

Infrastructure Canada

2005-2006

**Report on Plans
and Priorities (RPP)**



The Honourable John Godfrey
Minister of State (Infrastructure and Communities)



Table of Contents

Section I – Overview	1
Minister of State’s Message	1
Deputy Head’s Message	3
Departmental Overview	5
The Operating Environment	7
Overview of Public Infrastructure in Canada	8
Challenges Facing the Department	10
Plans and Priorities	11
Priority 1 – Advancing The New Deal for Cities and Communities	11
Priority 2 – Managing and Leveraging Investments to Improve the State of Sustainable Infrastructure	13
Priority 3 – Building, Connecting and Sharing Knowledge	15
Section II – Analysis of Program Activities by Strategic Outcome	19
Detailed Analysis of Program Activities	19
Cities and Communities	20
Infrastructure Programming	22
Infrastructure Funds	23
Research, Knowledge and Outreach	31
Crown Corporations Portfolio Management	34
Section III – Supplementary Information	37
Management Representation Statement	37
Organizational Information	38
Financial Tables	41
Section IV – Other Items of Interest	45
Departmental Administration	45
Effectively Managing the New Infrastructure and Communities Portfolio	46
Management Initiatives	46
Contacts	50





Section I – Overview

Minister of State's Message

I believe that Canada's quality of life depends on strong, vibrant and sustainable cities and communities. For this reason, I am pleased to report on the plans and priorities of Infrastructure Canada.

In the coming year, we will build on the important steps we have already taken to deliver one of the Government's key commitments – the New Deal for Cities and Communities. We will continue in our long-term approach to define what is needed in Canada to create sustainable communities. We will do so by focussing on the Government of Canada's own responsibilities in this regard, and by respecting the constitutional jurisdiction of provincial and territorial governments. In addition to advancing the New Deal for Cities and Communities, this means continuing our work in partnership with provinces, territories and municipalities to support infrastructure projects. This also means expanding our efforts to build, connect and share knowledge about infrastructure and communities.

Each of these initiatives is part of the New Deal itself and are examples of a new mindset in intergovernmental cooperation and coordination. The momentum is building in Canada for a new era of purposeful and effective collaboration, one that addresses the pressing needs of our large cities as well as those of smaller communities.

There is a lot to be done, especially in our new Infrastructure and Communities Portfolio, where we are bringing together three different yet complementary themes. First, a new vision and New Deal for Cities and Communities. Second, support specifically for rebuilding and renewing our infrastructure across the country. Finally, and of primary importance, a focus on sustainability which touches all we do in the Infrastructure and Communities portfolio.

The New Deal recognizes that cities and communities require stable, predictable, long-term funding. Budget 2005 lays out a clear path, reaffirming the Government's commitment to provide \$5 billion over five years in gas tax revenues, targeted toward environmentally sustainable municipal infrastructure. This year, \$600 million will flow, ramping up to \$2 billion in the fifth year. Additionally, the Government has committed to flow \$2 billion per year in gas tax revenues every year thereafter, indefinitely.



John Godfrey



But the New Deal is about more than just money. It's about developing a long-term vision of the role that Canada's cities and communities should play in our future prosperity and quality of life. Our communities cannot meet their full potential without some strategic investments. We have to analyze what this entails and then work together to shape that vision. The New Deal is about being more coordinated and strategic, about improving collaboration between all stakeholders involved in community affairs, both within various levels of government and in the private sector. It is about innovative relationships and partnerships.

Sustainability is key to all of this. It starts with our changing climate and involves addressing environmental challenges on an individual, community, and national level.

We understand that "sustainability" has a wide definition. It's not just about transit systems, better wastewater treatment, effective recycling and composting options. It's also about social, economic, and cultural sustainability.

Sustainable urban development is a key factor in the work of the four Crown corporations related to this portfolio (Canada Lands Company (CLC) Limited, Old Port of Montréal Corporation, Parc Downsview Park, and Queens Quay West Land Corporation). Their work also allows us to more effectively advance the government's agenda for cities and communities.

Solutions for sustainability make up an entire package. Our job as a government is to support communities, large and small, in those efforts. Each community has its own unique challenges and needs, and we will continue to be an active partner in encouraging governments to work together to address these situations.



John Godfrey
Minister of State (Infrastructure and Communities)



Deputy Head's Message

As Deputy Head of Infrastructure Canada, I am proud to report on the measures being taken by Infrastructure Canada to help support the Government of Canada's key priorities, including advancing the New Deal for Cities and Communities and supporting sustainable development across the country.

Over the past year this department has continued to evolve and mature and I am pleased with the important strides we have made in the midst of change. The most important change, of course, has been the appointment of the Honourable John Godfrey as Minister of State (Infrastructure and Communities). In addition to our existing infrastructure responsibilities, we now support him in putting in place the foundation to advance the New Deal for Cities and Communities. We also support the Minister in his responsibilities for the Crown corporations in his portfolio.

The Department remains committed to supporting sustainable communities and infrastructure across Canada to ensure quality of life, a healthy environment, economic growth, rural and urban development, innovation and international trade. That commitment is reflected in this report. I am confident that the work we have done and the foundation we have laid enable us to move forward successfully with the priorities laid out in the following pages.

We will provide leadership and coordination in the development of the New Deal for Cities and Communities; we will advise our Minister and the Prime Minister on cities and communities issues of national importance; and we will continue to negotiate bilateral agreements with the provinces and territories on the federal gas tax transfer.

We will continue to manage and leverage investments in infrastructure, and use ongoing performance measurement to make necessary adjustments to our programs to ensure we are meeting federal objectives. We will also enhance our award winning on-line information management tool (SIMSI) to meet the performance monitoring requirements of all our infrastructure funding programs. This will better enable us to support the federal infrastructure knowledge base, and create better management and investment decision-making tools.



André Juneau



Building, connecting and sharing knowledge also remains an important priority. To this end, we will be further enhancing our research support for the New Deal through our own research activities and our growing network of relations with governmental, university-based and other research partners across Canada and internationally. Our new Research, Knowledge and Outreach (RKO) funding program is underway with the first component aimed at improving the understanding of public infrastructure issues in communities across Canada. This coming year we will launch the next two components supporting peer-reviewed research and technical and financial feasibility studies.

Most importantly, we will continue to build on the important and successful partnerships we have developed with all levels of government, as well as with private and not-for-profit groups, to ensure that our efforts are complementary, receptive to local needs and in harmony with shared objectives.



André Juneau
Deputy Head



Departmental Overview

Canada's quality of life depends on the vitality of its cities and communities. The mission of Infrastructure Canada is to help build sustainable Canadian communities where Canadians benefit from world-class public infrastructure. The Department works with its key public and private sector partners to develop, influence and invest in Canada's communities and public infrastructure, providing benefits for Canadians such as improved quality of life, sustainable communities, economic growth and enhanced international trade.

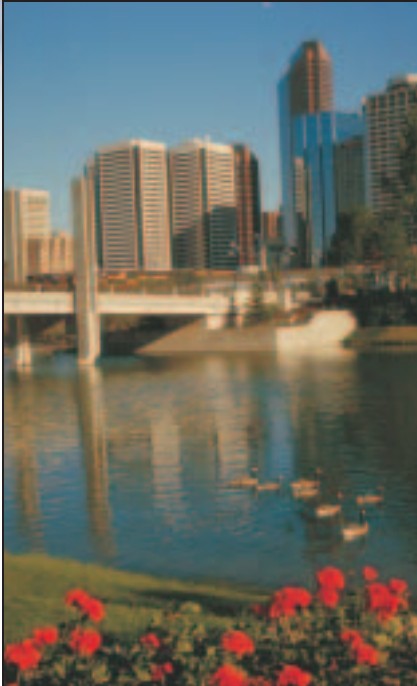
Infrastructure Canada was established in 2002 to lead on national infrastructure initiatives including research, policies and funding programs. To date, the Department's main activities have consisted of funding strategic and community-based infrastructure projects through cost-shared contribution agreements with provinces, territories and other eligible recipients.

