frankly.

Mr. Brock Carlton: Well, if you look across the country at the story on the building Canada fund to this moment, in a lot of provinces and territories there are great difficulties in getting the money moving. Manitoba is an example of a success. Saskatchewan is an example of a success. In many other provinces and territories—

Mr. Peter Braid: Some have figured it out.

Mr. Brock Carlton: Yes, some have figured it out. I'm not going to point fingers at one order of government or another, but there's clearly a problem in some of these jurisdictions where the money is not moving.

The other problem is that it's not always clear, and it's hard for municipalities to understand how their projects are approved or not approved, who is making the decisions, and what criteria are being used. I could give you examples of smaller municipalities that have submitted proposals. In one case I know of, four proposals were submitted to the building Canada fund. None of them were approved.

They're puzzling over how it is that this project that's there to support them is almost like a crapshoot. They have to put all their money into preparing an application, and then it's kind of like it's out there in the ether somewhere, and they don't know if they're going to win the lottery or not.

Mr. Peter Braid: Okay—

The Chair: I'm sorry, but you're out of time, Mr. Braid.

We'll now move to Ms. Young for seven minutes.

Ms. Wai Young (Vancouver South, CPC): Thank you again for being here and for these very interesting presentations.

I'm from the city of Vancouver, as Mr. Carlton noted earlier. I do have a couple of questions, just to follow up on what Mr. Braid was asking about.

We have a project in my city that was approved in 2013. The City of Vancouver is now saying that they cannot build until 2018 on a piece of land that was pre-selected, that's already there, etc. Can you explain the local processes and why cities would choose not to move forward with a project that is completely funded and approved?

Mr. Brock Carlton: No. I'm not involved, or we're not involved, in specific situations in a place like Vancouver or in one particular municipality. There would be variables and circumstances there that we would not know about. It would not be beneficial for anybody if I were to guess at what those might be in that particular case.

Ms. Wai Young: You briefly touched upon the process for applications, etc., when you were being questioned by Mr. McGuinty. Could you describe that process for the record and for some of us who are new to this committee or don't know about the process?

Mr. Daniel Rubinstein: Very simply, there are three separate components to the building Canada fund.

There's a national infrastructure component whereby proponents can apply directly to federal government. That's one pot of money. That's $4 billion of the $14 billion.

There's a small communities component, which is $1 billion of the $14 billion total. There are contribution agreements, framework agreements, between the federal and provincial governments for that. Municipalities apply directly to the province, and there's a clear intake process for that fund.

For the remaining $9 billion of the BCF, which is the provincial-territorial component, it's up to each province to decide how to prioritize applications. Each province has set their own way of going about it. The federal government didn't prescribe one model, so we see different approaches.

Mr. Carlton spoke about how Manitoba had a clear intake process and how Saskatchewan has prioritized 50% of their projects for non-provincial projects. It looks different in every province and territory.

Ms. Wai Young: Does the FCM have an advisory committee or some such body where municipalities or provinces can come to you and get this kind of advice?

● (1625)

Mr. Brock Carlton: No, we don't have an advisory body of that nature. What we do have is that in our membership, each of the provincial and territorial municipal government associations is part of our network, part of our membership, and as a lot of this is being driven through the provincial and territorial governments, a lot of the dynamic plays out at that level.

We're working very closely with the provincial associations in each of the provinces and territories so that our understanding and their understanding can be aligned, and so they can do the work they need to do to guide our members in the provincial jurisdictions in which they reside, in order to help them understand the process and the ways of working with the building Canada fund in that particular province or territory.

Ms. Wai Young: You heard today from Mr. Braid that the funding is there. I heard $5 billion a year, so these clearly are substantive funds, and we talked about that earlier. Given that, can you speculate as to why these funds are under-accessed? People are not accessing them in the municipalities or projects are not being put forward.

Mr. Brock Carlton: I think part of the challenge, frankly, is that there hasn't been a clear direction from the federal government in the building Canada fund to allocate or to set aside a certain percentage of funding specifically for municipal infrastructure. It's such an open playing field that it creates a challenge, because in the decision-making process there's no certainty that a certain percentage of the fund is going to be directed to the municipal governments.

Ms. Wai Young: Wouldn't you also say, though, that in Victoria, B.C., they've been struggling with their waste-water management system for decades? In fact, some of the funding has been in place and they've rejected countless proposals. I mean, there are some municipal politics that happen and that I think may perhaps side-swipe certain projects that are necessary.

Mr. Brock Carlton: I can't comment on local specific situations, because we don't work in each individual municipality and know every dynamic.

Ms. Wai Young: I understand that. I just wondered if you've heard about some instances where that may have happened.

I'm going to ask Mr. Romoff a question.

Mr. Romoff, in Vancouver we experienced the very successful Canada Line, of course, as I think you mentioned in your comments. How is this being shared across Canada in terms of a way to build that saves taxpayers' money and also manages to bring in a pretty substantive project on time and within budget?

Mr. Mark Romoff: First of all, Ms. Young, thank you for the question, because I was beginning to feel a little left out.

Voices: Oh, oh!

Mr. Mark Romoff: With respect to the Canada Line, we at the council view that particular project as the shining star in the portfolio of P3 projects around Canada.

There were significant costs and unbelievable timelines to have it delivered because, of course, as you may recall, it was a facility that had to be in place before the Olympics. That brought enormous pressure to bear.

