

Canadian Construction Association
Building Canada's Future



Association canadienne de la construction
Construire l'avenir du Canada

Canadian Construction Association



Presentation:

Next Steps in Public Policy Development

Infrastructure Forum

WCR&HCA Convention 2010

Scottsdale, AZ – March 10, 2010





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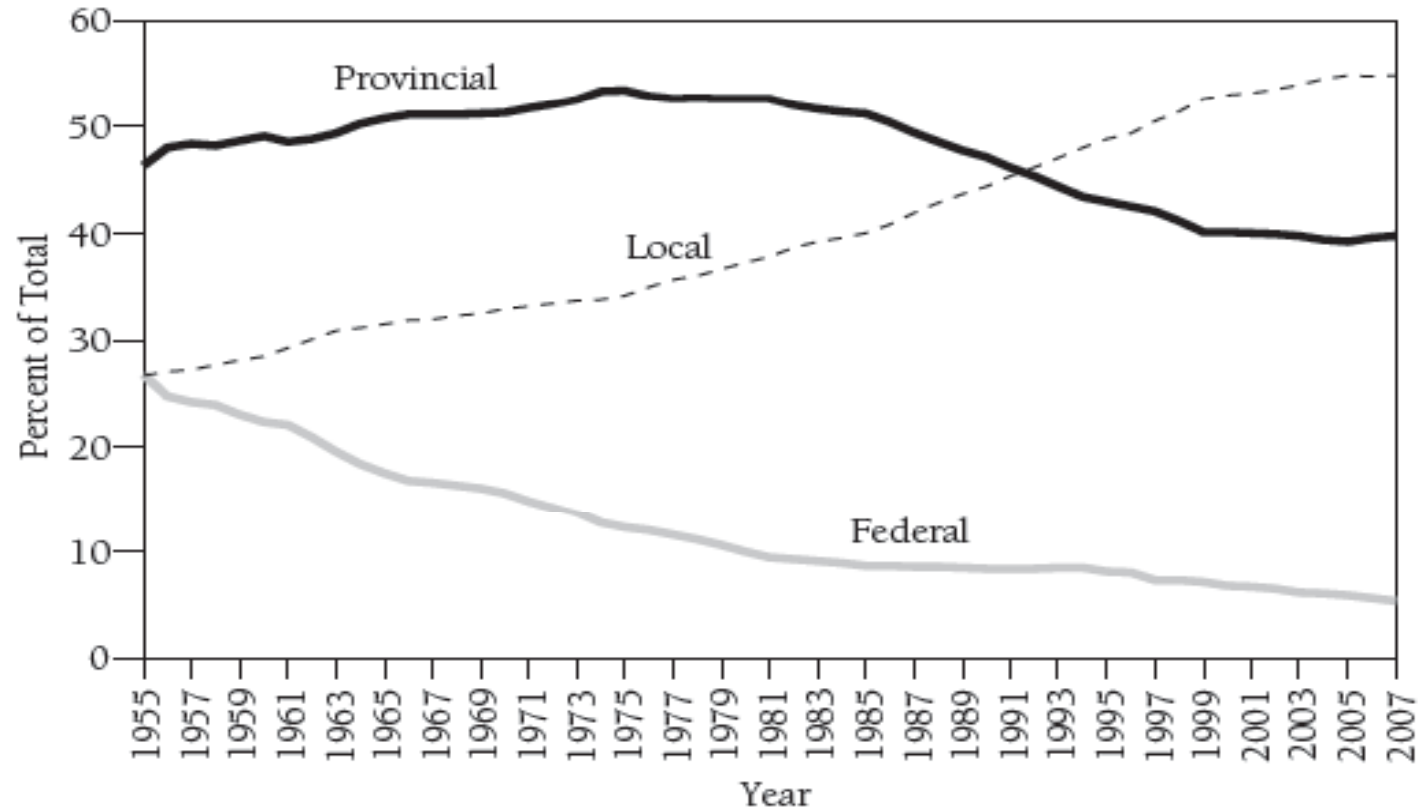


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Current facts/trends: The shifting responsibility for public infrastructure



Infrastructure Capital by Jurisdiction, 1955-2007



Source: Statistics Canada, CANSIM matrix 031-0002.



