

June 30, 2021

Honourable Catherine McKenna  
Infrastructure Canada  
Communications  
180 Kent Street  
Suite 1100  
Ottawa, Ontario  
K1P 0B6

Sent via e-mail to: [info.infc@canada.ca](mailto:info.infc@canada.ca)

Dear Honourable McKenna:

Over the next thirty years, key pressures on the sustainability of Canada's public sector infrastructure will have intensified. These include demographic changes, such as a growing and aging population; heightened climate risks; and the role that infrastructure will continue to play in making our communities vibrant and inclusive. Perhaps more significantly, these pressures will compete for limited financial resources and force challenging decisions and trade-offs.

The National Infrastructure Assessment is a welcome opportunity to consider Canada's long-term infrastructure needs and establish a corresponding vision. This letter addresses the three priorities outlined in *Building the Canada We Want in 2050* from Asset Management Ontario (AMONTario)'s perspective. AMONTario is a non-profit community of practice whose mission is to strengthen infrastructure asset management capacity across Ontario's public sector. Our members are public sector infrastructure practitioners from a broad range of disciplines, including finance, public works, engineering, corporate services, and planning.

We recommend four perspectives for Infrastructure Canada's consideration:

**1. Organizations that receive federal infrastructure funding should be required to identify their projects within comprehensive Asset Management Plans.**

In order to determine effective ways to fund or finance infrastructure, there should be a common basis of accountability. Methodologies using infrastructure owners' Asset Management Plans (AMP) can help bridge this gap.

An Asset Management Plan is a systems-level document for an organization that has been Council or executive-level endorsed. The Asset Management Plan outlines how the organization plans to manage its portfolio of infrastructure assets over their respective lifecycles to expected service levels while minimizing risks and total cost of ownership.

The federal government should demonstrate that infrastructure funds are being allocated where they are needed most *and* to organizations that demonstrate effective management

of their infrastructure. For the former, an infrastructure owner's AMP would identify the organization's priority projects on an enterprise-wide basis. More weight should be given to proposals linked to higher priority projects. For the latter, trends in an infrastructure owner's AMP would provide insights into whether the organization's overall state of good repair is being optimized and whether the organization is making lifecycle investments as recommended by its own AMP. Greater weight in funding decisions – all else equal – should be allocated to infrastructure owners who have demonstrated prudent asset management.

Linking infrastructure funding to outcomes in infrastructure owners' AMPs should contribute to clearer expectations for funding recipients and a more defensible, evidence-informed basis for infrastructure funding decisions.

## **2. Infrastructure funding should integrate climate change considerations.**

Climate risks impact the lifecycle management of assets and the services those assets are supposed to provide. Currently, many organizations treat climate change actions and infrastructure asset management in separate silos. This can lead to sub-optimal outcomes.

The federal government should encourage infrastructure owners to integrate climate resilience into the lifecycle management of infrastructure. This approach recognizes that climate change action planning and asset management are complementary endeavors, and that better outcomes can result from incorporating climate resilience considerations at the beginning of infrastructure projects. This would also enhance the excellent work that has been done by Infrastructure Canada in developing a 'Climate Lens' for funding applications.

AMONTario is developing guidance materials that integrate climate resilience actions at each stage of the asset management process. This builds upon AMONTario's work in hosting the most ambitious climate change and municipal asset management conference ever held in North America, at which the Canadian Ambassador for Climate Change was a keynote speaker.

## **3. The scope of 'infrastructure' should be broadened to include 'green infrastructure'.**

The benefits of 'green infrastructure' – which encompass natural assets as well as associated engineered or hybrid technologies – have been widely touted.

Yet 'green infrastructure' initiatives sometimes are not eligible for infrastructure funding because they are not (at least the subset of natural assets) considered tangible capital assets under Public Sector Accounting Board (PSAB) rules. Some funding programs link eligibility for infrastructure funding with whether the asset is identified on the organization's financial statements as per section 3150 of the PSAB Handbook. This poses a challenge because natural assets can be included in Asset Management Plans but not as 'assets' on public sector organizations' audited Financial Statements.

The federal government should clarify what constitutes 'green infrastructure' for infrastructure funding purposes as well as the acceptable circumstances under which this infrastructure would qualify for funding. For example, it may be helpful for 'green infrastructure' projects to be identified in organizations' asset management plans so that they account for broader service, budget, and risk considerations.

This would encourage infrastructure owners to invest more in the natural environment and to seek solutions from 'nature' to fight climate change.

**4. Recognize the role of communities of practice in accelerating the adoption of effective practices and norms.**

*Building the Canada We Want in 2050* (page 13) includes this statement under the priority of improving coordination among infrastructure owners and funders:

'The non-profit sector can also be a key infrastructure investor and decision-maker, particularly when it comes to community services and specialized services for specific and disadvantaged groups.'

The non-profit sector's role in infrastructure is broader and deeper than that statement suggests. Non-profit industry associations and communities of practice, such as AMONTario, have been impactful in shaping policy development and accelerating sector-wide adoption of new standards around asset management, sustainability, and climate resilience. Without the contribution of communities of practice across Canada, led by infrastructure practitioners, many federal infrastructure mandates would not be successful. Moreover, communities of practice and non-profit associations are often the most cost-effective channels to drive widespread change and adoption of new sustainability practices around infrastructure.

As a community of practice, Asset Management Ontario continues to be highly engaged in strengthening the capacity of the province's public sector to manage infrastructure effectively. We are grateful for the opportunity to be engaged in the National Infrastructure Assessment and look forward to continuing our work with the Federal Government.

Sincerely,

*Chris Chen*

Chris Chen

Executive Director

Asset Management Ontario (AMONTario)

<https://www.amontario.ca/>

e: [chrischen@amontario.ca](mailto:chrischen@amontario.ca)