During 2003, responsibility for four Crown corporations was transferred from the Minister of Transport to the Minister of State (Infrastructure): the **Canada Lands Company Limited**, the **Old Port of Montréal Corporation**, **Parc Downsview Park Inc.**, and **Queens Quay West Land Corporation**. Although each of these Crown corporations is different, all contribute to the federal



Supporting vibrant, healthy communities.





Sustainable communities benefiting from world-class public infrastructure.

commitment to cities and communities. They play a key role in sustainable development through activities such as re-developing surplus federal lands to meet community needs, providing green space in urban areas, and supporting recreational and cultural activities.

Also in December 2003, the Cities Secretariat was established at the Privy Council Office to support work on the New Deal for Cities and Communities.

In July 2004, the position of Minister of State (Infrastructure and Communities) was created and a separate portfolio was established for the Department. Budget 2004 committed the Government of Canada to a New Deal for Cities and Communities, and the mandate to pursue the New Deal was transferred – from the Privy Council Office to the new Infrastructure and Communities Portfolio. The New Deal objectives are to engage and consult with stakeholders; to continue to promote new partnerships between federal, provincial, and municipal governments; and to start to deliver

stable, predictable, long-term funding for cities and communities in urban and rural areas.

Budget 2005 confirmed annual allocation of the gas tax through the next five years (see page 12) and underpinned the Government's continued commitment to communities large and small.

Planned spending and the approximate number of Full-Time Equivalents (staff size) for Infrastructure Canada are shown in the following tables.

Net Cost of Program (in \$ thousands)

2005-06	2006-07	2007-08
\$1,534,413	\$1,756,239	\$1,942,483

Human Resources (Full-Time Equivalents)

2005-06	2006-07	2007-08
205	265	265



The Operating Environment

The quality and vibrancy of Canada's cities and communities are tied to a way of life, identity, competitiveness and the health of the environment.

On an international scale, Canada's cities are doing well. The Mercer Human Resource Cost of Living survey ranks Canada's cities among the best places in the world to live. Several Canadian cities are internationally recognized for attributes that contribute to a strong, competitive and sustainable country. These include institutions of higher learning and research, world-class transportation systems that provide easy access to international markets, a highly educated and diverse workforce, a wide variety of cultural and recreational amenities, a safe community environment and a superior quality of life.

However, Canadian cities and communities face specific challenges that have a significant impact on the country's overall quality of life and competitiveness. Canadians want communities that provide affordable housing, good roads, public transit, safe neighborhoods and abundant green spaces. Canada's largest cities (Toronto, Montréal and Vancouver) face challenges linked with immigrant settlement, affordable housing, spatial concentration of poverty, and public transit. Canada's smaller communities face different challenges, including retaining qualified workers who are often forced to seek employment opportunities elsewhere.

No single order of government can address these challenges alone. Since the policies and programs of the Government of Canada have direct and indirect impacts on cities and communities, it needs to work with all orders of government, First Nations and the private and not-for-profit sectors, to ensure that efforts are complementary, responsive to local needs, consistent with shared objectives, and respectful of jurisdiction.



Public Infrastructure:

Core physical assets instrumental to supporting the delivery of public services.

Overview of Public Infrastructure in Canada

The Government of Canada does not own most of the public infrastructure in Canada. The federal government works with other orders of government and the private sector to ensure that Canada's infrastructure needs are being met in a coordinated manner. In addition to sharing their resources, they share their knowledge about local needs, priorities, stakeholders and circumstances.

Federal investment in infrastructure has increased significantly over the past decade. Since 1993, the federal government has committed over \$12 billion, which should lead to a total investment in infrastructure

by all partners exceeding \$30 billion. Of the \$12 billion, Infrastructure Canada manages \$7.6 billion, and oversees four contribution programs that target large-scale strategic investments as well as smaller community-based projects. Each contribution program is governed by a Results-Based Management and Accountability Framework (RMAF) and a Results-Based Audit Framework (RBAF) to ensure it achieves results and value for money.



The following table summarizes federal involvement in infrastructure initiatives, including those led by other government departments and Crown corporations:

Table I: Federal Programs Involving Infrastructure

	Lead Organization	Program	Federal Funding	Funding Period
Pre-2000	Former Infrastructure National Office (Treasury Board Secretariat)	Canada Infrastructure Works Program	\$2.43B	1994-99
Budget 2000	Infrastructure Canada	Infrastructure Canada Program (ICP) – http://www.infrastructurecanada.gc.ca/icp/index_e.shtml?menu6	\$2.05B	2000-07
Budget 2001 (\$2B) and Budget 2003 (\$2B)	Infrastructure Canada	Canada Strategic Infrastructure Fund (CSIF) – http://www.infrastructurecanada.gc.ca/csif/index_e.shtml?menu5	\$4B	2003-13



	Lead Organization	Program	Federal Funding	Funding Period
Budget 2001	Infrastructure Canada	Border Infrastructure Fund (BIF) – http://www.infrastructurecanada.gc.ca/bif/index_e.shtml?menu4	\$600M	2003-13
Budget 2003 and Budget 2004	Infrastructure Canada	Municipal Rural Infrastructure Fund – http://www.infrastructurecanada.gc.ca/mrif/index_e.shtml?menuD	\$1B	2004-11
Budget 2001	Agriculture and Agri-Food Canada	Prairie Grain Roads – http://www.agr.gc.ca/pfra/pgrp_e.htm	\$175M	2001-06
Budget 2001	Canadian Heritage	Cultural Spaces Canada Program – http://www.pch.gc.ca/progs/ecc-csp/index_e.cfm	\$80M	2001-06
Budget 2001	Environment Canada / Natural Resources Canada	Federation of Canadian Municipalities (FCM) “Green” Funds – http://kn.fcm.ca/ev.php?URL_ID=2825&URL_DO=DO_TOPIC&URL_SECTION=201&reload=1043178382	\$250M	2000-
Budget 2001	Transport Canada	Strategic Highways Infrastructure Program – http://www.tc.gc.ca/SHIP/menu.htm	\$600M	2002-07
Budget 2001 (\$680M) and Budget 2003 (\$320M)	Canada Mortgage and Housing Corporation	Affordable Housing Program – http://www.cmhc-schl.gc.ca/en/imquaf/afho/afho_021.cfm	\$1B	2002-08
Budget 2003	Canada Mortgage Housing Corporation	Renovating/Adaptation Assistance Programs* – http://www.cmhc-schl.gc.ca/en/burema/readaspr/index.cfm *top-off to existing programs	\$256M	2003-05
Budget 2003	Indian and Northern Affairs Canada	First Nation Water Management Strategy – http://www.ainc-inac.gc.ca/nr/prs/m-a2003/02304bka_e.html	\$600M	2003-08
Budget 2005	Infrastructure Canada	Gas Tax transfer for Environmentally Sustainable Municipal Infrastructure – http://www.infrastructure.gc.ca/ndcc/funding_e.shtml	\$5B	2005-10



Challenges Facing the Department

There are inherent challenges in coordinating and managing programs that support the Cities and Communities agenda and public infrastructure. Balancing priorities for funding among many different partners with varying needs is one of these challenges. The Department must identify priorities for funding in a complex environment, taking into account competing needs and long-term government objectives.

Infrastructure Canada's success in achieving departmental objectives will depend largely on maintaining and enhancing well-established collaborative partnerships among a diverse range of stakeholders. Building sustained relationships based on shared values, trust and open communications is a long-term proposition.