In the end, the government decided in fact to turn the project completely over to the private sector, so it is what I would call a super-P3. It turned to the private sector to design it, to build it, to arrange for private financing, to maintain the facility over the 25 to 30 years, and to operate it. It's quite remarkable and as you mentioned, it is a terrific success. In fact, ridership levels continue to grow. That is a shining star.

As a council, we focus very much on trying to build on our success stories and ensure that the lessons learned in that particular case and others are shared with the community, both with the government and with the private sector. We do that in a couple of ways.

One is that we have an annual awards program that takes place at our conference each year where we recognize those government and private sector partnerships that have been stellar, either because of the way in which the infrastructure was structured or because of the innovative financing that was put in place. In that particular project, they have it all. The Canada Line project has been written up and shared broadly around the country with all levels of government and the private sector.

At the same time, urban transit is probably the fastest growing area for infrastructure investment in Canada, so as we work with other levels of government, provinces and municipalities across the country, we're sharing the lessons learned from the Canada Line project in order to enable others to learn from the good, make sure that some of the mistakes that may have been made don't get replicated, and move ahead with successful projects.

We're seeing a lot of those elements of the success story replicated in the Ottawa LRT, the Waterloo LRT, and the Edmonton LRT, which is just under development now, and in Ontario, where there are two or three other major urban transit projects.

It's a really good one. You should be proud of that one.

● (1630)

Ms. Wai Young: Thank you very much, and you should be proud of that one too.

The Chair: Thank you. Your time has expired.

Mr. Mai, you have five minutes.

[*Translation*]

Mr. Hoang Mai (Brossard—La Prairie, NDP): Thank you, Mr. Chair.

I would like to thank the witnesses for being here with us today. My first questions are for Ms. Dedman.

Ms. Dedman, you spoke about a rating tool or a way to assess how sustainable projects are.

Could you tell us about how important this tool is? You said that previous governments did not use these sustainability criteria. Is that a problem? The Champlain Bridge is in my riding, and because it was poorly designed, it now needs to be quickly replaced. Failure to consider the sustainability of a project may result in unexpected costs.

Why is this tool important today?

[*English*]

Ms. Kealy Dedman: Why is it important for us to consider sustainability as we go forward with investments in infrastructure? I think the principles of sustainable development are fundamental to assuring that we are getting the best return on investment as well as looking after the environmental and social needs of today and going into the future.

At the heart of it, that's really why we need to consider sustainability with any projects going forward. Using tools such as Envision or any of the other rating systems that are out there helps through the planning stages, the design stages, and even through the operating stages to look at what the long-term impacts are and again, not just the financial benefits or the financial impacts, but the environmental and the social impacts.

Mr. Hoang Mai: Currently is the government not looking at sustainability when the government goes forward on projects?

Ms. Kealy Dedman: Again, I am from the municipal perspective. My position is that of city engineer for the City of Guelph, so my position as president of the Canadian Public Works Association is the volunteer side of my desk position.

From a municipal perspective, similar to asset management, there are municipalities out there that are taking this into consideration. There are municipalities that see sustainability as an important factor going forward. I think—

Mr. Hoang Mai: But we'd like to see it at the federal level.

Ms. Kealy Dedman: I think that for consistency across the country, to ensure that we are getting the best investment for our infrastructure funds both now and into the future, that's why it's important for the federal government to take a leadership role.

Mr. Hoang Mai: Perfect.

Mr. Carlton, in answering Ms. Young and Mr. Braid, you mentioned some of the issues with the previous building Canada fund with respect to a lack of predictability or some municipalities making submissions but not getting the money.

Can you tell us what the problems are right now? We've heard announcements regarding funds being allocated, but practically are we seeing enough projects being announced? Are the funds being well distributed quickly enough?

Mr. Brock Carlton: Are the funds being distributed quickly? No. I think the challenge for our members is that the federal government and the provincial and territorial governments are not necessarily prioritizing municipal infrastructure.

Whatever the criteria is for the decisions that are being made currently, there's nothing that directs the decision-makers to focus on municipal infrastructure. Therefore, decisions are being made that sometimes take the opportunities away from the municipal proponent of a project, which then go to a provincial-level project or some other piece of work that is not municipal in nature.

Mr. Hoang Mai: This being a federal fund, are you saying the federal government should bring in more criteria in terms of, for instance, if we want it dedicated for a specific project? What should the federal government do better in order to make sure that happens?

● (1635)

Mr. Brock Carlton: We've been on record since the day the building Canada fund was announced as saying that we felt there needed to be a clear indication from the federal government of the percentage of the building Canada fund that should be dedicated to municipal infrastructure, so that whatever the decision-making mechanisms are at the provincial and territorial level, and ultimately the federal level, there's a guideline there that says 60% or whatever that percentage is.

We were advocating, I believe, for around 60%, because municipal governments own approximately 60% of the public infrastructure in this country. We were advocating that proportionate to the ownership of public infrastructure. It made sense for us in terms of direction on how that money should be allocated as it flows through the projects that are applied for.

Mr. Hoang Mai: Have you seen a positive response from the government on your ask?

Mr. Brock Carlton: No. There was a decision made that what we were putting forward would not be moved forward. The federal government made a decision in that way.

Mr. Hoang Mai: Thank you.

The Chair: Thank you.

We'll now move to Mr. Watson ,for five minutes.

Mr. Jeff Watson (Essex, CPC): Thank you very much to our witnesses for appearing here today.

