The Infrastructure Gap

A National Challenge
Closing the Gap

1% = $12.6 Million
Why Do Municipalities Have a Gap?

• Population shifting to cities
• Funding cuts = Under investment by senior governments in maintenance, renewal & replacement
• Limited, conditional 1X stimulus funding
• Cost of infrastructure renewal/redevelopment = many times the cost of green field development
• Out of date legislative powers for today’s modern infrastructure issues
• Fed/Prov downloading – regulatory changes = higher costs
“Downloading of responsibility is not necessarily a bad thing provided the funding comes with it; currently it does not.”

—Okanagan mayor


6 - Statistics Canada, Table 031-0002,
$4 Billion gap = 1995 per capita vs 2008 per capita
“Senior governments should be open and honest about downloading and make it part of policy dialogue and not change ‘by stealth.’”
—Okanagan mayor
1. In good times LG does not share in economic growth
2. In bad times LG is pressured to contain costs and cut services
As one mayor commented, "there's always money to build something to provide short term 'feel good' projects, but never any money to maintain them once they're completed."
Economic Action Plan 2013

The Largest and Longest Federal Commitment to Provincial-Territorial-Municipal Infrastructure in Canadian History

Chart 3.3.2
Federal Investments in Provincial-Territorial-Municipal Infrastructure

Source: Infrastructure Canada, Department of Finance.
Asset Management Performance

✓ Asset Management Plans integrate with Financial Plans
✓ Asset Management Strategy next step – Levels of Service
✓ Council Asset Management Policy
✓ Best practice performance ratios
  ✓ Operating Surplus + RV Depreciation
  ✓ Use of Debt
  ✓ Asset Sustainability
Asset Management best practices have enabled us to:

- Support long term sustainment of services
- Know the physical condition and risk profiles in each major asset group
- Measure and assess asset utilization, demand and capacity
- Strengthen our long term funding strategies and financial sustainability
- Bring better alignment of funding to sustain life cycle costs
- Use debt holistically to augment steady state replacement of assets
Questions?