Constitutionally, municipalities are under provincial jurisdiction. Respect for this jurisdiction is a central principle of the New Deal. The complex challenges that play out in cities and communities require a coordinated approach if workable solutions are to be found. A partnered approach is essential and approaches must be tailored to address the circumstances of different communities: urban and rural, large and small.

The Department works to identify and prioritize projects for funding based upon benefits for Canadians, taking into consideration Government of Canada key themes including a healthy environment, economic growth, and sustainable rural and urban development. To encourage and facilitate comprehensive proposals, with a greater likelihood of success, the Department will implement guidelines to assist project proponents. It will focus increasingly on policies to increase public benefits and secure greater contribution investments from its partners throughout the negotiating process.

To meet these challenges, Infrastructure Canada must have the capacity to provide the level of service and expertise required, either internally or through arrangements with other federal government departments. The Department must continue to adapt to meet its evolving responsibilities, by ensuring that it has the necessary management structures and processes in place. Key activities currently underway to ensure the Department is able to deliver on its mandate include an independent operational review of the organization to confirm the appropriateness of its delivery model, and the development of a corporate risk profile to identify key risks for management attention. See Section IV for further details.



Plans and Priorities

Strategic outcomes are the enduring, results-based commitments made by departments to Parliament and all Canadians. Using resources approved by Parliament, Government organizations work to deliver the promised results.

Infrastructure Canada’s strategic outcome is:

To meet the priorities of Canadians for infrastructure in order to contribute to quality of life, a healthy environment, economic growth, rural and urban development, innovation and international trade.

To achieve this, the department has three key priorities for the upcoming planning horizon.

Departmental Priorities for 2005-06

Priority	Type
1 Advancing the New Deal for Cities and Communities	New
2 Managing and leveraging investments to improve the state of sustainable infrastructure	Ongoing (re-phrased from the RPP 2004-05)
3 Building, connecting and sharing knowledge	Ongoing (re-phrased from the RPP 2004-05)

Priority 1 – Advancing The New Deal for Cities and Communities

The New Deal for Cities and Communities is about making communities better places to live. The objectives of the New Deal are to:

- Provide Canada’s communities with reliable and predictable long-term funding;
- Provide support for environmentally sustainable municipal infrastructure;
- Help equip communities to develop local solutions for local problems; and
- Give communities a stronger voice in the decisions that affect them.



Making communities better places to live.



The Government is working with provinces, territories and First Nations to share a portion of gas tax revenues with communities of all sizes. To this end, over the coming months, the Department will negotiate with provincial and territorial governments and will continue to meet with municipalities. As confirmed in Budget 2005, federal investments of \$2 billion a year when fully implemented will provide a permanent source of new revenue for municipalities, achieving the goal of ensuring funding for communities that is predictable and reliable.

As part of the New Deal, the Government is also committed to giving municipalities a voice in matters that affect them. Already, there are examples of progress in this area:

- A new External Advisory Committee on Cities and Communities, chaired by the former Premier of British Columbia, Mike Harcourt, has been established to ensure that the concerns of communities are heard and addressed on a continuing basis; and
- The Minister of Finance has agreed to consult formally with municipal representatives prior to every federal budget. The first such consultation took place February 2004, and most recently in January 2005.

The New Deal has already provided a rebate for municipalities on the Goods and Services Tax – which translates into a federal investment in communities of some \$7 billion over 10 years. Municipalities can invest this money in critical priorities such as roads, transit and clean water.

**Investments in Communities
Yearly Gas Tax Allocation**

2005-06	2006-07	2007-08	2008-09	2009-10	Total
\$600M	\$600M	\$800M	\$1B	\$2B	\$5B



Priority 2 – Managing and Leveraging Investments to Improve the State of Sustainable Infrastructure

Infrastructure Canada aims to ensure the maximum benefits for Canadians by making investments in public infrastructure in a coordinated manner with provincial, territorial and municipal governments, and First Nations. Infrastructure Canada manages four funding programs, each tailored to distinct needs and requirements providing investments in Canada's priority infrastructure needs. *(further details provided in Section II, page 22)*. In Budget 2005, the Government committed to the extension of infrastructure programs and stipulated that these funds are over and above the gas tax commitments.

Two families of funds have been established – strategic infrastructure programs and community-based programs. Strategic programs fund large-scale projects in areas of public infrastructure and community-based programs fund smaller-scale projects with more local impacts in communities. All projects funded through our infrastructure programs involve collaboration with one or more partners from provincial, territorial or local governments, First Nations, or the private sector. And each program supports Government of Canada objectives such as economic development, regional and rural sustainable development, public security, the New Deal for Cities and Communities, and climate change.

Strategic Funds

Strategic infrastructure funds are delivered in collaboration with many federal partners. As the coordinator and funding agent, Infrastructure Canada is responsible for project review, selection and approval, negotiation of the contribution agreement and ongoing monitoring and oversight. Management of the contribution agreements is done in partnership with other federal agencies or departments under the terms of a Memorandum of Understanding. In the upcoming fiscal year, it is expected that MOUs will be signed with six federal delivery partners (Western Economic Diversification Canada, Industry Canada, Canada Economic Development – Quebec, and the Atlantic Canada Opportunities Agency, Indian and Northern Affairs Canada and the Canada Mortgage and Housing Corporation). An MOU is already in place with Transport Canada.



Since the Canada Strategic Infrastructure Fund (CSIF) and Border Infrastructure Fund (BIF) were established in 2002, projects have been announced in all provinces and territories and project announcements for the remaining uncommitted funds will continue in the coming years. Following project announcements, contribution agreements for these large and complex projects are negotiated and Treasury Board approval is sought. This work will continue as we move forward on this priority.

Community-based Funds

Similar to the strategic funds, the community-based funds are delivered in partnership with five federal departments (Western Economic Diversification Canada, Industry Canada, Canada Economic Development – Quebec, and the Atlantic Canada Opportunities Agency and Indian and Northern Affairs Canada). Bilateral agreements are entered into with each province and territory, and eligible projects are cost-shared three ways with both provincial/territorial and municipal governments. The First Nations communities sign contribution agreements with Indian and Northern Affairs Canada. Infrastructure Canada plays the role of program designer and coordinator for these funding programs. These programs assist smaller communities in addressing their local infrastructure needs.

The Infrastructure Canada Program (ICP), which is nearing completion, has committed virtually all of its funding to over 3,000 projects across Canada. A mid-term evaluation of ICP is planned for this fiscal year and a possible extension of the ICP program beyond 2006-07 is being assessed to allow provinces and territories that have not yet fully allocated their funds to do so, and to provide additional time for uncompleted projects to wrap up.

The new Municipal Rural Infrastructure Fund (MRIF), is the successor to the ICP and builds on lessons learned from this program. It is expected that the negotiation and signing of all MRIF federal-provincial/territorial agreements will be completed this year. At this date of writing, six agreements have been signed and some project requests have been approved. In addition, work is underway on developing the terms and conditions for MRIF relating to the First Nations component.



Program Management

To track the enormous number of project requests, financial and other transactions involved in managing the community-based programs, an Internet-enabled database system was developed. This allows local communities to enter their proposals, and to have all stages of evaluation, approval and execution tracked. The application system is a refinement of the award-winning application, Shared Information Management System for Infrastructure (SIMSI), created to manage the ICP program.

SIMSI is being enhanced to meet the performance monitoring requirements of all the Department's funding programs, support the federal infrastructure knowledge base, and create better operations management and investment decision-making tools.

By March 31, 2006, it will manage application registration and assessment, and project approval, for the 14 partners (10 provinces, three territories and Indian and Northern Affairs Canada) participating in the MRIF, and will track progress on the CSIF- and BIF-announced projects.

All negotiated contribution agreements outline how shared objectives will be achieved, and encourage shared efforts to reduce overall costs. Work continues to ensure close coordination among the senior officials representing the federal delivery partners who oversee project management across Canada for Infrastructure Canada, and who advise on methods to best achieve federal goals in working to enhance, improve or build new infrastructure for Canadians.