It was former General Rick Hillier who referred to the period from 1995 to 2005 as a decade of darkness when it came to the lack of military spending by the federal government of the day. Provinces will remember that the same decade saw significant multi-billion dollar slashes to health care and education. Could it be possible that it was also a decade of darkness when it came to federal participation and funding—direct funding—of infrastructure?

We know that from 1995 to 2000, under the national airports policy, airports were downloaded without dollars from the federal government. We know that CN was privatized. We know that the national marine policy of the day divested ports, again without dollars to flow. I think it explains....

I think, Mr. Romoff, that you used the term “underinvestment”.

Mr. Carlton, I think you referred to it as “a dip”. I have a handy chart here for 1990 out to 2022. This shows the dip you're talking about. It looks more like a crater, actually, when it comes to responsibility for that.

What are the effects of that underinvestment crater in the federal government on municipalities, this downloading of significant amounts of infrastructure and federal responsibility without dollars to flow? Is that what in part explains the infrastructure deficit that became the source of a lot of conversation around I think the mid-2000s?

Mr. Brock Carlton: I can't see that graph to know the specific dip you are referring to. Our analysis is, as I mentioned earlier, that in the 1950s and 1960s there was significant investment, close to but not quite 5% of GDP all in; so all orders of government were investing in infrastructure to build a country that was going to be a powerhouse and a member of the G-7 with strength in the OECD, etc. Then somewhere in that period after the 1950s and1960s, into the 1970s, infrastructure investment across the country declined significantly. I wouldn't attach it to a specific era around 1995. It's more a longer-term dip in the infrastructure investment that spanned a few decades.

The point is that in that era when there was down to 2% GDP being invested in infrastructure, we were simply, as a country, not maintaining, not renewing, not rebuilding our infrastructure, so that the general state of infrastructure was in such decline that it became an economic constraint, a social constraint, and an environmental constraint. Thus, the infrastructure deficit conversations that began in 2007 and more recently are a result in part of the underinvestment by orders of government over many years.

Mr. Jeff Watson: I want to return to a comment you made.

I think you suggested that there was unclear direction with respect to funding for municipalities. Are you referring to the application-based programs? With the gas tax fund or the GST rebate or even the small communities fund, there's a significant amount of clarity, as well as funding given to municipalities with an enormous amount of flexibility on how they invest those particular funds. Did your comment refer only to the application-based programs?

● (1640)

Mr. Brock Carlton: Yes. The gas tax is something we've always said is the ideal model.

Mr. Jeff Watson: I'll turn to P3s for a moment. We heard in our last meeting about the rise of P3s. I think it was Mr. McBride from PPP Canada Inc. who testified and said the rise of P3s has come as a result of some of the problems seen with traditional procurement, and he laid out some of the factors that P3s actually solve.

At a project level, I believe, Mr. Romoff, you suggested that not every project, and in fact a fairly low percentage overall, not insignificant but low, is actually worthy of the P3 model.

Can you run through some examples of projects that would be more suited to traditional procurement versus P3? I don't mean on a massive scale for P3. I want to get it down to the point where municipalities might meaningfully be looking at this and saying, “P3 or not P3? We're not sure”. Can you give us clarity on where you draw that dividing line?

Mr. Mark Romoff: First of all, I don't think it's appropriate to say that there are only a small proportion of projects that are worthy of being P3s. What I said in my remarks is that 10% to 15% of all infrastructure projects in Canada are procured using the P3 methodology. Frankly, there's great opportunity to increase that percentage. Again, for that few number of projects, it gets incredible scrutiny at all levels, and not least of all in the media. In fact, if the more traditional approach to procurement were subject to the same kind of scrutiny, all project procurements would improve. That's just a comment on context.

With respect to whether a project should be procured as a P3 or in another way, it comes again to a few considerations.

The first one is being able to demonstrate value for money. This would be the overarching principle within P3 Canada, for sure. When assessing a project, they and government members of our association are always looking to ensure that you can get better value for taxpayers, better value for money, by going ahead with the project as a P3. That's one condition that we believe is critically important.

Second, no risk transfer, no real value to the model.... The key here is to be able to identify the risks in play and then allocate the risk to the party best able to assume it. Clearly in the case of political risk, that rests with government. In many cases, environmental risk also rests with government, but at the same time, design risk, construction risk, should clearly rest with the private sector.

One of the features of the P3 approach is that when you do transfer those risks and enter into a fixed price contract, if those projects go over budget, either because of a design fault or construction challenges, they are the responsibility of the private sector consortium. There are many examples of that. The challenge is that those examples aren't made public because the private sector isn't prepared to say that they said it would cost $10 million and it cost them $11 million. The most important feature is that government isn't responsible for assuming that extra $1 million. That's what really differentiates those projects.

It's really important that those kinds of considerations are in play, first and foremost.

Some also believe there is a minimum threshold that needs to be met in order for a project to go ahead as a P3. Traditionally, that has been the case. They tend to be more substantive in cost or estimated cost in order to lend themselves to that model. That's often driven by the financial community, which wants to ensure the project is of sufficient size that they can make a fair return on their equity investment.

The reality is that with municipalities, particularly small and medium-sized municipalities, many of their infrastructure challenges don't tend to have price tags as large as building a new hospital. I think what is beginning to happen now is a rethink by the P3 community about how they can be a little more innovative themselves with the P3 model, in order to see how it can be calibrated in a way to respond more effectively to projects of smaller value. There are some traditional ways. You'd be aware that oftentimes these projects are bundled, but again that's intended to get them up to a sufficient enough size that it will attract the private sector.