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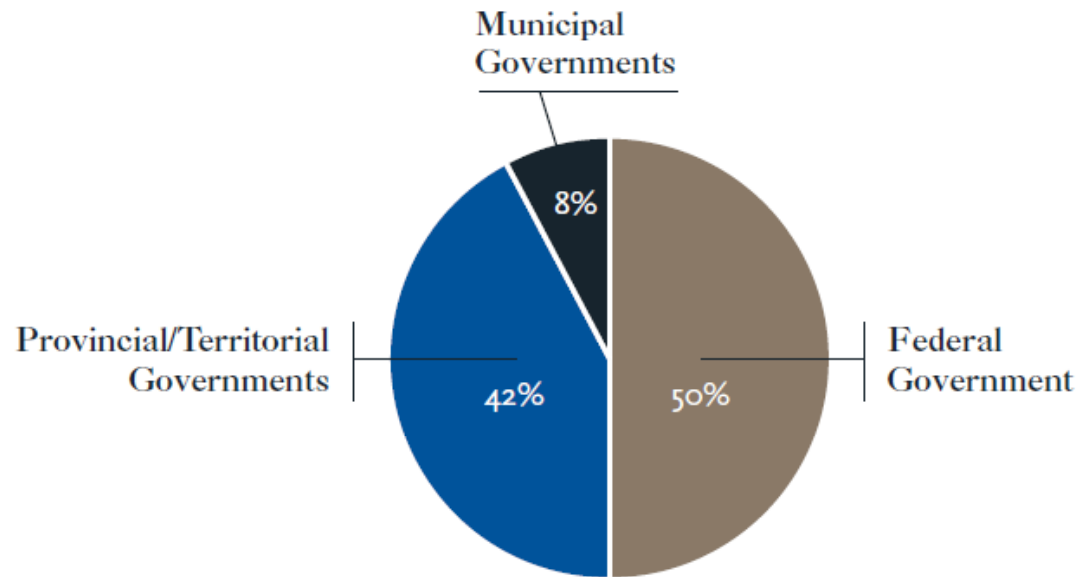


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Current facts/trends: Can municipalities fund infrastructure renewal on their own?



Municipal Government Share of All Tax Revenues



Municipal governments receive less than 10 per cent of existing revenues.



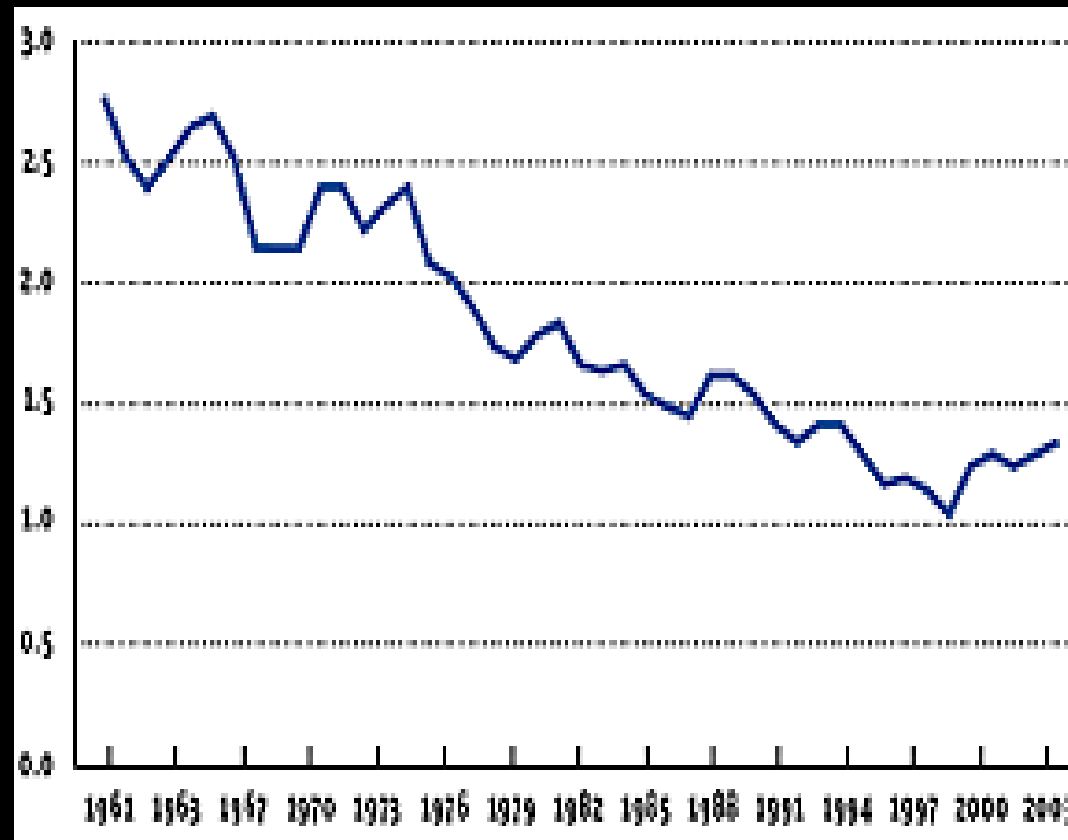
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Current facts/trends: Fed contribution to infrastructure funding, up until recently, had been steadily declining.