Priority 3 – Building, Connecting and Sharing Knowledge

Research and other kinds of knowledge are fundamental building blocks for good public policy and decision making. As Infrastructure Canada moves ahead on both advancing the New Deal for Cities and Communities (Priority 1) and managing and leveraging investments in sustainable infrastructure (Priority 2), building, connecting and sharing knowledge about communities and infrastructure is more important than ever.





Supporting public policy and decision making.

Building, connecting and sharing knowledge is therefore the third priority for the Department in 2005-06. This priority involves identifying priority areas for research, carrying out a variety of research activities to support policy development, collaborating with those who create and use knowledge about infrastructure and communities to develop more effective ways to share and transfer it and ensure it is available to support policy and decision making and communicating with Canadians about the fundamental role infrastructure plays in their lives and their communities.

Infrastructure Canada has adopted a *Research Strategy* to guide its research activities. The strategy is premised on the idea that evidence-based policy and decision making on infrastructure and communities demands a knowledge base that is more rigorous, more comprehensive and more integrated. It focuses on three objectives:

- Building new knowledge to respond to priority gaps in understanding of public infrastructure issues in Canadian communities;
- Fostering the development of a stronger, better-networked, multi-disciplinary community of researchers and other experts to meet the knowledge needs of policy and decision makers who deal with infrastructure and communities issues; and
- Disseminating and transferring knowledge on these issues among policy and decision makers, experts, practitioners, researchers, communities, non-governmental organizations, industry and the general public.

Infrastructure Canada's research activities are currently concentrated in six priority areas. The Department works closely with research partners from across the federal government and other orders of government, university-based researchers, think tanks, professional associations and others experts in pursuit of its knowledge generation, community-building and knowledge transfer objectives.

In addition to these research activities, Infrastructure Canada is involved in a number of other activities designed to build, connect and share knowledge. SIMSI is an on-line information management tool that provides the backbone technology for the e-management of Canada's long-term infrastructure development. As noted in Priority 2, the system enables provinces, territories and municipalities to apply on-line for project funding, monitor project status and



access benefits and payment information throughout the life of a project. It also allows Canadians to have access to announced Infrastructure Canada-funded projects via the Department's web site.

Infrastructure Canada has introduced a new component under the MRIF (also see Priority 2) to help build knowledge about and encourage the use of integrated asset management in small-scale Canadian municipalities. This will result in municipalities being better equipped to build and maintain a database of infrastructure assets, to link this information to their planning activities and decisions and to share the results with municipal stakeholders and the public.

Relatedly, the National Guide to Sustainable Municipal Infrastructure is a unique Canadian information resource developed as a result of collaboration between Infrastructure Canada, the Federation of Canadian Municipalities and the National Research Council Canada. The InfraGuide is an on-line compendium of technical best practices for decision making and investment planning and for the construction, maintenance and repair of municipal infrastructure systems. It is facilitating more informed operating practices and strategic investment decision-making for infrastructure projects at every level of government. (www.infraguide.ca)

Infrastructure Canada is also continuing its efforts to raise awareness amongst Canadians about infrastructure and communities issues and to communicate to Canadians about the role of Infrastructure Canada and the many ways infrastructure contributes to the economic, social, cultural and environmental well-being of communities across the country.

Within the building, connecting and sharing knowledge priority area, full implementation of the new Research, Knowledge and Outreach funding program is one of the key activities for Infrastructure Canada in 2005-06. The design of the 5-year, \$25-million program, approved by Treasury Board in 2004-05, recognizes the fundamental connections between research, outreach, awareness and knowledge. It is a key tool for Infrastructure Canada as it pursues its building, connecting and sharing knowledge priority in the year ahead.





Section II – Analysis of Program Activities by Strategic Outcome

Detailed Analysis of Program Activities

Infrastructure Canada has the following program activity areas:

Cities and Communities

This Program Activity provides the focal point for work on the Government's cities and communities' agenda, by advising the Minister on urban issues of national importance and providing support to the External Advisory Committee on Cities and Communities.

Infrastructure Programming

This Program Activity consists of providing policy advice, program operations, research and analysis, communications and information systems to support investments in infrastructure and infrastructure-related research projects across Canada through managing and administering core funding programs.

Crown Corporations Portfolio Management

This Program Activity is the focal point for providing support to the Minister in his responsibilities for four specific Crown corporations in the Infrastructure Portfolio.

Departmental Administration

This Program Activity encompasses the Office of the Minister of State, the Office of the Deputy Head, Corporate Services, IM/IT and Legal Services.

The following table shows the Department's Strategic Outcome and the four Program Activities linked to the priorities detailed in this RPP. Details on these Program Activities are provided in the next part of this Section, with information on the Departmental Administration noted in Section IV – Other Items of Interest.



Strategic Outcome	
Meeting the priority needs of Canadians for infrastructure that contributes to quality of life, a healthy environment, economic growth, sustainable rural and urban development, innovation and international trade.	
Program Activities	Priorities Supported
Cities and Communities	1 Advancing the New Deal for Cities and Communities
Infrastructure Programming	2 Managing and leveraging investments to improve the state of sustainable infrastructure 3 Building, connecting and sharing knowledge
Crown Corporations Portfolio Management	See Section IV
Departmental Administration	See Section IV

Cities and Communities

Description

This Program Activity contributes to the mandate of the Infrastructure and Communities portfolio by providing leadership and coordination in the development of a New Deal for Cities and Communities. The Cities Secretariat within Infrastructure Canada works to improve policy integration on socio-economic, environmental, infrastructure and cultural issues related to cities and communities. It will also negotiate bilateral agreements with provinces and territories on the federal gas tax transfer.

As the focal point for the Government's cities and communities agenda, it advises and serves the Minister of State (Infrastructure and Communities) and the Prime Minister on cities and communities' issues of national importance, and provides support to the External Advisory Committee on Cities and Communities (refer to side bar page 22).

With \$5 billion from the gas tax slated to benefit municipalities over a five-year period starting in 2005, the allocation is based on a per capita distribution, with a targeted allocation for Nunavut, the Northwest Territories, Yukon Territory and Prince Edward Island. This recognizes the need for less-populated jurisdictions to have sufficient funds for significant infrastructure investments, and the increased costs associated with infrastructure in Northern and remote areas.



The allocation benefiting First Nations communities will be delivered in consultation with the Minister of Indian and Northern Affairs and First Nations stakeholders. In addition, bilateral agreements with the territories will include provisions for First Nations in the North.

Funds from the gas tax will be directed at environmentally sustainable municipal infrastructure, such as public transit, water and wastewater systems, community energy systems, solid waste management, rehabilitation of roads and bridges, and for capacity building. These investments will help Canada's cities and communities improve the quality of the environment, through reduced greenhouse gas emissions and cleaner air and water.

Allocation of Gas Tax Funds Over 5 Years (2005-2010)

Provinces, territories and First Nations	Total over five years (\$ Millions)	Yearly funding as of year 5
Newfoundland and Labrador	82.3	32.9
Prince Edward Island	37.5	15.0
Nova Scotia	145.2	58.1
New Brunswick	116.1	46.4
Québec	1151.0	460.4
Ontario	1865.5	746.2
Manitoba	167.3	66.9
Saskatchewan	147.7	59.1
Alberta	476.9	190.8
British Columbia	635.6	254.2
Yukon	37.5	15.0
Northwest Territories	37.5	15.0
Nunavut	37.5	15.0
First Nations	62.5	25.0
TOTAL	5,000.0	2,000.0

The intra-jurisdictional allocation will be determined through bilateral negotiations with the provinces and territories. See page 12 for Yearly Gas Tax Allocation table.