The reality is there are ways to rethink the P3 model to respond more effectively to smaller projects, and that's the approach now being adopted.

● (1645)

The Chair: Okay.

We're way over. I tried to be generous.

Mr. Mark Romoff: Sorry, was it me way over, or would it have been—

The Chair: It was an interesting response, so I wanted you to finish.

Mr. Mark Romoff: Thank you, Mr. Chair.

The Chair: We'll now move to Mr. Sullivan.

Mr. Mike Sullivan (York South—Weston, NDP): Thank you to the witnesses.

Mr. Romoff, don't you worry that P3 models, where the risk is transferred, lead to cost cutting or cutting corners?

The example you gave of the Canada Line had huge corners cut. They brought in temporary foreign workers from Costa Rica at $4 an hour, which is well below the minimum wage in B.C. They got caught. Those workers had to go to court and ended up leaving the country before they could successfully sue the government, and the courts ruled that since they're out of the country, they can't sue.

Cambie Street was a disaster for three years because the proponent decided to change the method of construction from a tunnel, which wouldn't have disrupted the businesses, to a cut and cover. That's how they managed to get it in under budget, but they did it in a way that disrupted the community tremendously, and paid workers way less than they were entitled to be paid.

You sing its praises, and yet I think that's an example of a project gone bad.

Mr. Mark Romoff: Well, Mr. Sullivan, it's interesting. We undertook a series of focus group discussions across the country over the past couple of months.

We held two of them in Vancouver. Folks who were participating in those groups were asked to explain P3s. They did that quite well. Were they supportive? They were very strongly supportive. Could they name a successful P3 project? In every case for the two groups, the Canada Line was identified as that successful project.

When we talked about what would be some of the areas where there could be improvements made, the one comment made there and, quite frankly, right across the country, is that governments could communicate better when they're moving ahead with major infrastructure projects. We as a council would strongly endorse that as well. That's the nature of the conversation that we often have with governments which, as I say, are our members.

The reality is that for Canadians across the country, there is strong support for this approach to infrastructure development. As I say, we now have 223 projects in one stage or another across the country, across a variety of sectors and in virtually every region of the country. Those that are in operation have been successful, and those that are coming on line are on a similar path.

Mr. Mike Sullivan: In terms of the ones in Toronto, could you give me...? You mentioned a P3 community. What are the partnerships that you represent?

Mr. Mark Romoff: There are several. In the health sector, Bridgepoint hospital is a public-private partnership. It's a stunning example.

Governments own the hospital sites, so it's the Government of Ontario that owns Bridgepoint, but they did a complete redevelopment of that site by entering into an agreement with the private sector, which included PCL and some other developers, Plenary and others, which in fact redid that site, produced a terrific hospital through a design-build-finance-maintain approach, and at the same time took on the Don Jail that was right next door and in fact enabled the prisoners to move on to other maybe not any more luxurious accommodations, but to move on. That facility was redone and is now housing the CEO and executive team of the hospital. It's a great use of that facility.

If you look at the hospitals, period, in Ontario, you can see that CAMH, Women's College Hospital, and Bridgepoint are all great examples of the P3 approach.

The tunnel being built at the Toronto Island airport, for those of you who make use of it, is a P3. It'll be open in less than a month. It will be a stunning example both of architecture and of a facility that will certainly enhance the experience when you're trying to move from the runway to the city. The new—

● (1650)

Mr. Mike Sullivan: Is there public money in that? I thought that was private.

Mr. Mark Romoff: No, that's a public-private partnership, the Toronto port authority, the government entity, in partnership with the private sector.

Look at the Union Pearson Express. It will begin on June 6. For the first time in Toronto, you'll be able to get—

Mr. Mike Sullivan: Oh, don't get me started. What a disaster that thing is.

The trains aren't compatible. It was supposed to cost $300 million. It's now costing $1.4 billion, all of it from the taxpayer. There's no risk on the part of the third parties. There are no local jobs. There are no apprenticeships. They refused to allow apprenticeships. It's an absolutely awful project that was rushed to completion over the dead bodies of the communities around them. It's an awful, awful example. If that's your example of a private-public partnership, it's a disaster.

Mr. Carlton, I have one quick question for you. That's the—

Mr. Mark Romoff: I'll let your comments go uncommented on, only because you've chosen to move on.

Mr. Mike Sullivan: The people on Tuesday didn't want to comment either.

On the public-private partnership nature of future transit investments, the budget document appears to identify the upcoming $250 million, followed by $500 million, followed by $1 billion that will be a public transit fund and will be run through PPP Canada.

It's hard to tell, but it seems to indicate that therefore, only 25% of the funding will be federal, and it will require that future public transit projects be PPP, whether or not a municipality wants to do that. Is that something your association is in favour of? What do you think?

Mr. Brock Carlton: You've hit the nail on the head with respect to our concerns around the public transit fund with respect to P3s, not that it's being managed by PPP Canada; that's just a management framework for a funding mechanism. Our concern is to ensure that the municipality has the decision-making authority to determine the degree of private sector involvement and the kind of relationship with the private sector. We expect these projects to be of such scale that there will be private sector involvement just in the normal course of this kind of project. There is the concern about the municipal capacity for decision-making in that regard.