Percent of GDP Invested in Infrastructure



Source: Finance Canada





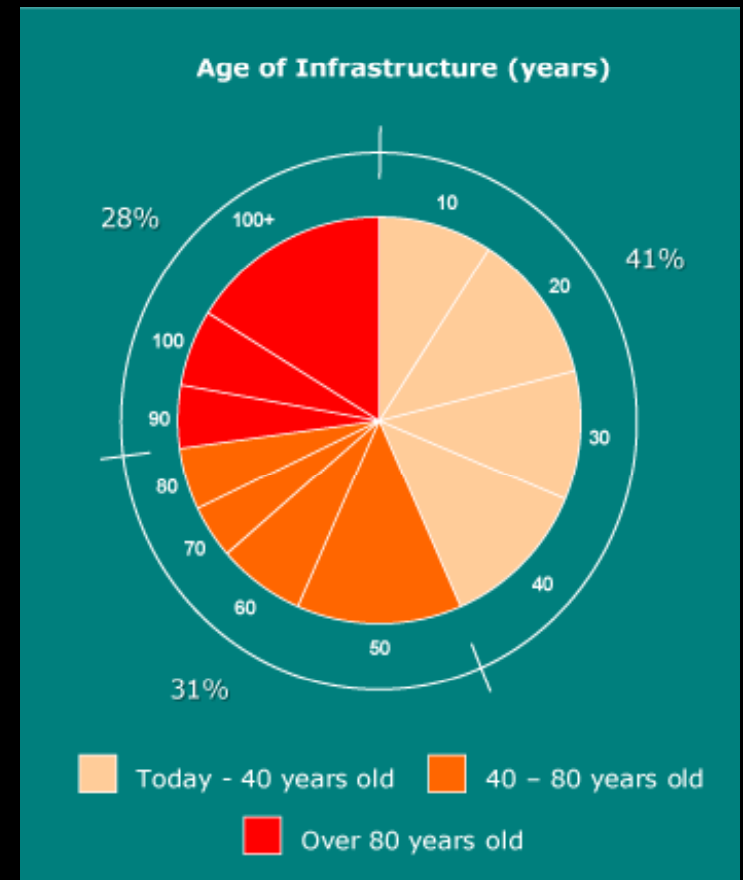
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Current facts/trends: In the past, capital spending was often the first item to be cut in periods of government fiscal restraint.

Is this changing? This past tendency has directly contributed to Canada's infrastructure deficit.





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Current facts/trends: The public have placed health care, education, the environment and day care ahead of infrastructure. Is this attitude changing?

The FCM Survey

- Health care 75%
- Infrastructure 69%
- Education 39%
- Environment 38%
- Military 25%
- Export incentives/assistance 22%
- Assisting Aboriginal people 16%
- Border and public security 16%





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Current facts/trends: The public have placed health care, education, the environment and day care ahead of infrastructure. Is this attitude changing?

The FCM Survey: Findings

- 69% of respondents believe infrastructure spending is among the most important area to protect against budget cuts, second only to health care;
- Most Canadians would support a GST increase to fund municipal infrastructure provided the money was dedicated;
- Canadians want governments to maintain or increase long-term infrastructure investments as stimulus spending winds down.

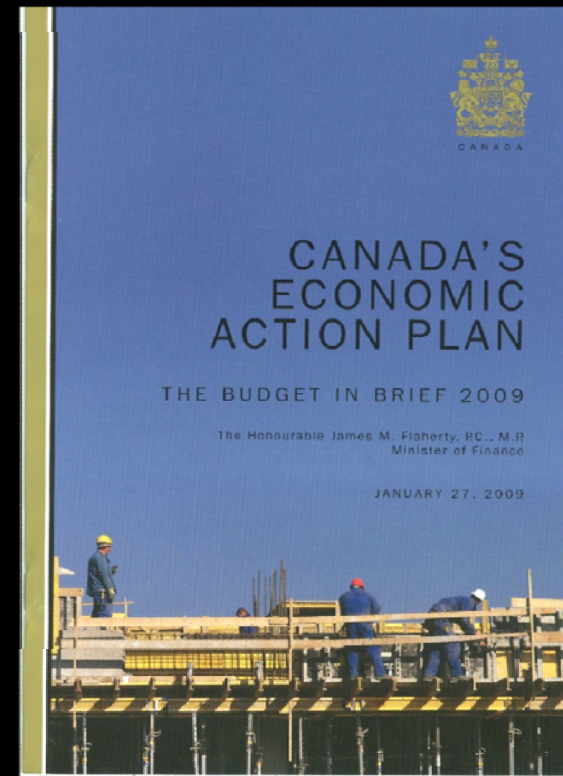


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Current facts/trends: Infrastructure investment often seen as a short term fix for economy (e.g. job creation tool) rather than a long-term strategic necessity.