External Advisory Committee on Cities and Communities

The EACCC is an independent committee composed of 14 members drawn from across the country. Its mandate is:

- To develop a long-term vision of the role that cities should play in sustaining Canada's prosperity;
- To advise the Prime Minister and Minister of State (Infrastructure and Communities) on policy proposals generally related to the government's cities and communities' agenda;
- To act as a sounding board on issues related to the New Deal;
- To enhance the Prime Minister's and Minister of State's understanding of cities and community issues by providing regional perspectives; and
- To undertake outreach activities in support of the Prime Minister and Minister of State.

Expected Results

The New Deal for Cities and Communities will result in a long-term vision and concrete action plan that includes measurable results for economic, social, cultural and environmental sustainability, along with associated responsibilities for all orders of government.

Other results that contribute to the sustainability of communities will be identified in partnerships with provinces and territories, and in consultation with municipalities.

Performance Measures

Bilateral agreements with the provinces and territories on the federal gas tax transfer will include a common set of base indicators related to outcomes and outputs, as well as the arrangements for reporting on results to Canadians and residents of the particular jurisdiction. The details will be confirmed during the negotiations.

Infrastructure Programming

This Program Activity includes the four core infrastructure funding programs, as well as the program operations and research, policy and communications activities that support them.

Details on the two main elements of the infrastructure programming activity are detailed on the following pages.



Infrastructure Funds

Description

Two families of funds have been created and will continue to be funded as laid out in Budget 2005. The first family addresses strategic projects of national, inter-provincial or regional significance. The two funds in this family are the \$4-billion Canada Strategic Infrastructure Fund (CSIF) and the \$600-million Border Infrastructure Fund (BIF). Given that these projects will be implemented over a relatively long time frame, the Treasury Board-approved program terms and conditions are in effect until 2013.

The second family of funds addresses community undertakings, most of them on a smaller scale and of local impact. The two funds in this family are often referred to as “community” and are the \$2.05-billion Infrastructure Canada Program (ICP) and the new \$1-billion Municipal Rural Infrastructure Fund (MRIF). The ICP funding is mostly committed and expires at the end of 2006-07. The MRIF program terms and conditions, approved by Treasury Board, are in effect to the end of 2011.

Strategic Infrastructure Funds

The two strategic infrastructure funding programs in the Department include the Canada Strategic Infrastructure Fund (CSIF) and the Border Infrastructure Fund (BIF).

Canada Strategic Infrastructure Fund

The CSIF is a \$4-billion fund directed to projects of major federal and regional significance in areas that are vital to sustaining economic growth and enhancing the quality of life of Canadians. Maximum federal funding is set at 50 percent of total eligible project costs, except for broadband and northern infrastructure projects where funding can go to 75 percent. The CSIF operates under the authority of the *Canada Strategic Infrastructure Fund Act*. (Refer to <http://laws.justice.gc.ca/en/c-10.3/24002.html>). The \$4-billion fund is expected to provide federal support to approximately 40 projects.

Policy Leveraging

To achieve the greatest possible benefit for Canadians through CSIF projects, the Department has adopted a policy-leveraging approach that is new to both Infrastructure Canada and the federal government. Examples of this approach are:

- Mass transit projects will be required to explore options for transit demand management strategies as a condition of federal funding;
- Water projects must address the issues of metering and pricing; and
- Any new buildings constructed must exceed the energy efficiency requirements of the Model National Energy Code for Buildings by 25 percent.





Public transit for clean air and healthy communities.

Budget 2003 committed that 10 percent of total CSIF funding will be allocated to projects identified as federal priority projects. This includes projects such as the Red River Floodway project in Manitoba; transportation infrastructure improvements under the “Corridors for Canada” in the Northwest Territories; the National Satellite Initiative to provide broadband access to Northern and remote communities; and the twinning of the Trans-Canada Highway in Banff National Park in Alberta. Details of these and other announced projects can be found at http://www.infrastructure.gc.ca/csif/projects/index_e.shtml?menu54.

Once CSIF proposals have demonstrated they meet project selection requirements, an assessment grid is applied to the proposal to determine additional leveraging benefits. For example, ranking criteria for climate change encourages projects to:

- Maximize greenhouse gases (GHG) mitigation efforts through energy efficiency;
- Minimize GHG emissions in the construction and operation of the project; and
- Employ innovative technologies and practices to minimize GHG emissions.

Ensuring sustainable development is an imperative for all infrastructure projects. Environmental assessments are conducted as an integral component of each CSIF project before Canada’s funding is committed.

CSIF’s delivery model is based on a partnership arrangement between Infrastructure Canada and departments that have a direct mandate in a given field (e.g. Transport Canada for transportation projects, or Industry Canada for advanced telecommunications) or agencies that have a regional development mandate (e.g. Western Economic Diversification Canada). Memoranda of Understanding are negotiated which clarify accountabilities. The degree of delegation of responsibilities varies depending on the partnership, social or technical complexities, etc.



Border Infrastructure Fund

The BIF is a \$600-million fund that targets the six largest surface border crossings between Canada and the United States, as well as some other crossings, by providing funding for investments in physical infrastructure, intelligent transportation system infrastructure, and improved analytical capacity. It was created because Canada's border crossings and highway approaches are vital for economic growth and prosperity. Given that BIF projects will be implemented over a relatively long time frame, the Treasury Board-approved program terms and conditions are in effect until 2013.

The BIF supports key infrastructure initiatives underlined in the Smart Border Action Plan signed by Canada and the United States in December 2001. Refer to <http://www.dfait-maeci.gc.ca/anti-terrorism/declaration-en.asp> for more information on the Smart Border Declaration.

BIF projects are selected based on the degree to which set criteria are addressed. Examples of these criteria include:

- Reduces congestion;
- Enhances capacity, or safety and security; and
- Builds on financial participation of other public and private sector partners.

The delivery model is similar to CSIF with Transport Canada being the only other federal partner, except for some BIF funding which was transferred to the Canada Border Services Agency for the development of border modelling software.



Reducing border congestion, improving safety.



Community-based Infrastructure Programs

There are currently two community-based infrastructure funding programs in the Department.

Infrastructure Canada Program (ICP)

The \$2.05-billion Infrastructure Canada Program (ICP) was created in 2000 to enhance infrastructure in Canada's urban and rural communities, and to improve quality of life through investments that protect the environment and support long-term community and economic growth. To date, virtually all ICP funding has been committed and over 3,000 ICP-funded projects have been announced.

Funding for the ICP was transferred to the five federal delivery partners responsible for program delivery. These partners include Western Economic Diversification Canada (for projects in the Western provinces), Industry Canada (for Ontario projects) Canada Economic Development – Quebec (for Quebec projects), the Atlantic Canada Opportunities Agency (for projects in Atlantic provinces), and Indian and Northern Affairs Canada (for First Nations and the North). Detailed reporting on expenditures is included in the Reports on Plans and Priorities and Departmental Performance Reports for those organizations.



Partnering for better wastewater treatment in Dieppe, NB.

Consistent with the federal sustainable development objective, green municipal infrastructure is the program's first priority. A minimum of 50 percent of federal expenditures will be devoted to green projects. Examples of eligible projects include:

- Water and wastewater systems;
- Water management;
- Solid waste management and recycling; and
- Capital expenditures to retrofit or improve the energy efficiency of buildings and facilities owned by local governments.

Other priorities include:

- Local transportation infrastructure (such as urban transit or subway systems);
- Cultural and recreational facilities (such as local museums or art galleries, recreational, multicultural and sports facilities or libraries);



- Tourism infrastructure (such as convention or trade centres);
- Rural and remote telecommunications (such as fibre optic or copper cable, radio or satellite links in rural areas);
- High-speed Internet access (for local public institutions such as schools, museums and libraries, community centres or municipal buildings); and
- Affordable housing (construction of rental housing, including related infrastructure).