Also, absolutely, the 25% and 33% are a huge deal for us. Now, we're not assuming the negative, here, because we haven't finished the negotiations, and nothing has been made precise. We're involved in discussions with the federal government on those two very issues, but those are fundamental issues, and the 25% and 33% are a very big deal. If you just look at phase one of the Ottawa LRT, and you see the three partners in the public-private P3 framework, over the 30-year life of the project, at 25% the City of Ottawa would end up contributing 43.6% of the cost of that project. This is a big deal for us, and we will be pushing as hard as we can to bring that into line with other federal cost-share programs, so that it will be a full one-third.

The Chair: Thank you.

We'll now move to Mr. Yurdiga, for five minutes.

Mr. David Yurdiga (Fort McMurray—Athabasca, CPC): I want to thank all the witnesses for being here today.

Ms. Dedman, the CPWA believes there is an important role for the Government of Canada to play in promoting asset management. Could you elaborate on how the Government of Canada can promote asset management when 95% of the assets are owned by the provinces and municipalities?

Ms. Kealy Dedman: I think you may have misheard that. In fact, 60% of the assets are owned by municipalities across Canada. As a result of that, ensuring that there are good asset management practices across the country is very important for the federal government. It's important for all levels of government, but there's a role for the federal government to play as the leader in promoting and supporting asset management at the municipal level.

Asset management is the holistic approach to evaluating, investing, maintaining, and replacing your infrastructure to get the best value out of it. That requires resources of staff time and staff expertise. It requires tools and systems in order to get that in place, but in the long run it results in cost savings and is the best investment for the municipality.

In order to build that capacity at the local level, there does need to be some dedicated funding to support that. I hear concerns from my colleagues from all municipalities. We deal with prioritization of needs, and asset management is sometimes seen as something like a planning exercise. Just as an approach to how we're going to deal with our assets, it is not necessarily prioritized when it's put up against real life or the reality of a crumbling bridge, potholes on the road, or that type of thing. We really believe that a dedicated fund for capacity building and asset management is the key.

● (1655)

Mr. David Yurdiga: When I made reference to the 95%, I meant provincially and municipally. The provinces have a lot of assets, as do the municipalities.

You foresee the government creating a standardized program, so the municipalities and the provinces will be able to follow along, and everybody will be playing with the same deck of cards. Is that what I understand?

Ms. Kealy Dedman: With asset management planning, there's no one size fits all. It depends on the size and complexity of the organization.

For instance, in Ontario if it's a lower tier versus a single tier versus an upper tier municipality, there are different needs and requirements that may be taken into consideration. As a result of that, there are certain principles related to asset management that can certainly be promoted. We believe there's a role at the federal level for building the capacity, understanding it, and providing education around it.

Mr. David Yurdiga: Thank you.

Mr. Carlton, we hear a lot about infrastructure deficit. The numbers vary from person to person depending on who did the numbers.

Is the deficit different from one part of the country to the next? Does the economy play a big factor where they live? Does the north have more infrastructure deficit? What's your take on that?

Mr. Brock Carlton: It does vary based on several variables.

Some of it could be due to pressure of economic activity and population growth. The climate, the north, and the changing climate of the north, is a different variable on the pressure of the infrastructure in that area.

Generally speaking, the infrastructure deficit is greater in the east because the infrastructure is older. The cities are older. You can look at Montreal's infrastructure as opposed to Calgary's. There are different generations of infrastructure investment because of the nature of the way this country was developed.

So yes, it varies across the country according to several different variables.

Mr. David Yurdiga: I noticed, especially in Alberta when the economy was booming, that a lot of municipalities couldn't move forward with their infrastructure plans because the cost to do business had sometimes tripled. Even with government programs, they were unable to come up with their share. The economy is a big factor.

Have you had any members from the federation bring forward this concern, the cost of doing business in a hot economy?

Mr. Brock Carlton: It's mentioned, especially when you have programs that have a very short timeframe, for example, the economic action plan. I mean, we all knew that it was a very intense moment, had a very tight timeframe, but that intensity did drive up cost. We know that.

One of the challenges with municipalities, the smaller places in particular, in coming up with their one-third, is that in previous iterations you could stack your gas tax with a building Canada fund application to get your one-third. You can't do that now, so the smaller members have lost the capacity to use the gas tax in stacking with other federal money to finance a project that is larger than the resources they get from the gas tax.

It may appear like a relatively small detail in the subtext of the building Canada fund, etc., but it is a very significant issue for our smaller members.

The Chair: Thank you. Your time has expired.

We'll now move to Mr. Komarnicki, for five minutes.

● (1700)

Mr. Ed Komarnicki (Souris—Moose Mountain, CPC): I have a couple of questions for Ms. Dedman.

You mentioned that there were a few pockets of brilliance or perhaps some bright lights out there. Can you tell us a bit about that? What was it about their practices that you found to be particularly intriguing?

Ms. Kealy Dedman: As I mentioned, some of the western provinces are engaging in advanced asset management practices. The City of Edmonton, the City of Calgary, for example, have adopted a very similar practice to what Australia and New Zealand are engaging in. For the most part, Australia and New Zealand are the leaders in asset management practices. They led the way. There is a lot of the principles that came out of their work that are now being adopted in Canada, and those principles have been adopted by some of the larger communities like Edmonton and Calgary.