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The KPMG International Infrastructure Surveys

- 70% of the North American (NA) public sector executives surveyed said the lack of funds remains the largest obstacle to infrastructure development compared to only 56% of their global peers;
- The next greatest impediment at 38% is the politicization or project priorities!
- 82% believe that government ineffectiveness is a significant barrier to delivering infrastructure.
- 59% said the political environment impedes them from delivering needed infrastructure.





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The five (5) myths of Canadian Infrastructure

Todd Latham, founder of ReNew Canada

1. We're doing better than other countries.
2. It's all about roads and bridges.
3. **The Canadian public understands.**

"Taxpayers support infrastructure renewal as long as it creates new jobs, doesn't increase their taxes and does not require user-pay structures or special municipal levies to pay for it. The party is over: citizens need to wake realize that quality of life is not free."

4. Local governments are looking long term.
5. There's little we can do about climate change.





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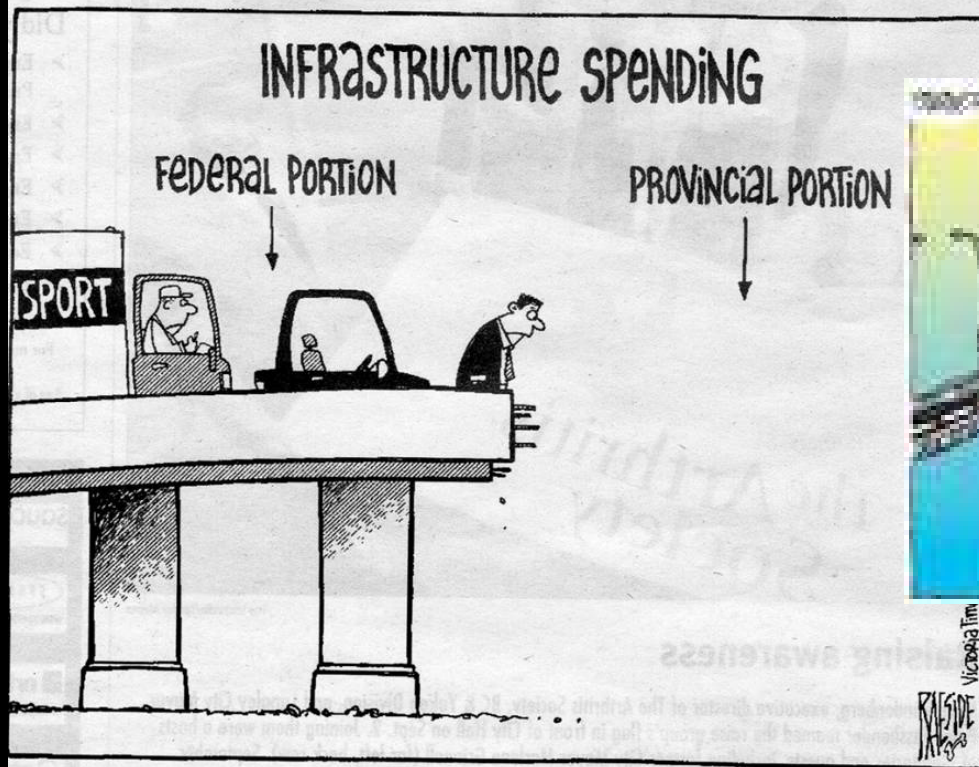
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The new “public policy” milieu:

1. Infrastructure investment is not the sole domain of any one level of government in Canada and must be a priority focus of all.



LANGLEY ADVANCE | Friday, September 18, 2009 | A8





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The new “public policy” milieu:

2. The inability of governments in Canada to plan long-term necessitates the formation of partnerships with the private sector if Canada.





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The new “public policy” milieu:

3. Balancing government budgets by neglecting infrastructure is “borrowing” dangerously from our future! A series of financing options must be explored so that prudent fiscal planning and prudent infrastructure management are not perceived nor in fact mutually exclusive.

4. Governments must abandon the short term annual deficit/surplus fixation and instead adopt prudent policies that seek to meet longer term Debt/GDP targets.



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The new “public policy” milieu:

5. Canadians must learn that “state-of-the-art” public infrastructure that supports a healthy, environmentally friendly and prosperous quality of life is NOT free and that they as taxpayers may ultimately have to pay more.