This program is scheduled to end in March 2007; however, the Department is examining options to extend it to accommodate provinces and territories that have not fully committed their allocations.

Municipal Rural Infrastructure Program

The new Municipal Rural Infrastructure Fund (MRIF) reflects the February 2004 Speech from the Throne underlining the importance of urban and rural growth. It received \$1 billion in Budget 2003 for smaller-scale municipal infrastructure projects designed to improve the quality of life and economic opportunities in smaller centres, including a component addressing the infrastructure needs of First Nations' communities. In Budget 2004, the Government of Canada accelerated the funding timeline for the MRIF from the original 10 years to five years, effectively doubling the monies available to Canadian municipalities under this program. Following the Treasury Board's approval of terms and conditions for the program, which provides funds for contributions to the projects and administrative costs, agreements have been signed with six provinces and territories. The remaining jurisdictions are expected to sign agreements during this fiscal year. The new fund will be cost-shared, with the Government of Canada contributing, on average, one-third of projects' eligible costs.

The MRIF will focus on projects that support sustainable development and quality of life, with a minimum 60 percent of expenditures devoted to green projects.

Also new under the MRIF is the Asset Management and Municipal Capacity Building component described under Priority 3 (see page 15).

The \$1-billion fund will provide a balanced response to local infrastructure needs in urban and rural Canada to ensure that all Canadians, whether they live in large, small or remote communities, share in the benefits of infrastructure investments.



Expected Results and Performance Monitoring

Through infrastructure programming, Infrastructure Canada works to contribute to the broader horizontal and strategic outcomes of the Government of Canada. Figures 1 and 2 describe how the CSIF and BIF meet these objectives.

Figure 1: CSIF Links to Canada's Performance

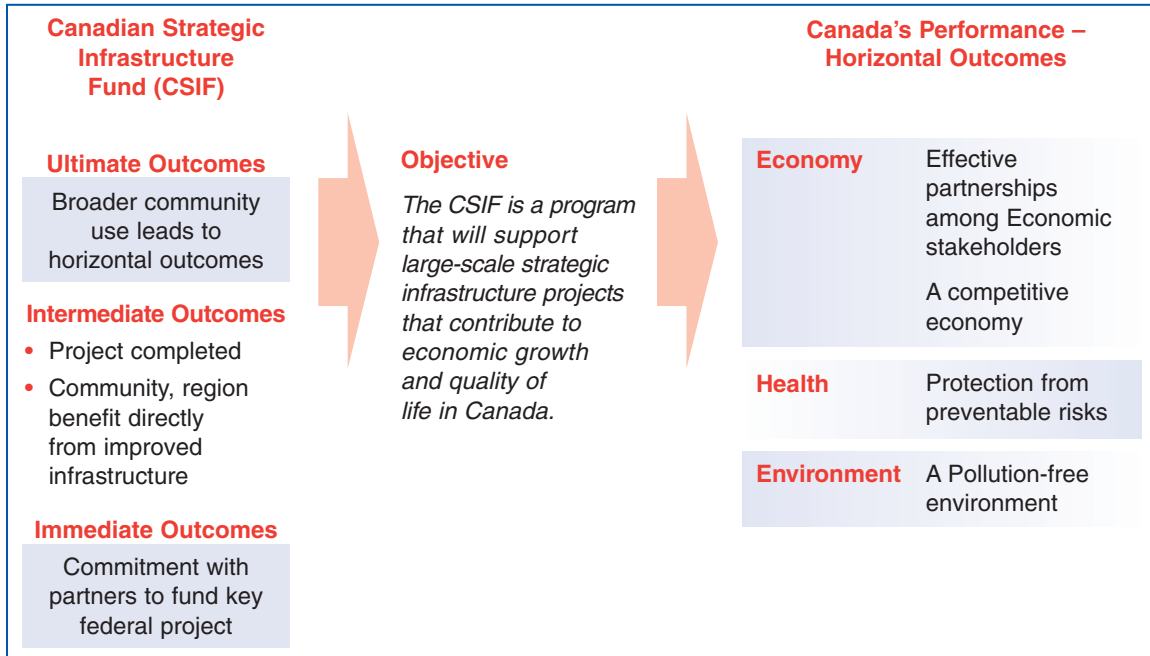
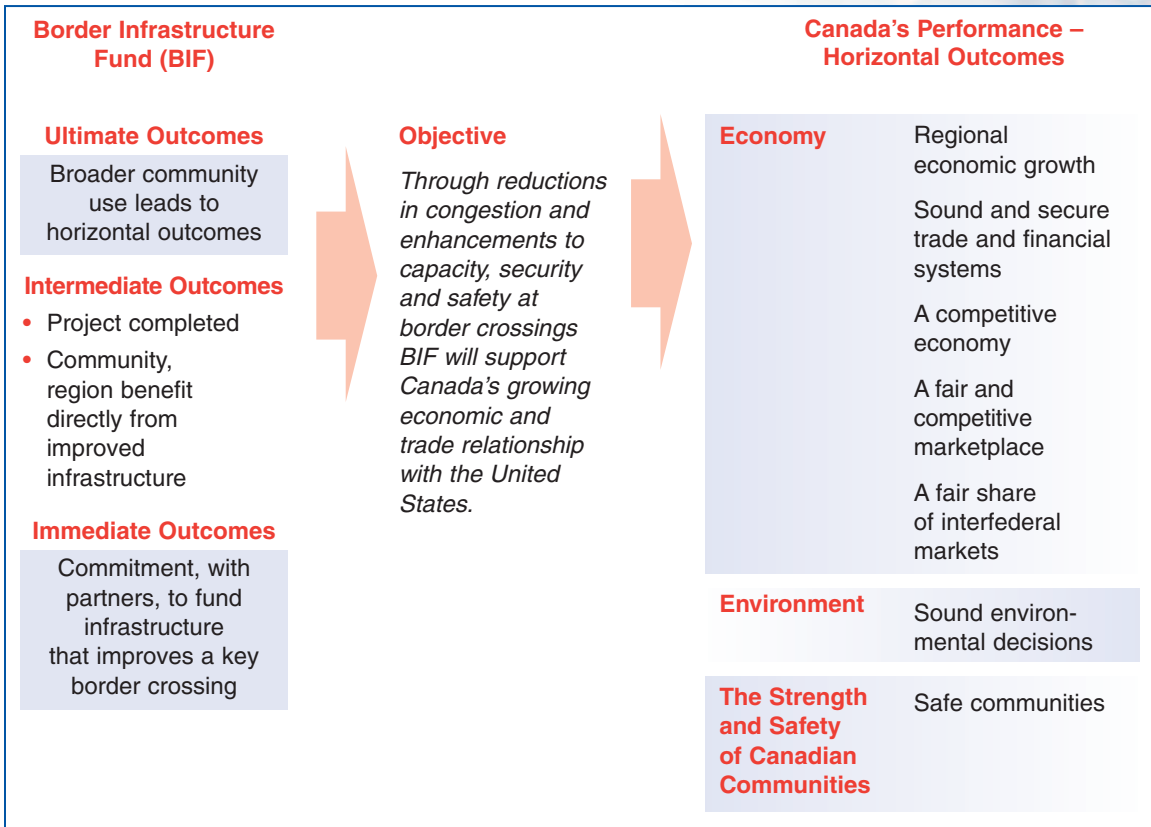


Figure 2: BIF Links to Canada’s Performance



Results-Based Management and Accountability Frameworks (RMAFs) and Risk-Based Audit Frameworks (RBAFs) have been developed for all new infrastructure funding programs (CSIF, BIF, MRIF). These documents define the expected results for each program and propose a suite of performance indicators (see Figure 1 for examples). They also include the government’s selection criteria for project-leveraging proposals. Ongoing performance measurement will be used to make the necessary adjustments to the programs, and performance measurement strategies will be reviewed annually. In addition, interim and final evaluations will be scheduled for the CSIF, BIF and MRIF programs to assess their relevance, success and cost-effectiveness.