Further east, Ottawa, for example, is doing an excellent job of asset management. Hamilton, for example—

Mr. Ed Komarnicki: Those principles are what?

Ms. Kealy Dedman: The principles of asset management are based on value. It's assessing what the needs are, investing the right money at the right time to get the maximum life out of your assets. It's doing long-term financial planning to ensure that assets are replaced at the appropriate time, because if you get into emergency repairs as opposed to proactive maintenance, it's much more expensive.

It's a holistic approach to looking after these assets.

Mr. Ed Komarnicki: I know that you mentioned there was the Envision system.

Can you tell us a little about that and why you feel that's important? What advantages does it have?

Ms. Kealy Dedman: Sure.

Again I go back to looking at sustainability as we invest in our infrastructure going forward. Envision is one tool that we've seen at use in Canada. It was developed by our sister organization, the American Public Works Association, the Canadian Society for Civil Engineering, and the Harvard Graduate School of Design.

Mr. Ed Komarnicki: Tell us, what does it do that you think is important for smaller municipalities or any municipalities to adopt?

Ms. Kealy Dedman: It provides a framework and a rating system with standards municipalities set out to achieve. Depending on the long-term carbon footprint of your infrastructure, for example, or the cost, you get the impacts on society and the environmental impacts of this going forward. It assesses all of those to give a rating to that piece of infrastructure.

Mr. Ed Komarnicki: Is it a paper tool or a software program that can be easily inputted on each particular infrastructure?

Ms. Kealy Dedman: Yes. It includes a software program. You can use it at all stages of your project and rate each of those steps you're planning by looking at what is the best option for the location. It gives you a rating for those different options.

Mr. Ed Komarnicki: I understand that the gas tax fund does allow use toward that kind of capacity building. It is a predictable source of funding. It has been indexed to inflation, so it's the kind of fund that could be used. Perhaps one element missing is the stacking portion spoken of by Mr. Carlton, but a fund like the gas tax fund goes to the municipalities year by year, based essentially on population. Every municipality gets funding.

Is there any reason you can see why municipalities haven't yet adopted some of these best practices? What are your organization and the federation doing in terms of getting the municipal memberships on board with some sort of a uniform program that would be good not only for them, but for provinces and the federal government to understand what's happening on the ground?

Ms. Kealy Dedman: On the sustainability side there's not necessarily an investment that's required. We see the role of the federal government more for supporting and promoting the use of those type of tools. On the asset management side, however, the current gas tax program does include building capacity for asset management of one of those categories.

I go back to comments made earlier where, when it's prioritized against other projects, some of those more visible projects are the ones that are seen as the greater need, so that funding isn't put—

● (1705)

Mr. Ed Komarnicki: What I gather from what you're saying is although there are sort of short-sighted priorities, they're missing the fact that you need to get in position to be able to manage your assets. Why is somebody at your level or the FCM level not ensuring that municipalities get on board?

Ms. Kealy Dedman: We are doing that. Part of that is through the infrastructure report card. The first one was done in 2012 and the second one is coming out in 2015. For part of the 2015 report card that has come out, FCM and CPWA, along with other organizations, including the Canadian Network of Asset Managers, have developed an asset management primer that's now available across Canada. It sets out the principles and it sets out the best practices.

Mr. Ed Komarnicki: Mr. Carlton, did you wish to make a comment at all?

Mr. Brock Carlton: Yes. I think it's unfair to characterize in a simple way a decision a municipality makes as a short-sighted investment, as opposed to an asset management investment. It's just not that simple. Municipalities are faced with enormous pressures and enormous challenges, and so decisions are made to invest their infrastructure dollars in certain places, not always in short-sighted ways.

I think the asset management opportunity created by the gas tax is a step in the right direction, but I agree with Kealy there's a federal leadership role here that's really important. Our members are prepared to see some degree of conditionality around the infrastructure investments related to effective asset management. What's needed is national leadership to create the national scope and perspective that says, “here's the kind of asset management in general that we want to see in this country“. So let's start building the capacity, some federal.

Do you want me to stop talking?

The Chair: No, I'll allow you to finish. I was signalling to Mr. Komarnicki that he was out of time.

Mr. Brock Carlton: We recognize there is kind of a national vision here that drives the sustainability agenda through effective asset management that drives an agenda of effective investment and effective priority setting using good asset management. You need the provinces and territories involved because they're part of the framework of how all of this stuff works, and they're more granular in terms of their involvement in the particulars around asset management related to a certain political jurisdiction.

Just in parenthesis, I would say that we are doing work on asset management. We had a very productive round table discussion with the department. We have a small program out of our own resources that is helping to identify good practices and finding a mechanism to share that so others can learn from it, but our financial capacity to invest in that is extremely limited. FCM alone is just a drop in a very big bucket.

The Chair: We'll leave it at that.

We're going to start into the second round and we're going to go to Mr. Kellway, for three minutes.

Mr. Matthew Kellway: In light of the discussion about asset management, Mr. Carlton, you had tied investment to GDP at 4% to 5% as what ought to be happening. Is that just a kind of rough measure you throw out, or is there a dollar figure you'd like to put on that? Presumably, if you tie it to GDP, you end up as we did in the dip, where governments in the 1990s chose to get their fiscal houses in order as opposed to making those kinds of investments, etc. Is there a dollar figure you'd put on this, or are you happy with infrastructure investment at the federal level being tied to economic growth?