ICP, an older program nearing completion, operates under a Federal Governance and Accountability Framework which stipulates roles and responsibilities. Audit and program evaluation frameworks establish the element required for due diligence, to monitor the results, and ensure the federal funds were spent properly. Infrastructure Canada will carry out a federal evaluation of the Infrastructure Canada Program in 2005-06, which will provide the MRIF with lessons-learned to take into consideration.



Table I: Expected Results and Performance Indicators for Infrastructure Programs

Expected Results	Sample Performance Indicators
<p>CSIF</p> <ul style="list-style-type: none"> • Safer and faster movement of people and goods on Canada's major land transportation routes • Less production of greenhouse gases and airborne pollutants • More effective urban development • Increased economic activity, including tourism 	<p>Early indicators of performance</p> <ul style="list-style-type: none"> • Number of project announcements • Number of signed contribution agreements • Number of MOUs with other government departments and partners for delivery
<p>BIF</p> <ul style="list-style-type: none"> • More efficient facilities capable of handling greater capacity at major border crossing, helping trucks travel across the busiest Canada-US border points more quickly • Improved Canada-US relations and better movement of goods, contributing to increased trade and production • Improved border crossing, contributing to federal security and increased safety for all Canadians 	<ul style="list-style-type: none"> • Number of Treasury Board submissions <p>Intermediate indicators of performance</p> <ul style="list-style-type: none"> • Collaborative support of other government departments and key partners • Resources levered from partners
<p>ICP</p> <ul style="list-style-type: none"> • Enhancement of the quality of the environment (water and wastewater management, solid waste management and more efficient energy use) • Support for long-term economic growth (increasing economic opportunity in communities, access to the new economy through improved telecommunications and tourism opportunities) • Improvement of community infrastructure (increasing community safety and access to local recreational facilities, supporting Canadian heritage and culture and the development of minority English and French linguistic communities) • Increased innovation, and use of new approaches and best practices, and the more efficient use of existing infrastructure 	<ul style="list-style-type: none"> • Approval of projects • Timely completion of projects • Compliance to scope of project • Effective program and project management, risk management, monitoring and reporting • Effective communications, awareness and understanding • Program and Projects' results and benefits compliance by agreement signatories <p>Ultimate indicators of performance</p> <ul style="list-style-type: none"> • Safe reliable transportation • Sustainable economic development
<p>MRIF</p> <ul style="list-style-type: none"> • Improved and increased stock and better management of core public infrastructure in areas such as water, wastewater, cultural and recreation, which make our communities vibrant and productive places to live and work and raise families • Improved quality of life and economic opportunities for smaller communities and First Nations 	<ul style="list-style-type: none"> • Sustainable use and quality of water, and efficient wastewater treatment • Safe and efficient borders • Improved innovation and delivery of public services via connectivity • Efficient and sustainable energy systems



Program monitoring is supported by the Department's Shared Information Management System for Infrastructure (SIMSI). SIMSI is an on-line information management tool that provides the backbone technology for the e-management of infrastructure programs. It was originally developed to facilitate the management of shared-cost projects among the three orders of government under the Infrastructure Canada Program. The system now assists the funding programs' management and stakeholders by providing status information, performance monitoring, costs, benefits, timeline tracking and claims processing.

Research, Knowledge and Outreach

Description

Infrastructure Canada's research, knowledge and outreach activities are a key component of the Department's role as a focal point for infrastructure and communities issues. As noted in the priority section, the Department is committed to developing a more rigorous, comprehensive and integrated knowledge base that can lend support to evidence-based policy and decision making on infrastructure and communities, at Infrastructure Canada, within the federal government and in other sectors.

The cornerstone of the Department's research activities is the *Infrastructure Canada Research Strategy*, which focuses on knowledge generation, community-building and knowledge dissemination and transfer objectives:

- **Knowledge generation** – Building new knowledge that responds directly to priority gaps in the understanding of public infrastructure issues in Canadian communities that are key for policy purposes;
- **Community-building** – Fostering the development of a stronger, better-networked, multi-disciplinary community of researchers and other experts committed to meeting the needs of policy and decision makers; and
- **Knowledge dissemination and transfer** – Developing innovative, effective ways to disseminate and communicate knowledge about infrastructure and communities to policy and decision makers, researchers, practitioners, non-governmental organizations, professional associations and the general public.

The Department supports the *Research Strategy* through:

- in-house research in Infrastructure Canada's six current research priority areas (see box page 33);
- an internal Research Advisory Committee with representation from across the Department;



- a formalized research partnership with Statistics Canada;
- project-based collaborations with research institutes, university-based researchers and international organizations such as the OECD in the six priority areas;
- publication of its Research Notes, Research Précis and Research Studies series and the Register of Infrastructure Research in the Federal Government; and
- the Research Gateway, the Department's web-based portal to infrastructure and communities research and researchers (www.infrastructure.gc.ca/research-recherche/index_e.shtml).

In addition, the Department chairs and provides leadership for the federal government's first ADM-level Network on Infrastructure Research, as well as its Horizontal Research Roundtable on Infrastructure (HRRRI). The latter is a collaboration of over 125 representatives from 24 federal government organizations with interests in infrastructure and communities research. Working groups under the HRRRI are currently actively engaged in research in priority areas identified by INFC and endorsed by the ADM Network.

Infrastructure Canada's new 5-year, \$25-million Research, Knowledge and Outreach (RKO) funding programme is a significant new tool for enhancing implementation of the *Research Strategy* and achieving closely related departmental objectives pertaining to knowledge, communication and outreach. RKO consists of three components:

- Peer Reviewed Research Studies;
- Financial and Technical Feasibility Studies; and
- Knowledge-building, Awareness and Outreach activities.

The KOA component was announced in December 2004.

In 2005-06, the emphasis of Infrastructure Canada's activities on research, knowledge and outreach will be on:

- ensuring full implementation of the RKO funding programme in accordance with best practice standards;
- further enhancing research support for the New Deal for Cities and Communities; and
- continuing to strengthen research support for Infrastructure Canada's operational decision-making, for instance through action-research.



Infrastructure Canada's Research Priorities

- Communities, cities and public infrastructure;
- The state of infrastructure in Canada;
- The economic, social, cultural and environmental impacts of public infrastructure;
- Financing mechanisms for public infrastructure;
- Technology, innovation and transformative infrastructure; and
- Governance issues related to public infrastructure.

Expected Results

The Department's research, knowledge and outreach activities contribute to departmental priorities by connecting partners and stakeholders in order to build knowledge by recognizing the importance of sharing this knowledge to ensure effective policy and decision making; and by building public support for sustainable infrastructure and communities.

Research and outreach activities are designed to ensure that Canada's infrastructure investment decisions and activities, and the New Deal for Cities and Communities, are supported by rigorous, integrated knowledge about infrastructure and communities issues. This will contribute to Infrastructure Canada's horizontal goals and the advancement of federal priorities such as innovation, economic growth, quality of life and environment and sustainable development – as well as supporting the government's broader agenda for research.

In partnership with the Federation of Canadian Municipalities, the Department contributes to the InfraGuide project. This initiative promotes the development and dissemination of best practices for sustainable municipal infrastructure, and boasts a growing, pan-Canadian network of experts who connect best practices to the needs of municipalities and share this knowledge with the larger municipal community.

Performance Measurement Strategy

Infrastructure Canada's Management Committee receives regular updates on the overall progress being achieved in each of the three areas of the *Research Strategy*. The indicators that are monitored are both quantitative and qualitative, including the number of new Infrastructure Canada research publications, the uptake of Infrastructure Canada research results and other research findings in key policy and decision documents, the level of use of the Research Gateway, the extent to which Infrastructure Canada research expertise is sought and used by external sources and the perceived quality of internal and external knowledge exchange. Specific results, such as the publication of new research findings and the launch of new products for knowledge dissemination are



also regularly posted on the Research Gateway and are thereby communicated to the department, to its research partners and other visitors to the site. These initiatives will continue in 2005-06.