Mr. Brock Carlton: We don't have a specific dollar figure. We've been saying that the investment level in the 1950s and 1960s was one that is appropriate to be sustained. It's not a particular number of billions of dollars a year. We don't have that kind of precision in our analysis. I certainly would point out that roughly 5% of GDP now is an awful lot bigger number than 5% of GDP in 1960, and appropriately so. That scale of investment now is necessary in order to bring infrastructure back to a place of economic competitiveness.

● (1710)

Mr. Matthew Kellway: Does that level of investment account for closing that deficit as well?

Mr. Brock Carlton: Over the long term it does.

Mr. Matthew Kellway: I was wondering, too, about the dedicated public transit fund. I come from Toronto, and I live in a part of town where in the morning you go to your local subway station and stand on the platform and the trains come and they're full, and another one comes and it's full. Then there are parts of town where you wait a long time through winter, summer, and all the rest of it, for buses. There seems to be a desperation for public transit funding out there, and yet there's no new money in this budget for public transit. What's your view on that?

Mr. Brock Carlton: There's no new money for public transit?

Mr. Matthew Kellway: I mean in this next year and the year following.

Mr. Brock Carlton: The new public transit fund is set up to respond to big projects in big cities, and those projects take time. They take time to plan, to develop, and to pull together all the financing for them. We're hoping there will be a process to start an approval mechanism not in three years but sooner, so that the planning can be put in place, and the financing can be put in place, and the money will be in place in the right timeframe.

Given that this new fund is for new infrastructure, we know it just takes time to get that new infrastructure planned and organized and ready to go. The fact that there isn't money for new infrastructure and transit in the first couple of years is just a reflection of the reality that it takes time to get organized and to plan and to do these things.

Mr. Matthew Kellway: I'm not sure what you mean by new infrastructure, but there are plans. I know the city I live in has plans, and plans upon plans. I know a lot of other cities across this country have plans. Ought there not to have been newly dedicated public transit funding this year or next year for the plans that municipalities across this country have now?

I was looking at your blueprint for cities, which talked about hours spent every year in gridlock, and the productivity costs to our cities from gridlock. I think you priced it at $11 billion. Ought there not to be federal public transit funding this year and next year to provide relief to cities for existing public transit plans?

Mr. Brock Carlton: I should add to the previous comments that if the design plays out appropriately—and we're in those discussions now—the municipal governments will be able to understand when the money's going to be in play, and they'll be able to borrow against it so that they can start their projects early, knowing the federal dollars are going to come in time at a certain volume that's going to accommodate their needs as they go through a 20-year or 30-year cycle of—

Mr. Matthew Kellway: Are there no funding mechanisms available now, financing mechanisms that cities could take advantage of more immediately?

Mr. Brock Carlton: From the federal government?

Mr. Matthew Kellway: Yes.

Mr. Brock Carlton: I suppose in theory there's the national infrastructure component of the building Canada fund—

Mr. Matthew Kellway: —and others, I presume.

The Chair: I let you ask the one. I'll let him finish answering it, but your time is up.

Mr. Brock Carlton: You asked if there was other funding. There's a national component and a provincial component in the building Canada fund.

Mr. Matthew Kellway: No, I'm saying theoretically are there other funding mechanisms that could be put in place immediately?

Mr. Brock Carlton: Oh, theoretically.

The Chair: This will be your last comment.

Mr. Brock Carlton: One could imagine a different public transit fund if you wanted to get into the theoretical, but we're dealing with an economic reality in a context of an announcement made by a government, so we're working with that reality.

The Chair: You're out of time, Mr. Kellway.

Mr. McGuinty has the floor for three minutes.

Mr. David McGuinty: Ms. Dedman, and Mr. Carlton, I can't tell you how much it is music to many thousands of Canadians' ears to hear you talk about the need for a Canadian equivalent of the Envision program. What's deeply frustrating about the talk is that almost 10 years ago, when the government came to power, a suite of eco-efficiency indicators had been operationalized within the federal government on materials intensity, water intensity, and energy intensity, which had been designed in conjunction with the Canadian Institute of Chartered Accountants. It became the floor for these kinds of initiatives. It was the program used as the model in the entire OECD.

These metrics were designed by the national round table on the environment and the economy. of course we found out that the national round table on the environment and the economy was shut down by the government because it didn't like the advice it was getting. We've lost a decade now because of this, and we're now behind the Americans. In fact, I know for a fact that Envision relied on the Canadian work to launch a lot of their early thinking. You add to that the fact that we've shut down the green procurement program in the country; we've pretty much shut down the environment and sustainable development indicators initiative of StatsCan; we've closed the climate change and atmospheric research foundation, and you have your answer. We all have our answers.

You have to understand that if you're going to address climate change and address greenhouse gases, there is a huge economic opportunity here for us to go forward and win, and no more is that pressure coming to Canadians than from the private sector. The private sector is raising questions over and over again about efficiency and standards. It's no different in the P3 area.

I want to go back to something you said, Ms. Dedman, about why we need this. The answer is in part that we need this because we need to start building with resilience to adjust and adapt to climate change, because it's here and it's not going away. As a result of that, we need to prepare for it. The hues and cries for this are coming chiefly from the private sector because they want to make money over long, long terms with their infrastructure investments, and they know it's coming.

The second reason we need this plan is that we actually have to reduce our greenhouse gases. We don't have to play with this anymore; we actually have to do it.

I'd like a reaction, if I could, to this question of resilience, adapting to climate change, and trying to reduce our greenhouse gases as a nation.

● (1715)

The Chair: Mr. McGuinty's time will expire shortly, so go ahead and respond.

Mr. Brock Carlton: I'd like to respond to that one.

There is no question that there is a need for this country to look at its infrastructure from the perspective of resilience and from the perspective of the impacts of climate change and greenhouse gas emission reduction.

We believe there are great opportunities. Municipalities own directly or indirectly the sources of about 44% of the GHG emissions in this country. In individual initiatives across the country there are many interesting things happening that are addressing local GHG emission challenges.

Our concern is that there's an opportunity being missed by not creating a way of having a national perspective on this that can mobilize the knowledge and experience at the municipal level for the kinds of things municipalities are responsible for so that, rather than having municipalities left alone to do their work that needs to be done, they are supported in a framework that is all orders of government rowing in the same direction.

Some of that can be done through the building Canada fund. It would be stronger if there were a dedicated municipal component to that fund outside of the small communities component, but I think there is an opportunity that the municipalities, were that to roll up to a national level, could be a significant contributor to a national initiative, a national approach to our greenhouse gas emissions plan.

The Chair: Thank you.

Mr. Braid, you have three minutes.

Mr. Peter Braid: Mr. Romoff, I left you off last time, so I want to make sure I direct some questions to you in this round, starting with this one: how do P3s save taxpayers money?

Mr. Mark Romoff: Well, in several ways. I mentioned earlier the economic impact assessment we had by an independent organization just last year, which demonstrated that these projects save governments $9.9 billion. That number is a reflection of the fact that projects are coming in on time and on budget. There is an expense there that normally is incurred by governments and is averted in that particular instance.

More importantly, the essence of a public-private partnership is that 30-year life cycle. What makes P3s quite unique is that they are ensuring that an asset that's being built will be maintained to a standard agreed to by both government and the private sector at a particular level and returned to government 30 years from then in exactly the condition that was agreed to. If that isn't the case along the way, for instance, if the facility is not maintained, the private sector is penalized for that.

For instance, if it's a hospital and the contract says—it's quite granular—that the air conditioning in the OR will not be out of service for more than an hour and if it is, you'll be penalized $10,000, I can promise you that in every instance that air conditioning will be working within 59 minutes. You have these provisions in these contracts to ensure that the standards agreed to are met. If not, the penalties are severe and are all absorbed by the private sector.

The cost of traditional infrastructure is very different in a P3. As you know, there are several projects, particularly in Toronto, that are way behind schedule and way over budget, including the Spadina extension, by $400 million, and Union Station, Nathan Phillips Square, and the waterfront. They are all projects that went ahead as traditionally procured projects and are way over budget, and therefore they are incurring expenses that government otherwise wouldn't incur if it were a P3.

While I won't address Mr. Sullivan's comments in any depth, what I will say is that the Union Pearson Express, delivered on time and on budget, will be open and functional on June 6. I promise you that Mr. Sullivan will be on board at some point and going to the airport in Toronto.

● (1720)

Mr. Peter Braid: I'll watch for him and I'll let you know.

Mr. Romoff, from your perspective, what impact will the new public transit fund have on the ability of large cities to build major infrastructure projects? Also, how will they use the tools?

Mr. Mark Romoff: First and foremost, as you know, the announcement was made, but the terms and conditions around the way in which the fund will operate have yet to be finalized, so it's a little premature to comment on the substance of that. What I will say is that, again, experience in the public transit area in Canada has been very strong and very positive, so if you add an additional billion dollars a year into the mix, that can only make a significant contribution.

Again, it's leveraging. I'm sure that when Mr. McBride was here, he would have pointed out that his $1.25-billion fund really leverages about $6 billion to $6.5 billion of activity around the country. The same will be the case for this $1-billion transit fund. It could be a lot more, because we know that urban transit is probably every major municipality's biggest concern, and those projects are not inexpensive. The more money you can put into urban transit, the better. But what we do know is that the private sector and the private financing in particular are very actively interested in those projects and have invested substantially, including the pension funds. Again, Ms. Young will know that in the case of the Canada Line, for instance, the Caisse de dépôt out of Quebec was a major investor in that particular project.

There is a lot of private capital available in the country that is hunting for good projects. Urban transit projects are very good projects. I think you'll see that this additional billion dollars in the mix will make a significant difference over the long term.

The Chair: Ms. Dedman, Mr. Carlton, Mr. Rubinstein, and Mr. Romoff, thank you very much for being here. We appreciate your presentations and what you have—

Mr. McGuinty.

Mr. David McGuinty: On a quick point of order, Mr. Chair, when Mr. Moore was here as ADM of policy from Infrastructure Canada, I requested two sets of documents.

One had to do with getting numbers in terms of what the federal government is actually putting into infrastructure and what percentage of GDP that is compared to OECD countries and their federal contributions. Can we get that number? He endeavoured to get it.

Two, he was going to get the analysis to substantiate the minister's claim that 30,000 jobs would be created on the bridge to Montreal. Do we have that information yet?

The Chair: They're working on it.

Mr. David McGuinty: Do we have a timeline, Mr. Chair, when that might—

The Chair: I don't. I'm just going by what the clerk just said to me.

Mr. David McGuinty: Can we ask the clerk?

The Chair: Yes, we can follow up on that.

They said it would be by the end of the month.

The meeting is adjourned.