In addition, Infrastructure Canada's plans for 2005-06 include undertaking a more formal review of the results being achieved under its *Research Strategy*. The RMAF developed for RKO will be used as one of the starting points for this work as it provides indicators applicable to the broader array of knowledge generation, community-building and knowledge transfer activities being pursued under the *Research Strategy*. The Department's diverse research partners, the recipients of RKO funding and users of infrastructure and communities research will be closely involved, consistent with best practices for the evaluation of research programs.

RKO performance measurement and evaluation will be carried out in accordance with the developed RMAF.

The Department will continue to monitor dissemination, awareness and outreach activities through media monitoring and some public opinion research to assess the level of knowledge and understanding of infrastructure and communities issues amongst different stakeholders and partners.

Crown Corporations Portfolio Management



Canada Lands Corporation: re-developing surplus federal lands to meet community needs.

Description

Crown corporations are commercial entities that operate at arm's length from government, but with specific public policy mandates and objectives. They are wholly owned by the Crown (the 'sole shareholder') and, pursuant to the *Financial Administration Act* and their enabling legislation, are held accountable to Parliament through the responsible Minister.

The Infrastructure and Communities Portfolio includes four Crown corporations – the **Canada Lands Company Limited**, the **Old Port of Montréal Corporation**, **Parc Downsview Park Inc.**, and **Queens Quay West Land Corporation**. Canada Lands Company CLC Limited operates nationally with a mandate to provide for the orderly disposal of strategic surplus federal properties. The activities of the other three corporations in the portfolio relate to three sites in Toronto and Montréal for which the federal government has specific policy objectives. Together, the four Crown corporations contribute to improving Canadians' quality of life and to the sustainability of Canadian communities.



The Crown Corporation Secretariat is a small group housed in Infrastructure Canada which provides the Minister and Deputy Head with administrative, policy, communications and logistical advice and support on all matters pertaining to these Crown corporations.

It acts as a link between the Crown corporations and the government in helping the corporations fulfill their planning and reporting requirements. The Secretariat also plays an important portfolio management role, helping to ensure that the objectives of the corporations are in keeping with broader departmental and government goals and assisting the Minister in providing strategic direction to them.

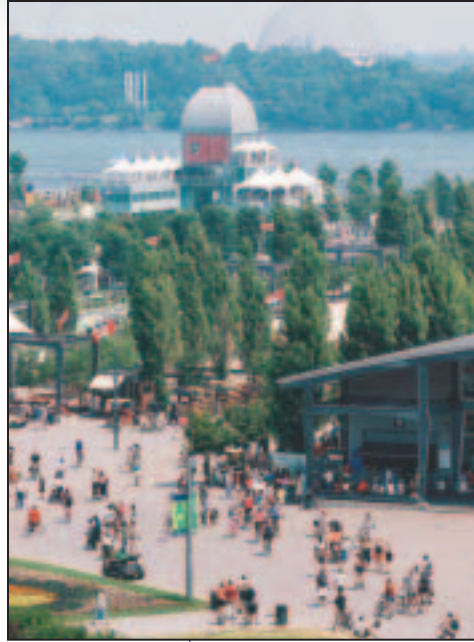
A key area of activity is the support provided to the Minister on governance and accountability issues in his portfolio. With the renewed focus on openness and transparency in government operations generally, and in Crown corporation specifically, this support function has become even more important. The results of the Treasury Board Secretariat's Crown corporation governance review, which will be released shortly, will include comprehensive recommendations on how to improve the governance and accountability regime for Crown corporations. The Department will work closely with the Minister's Office, and with the corporations, in implementing these recommendations in the Infrastructure and Communities Portfolio.

Expected Results

The Department will continue to support the Minister in his responsibilities for the Crown corporations in his portfolio. It will provide timely and comprehensive advice on Crown corporations' corporate plans, the performance of the corporations, governance issues within the Infrastructure and Communities Portfolio and government-wide, and other policy matters of concern to the corporations.

The Department will also provide advice and information to the Crown corporations concerning their corporate plans, the functioning of government and government processes and requirements for the submission of documents, to ensure that they are able to meet their planning and reporting requirements.

In keeping with current government commitments in the area of governance and appointments in Crown corporations, and in support of effective portfolio management, the Department will monitor governance issues, consulting closely with colleagues



Old Port of Montréal.



in central agencies to ensure that government directives and policies in this area are understood, communicated to, and implemented within the portfolio. For appointments to the most senior positions in the Crown corporations, the Minister will be provided with the necessary logistical and analytical support to fill positions in a timely manner, and ensure that the evolving Governor-in-Council appointments process is respected.

Performance Measurement Strategy

The Department is not accountable for the results achieved by the corporations in the Infrastructure and Communities Portfolio. Each Crown corporation sets its own objectives, under the strategic direction provided by the Minister, and reports to Parliament, through the responsible Minister, on the financial and operational results it achieves. The department plays a facilitating role and provides advice, both to the corporations and to the Minister, to help them achieve their objectives. The quality of the planning and reporting documents produced by the corporations, and the compliance of these organizations with governance directives, particularly in the area of Governor-in-Council appointments, will serve as an indirect indicator of the department's performance.

A more direct success measure will be the quality and timeliness of the advice provided. As the Deputy Head and the Minister are the principal recipients of this advice, their assessment of the analysis and support provided to them will be the key indicator of the organization's performance.



Section III – Supplementary Information

Management Representation Statement

I submit for tabling in Parliament, the 2005-06 Report on Plans and Priorities (RPP) for Infrastructure Canada.

This document has been prepared based on the reporting principles contained in the *Guide to the Preparation of Part III of the Estimates: Reports on Plans and Priorities*.

- It adheres to the specific reporting requirements outlined in the TBS guidance;
- It is based on the Department's approved accountability structure as reflected in its MRRS;
- It presents consistent, comprehensive, balanced and accurate information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved planned spending numbers from the Treasury Board Secretariat in the RPP.

Name: *Neil J. ...*

Title: Deputy Head



Organizational Information

Infrastructure Canada and the four Crown corporations report to the Minister of State (Infrastructure and Communities). Infrastructure Canada is a relatively new department that continues to evolve to reflect its expanding mandate associated with its portfolio.

The Department is headed by André Juneau, the Deputy Head, and is supported by Guy Mc Kenzie, who occupies the newly created position of Associate Deputy Head, and three Assistant Deputy Ministers. Guy Bujold is the Senior Assistant Deputy Minister, Policy and Communications Branch, Cécile Cléroux is the Assistant Deputy Minister, Program Operations Branch and Yazmine Laroche, is the Assistant Deputy Minister, Cities Secretariat.

The department's organizational structure and accountabilities by program activities are reflected on next page.



Infrastructure Canada

Minister of State (Infrastructure and Communities)

The Honourable John Ferguson Godfrey

Responsible for Infrastructure Canada. The Crown corporations in the Minister's portfolio are Canada Lands Company, the Old Port of Montréal Corporation, Parc Downsview Park and Queens Quay West Land Corporation.

Deputy Head: André Juneau

Associate Deputy Head: Guy Mc Kenzie

Program Activity 1: Infrastructure Programming	Program Activity 2: Crown Corporations Portfolio Management	Program Activity 3: Cities and Communities	Program Activity 4: Departmental Administration
<p>Assistant Deputy Minister, Programs Operations: Cécile Cléroux</p> <p>Responsible for the Department's intergovernmental operations, issues management, program/project information management, and other program functions.</p> <p>Senior Assistant Deputy Minister, Policy and Communications: Guy Bujold</p> <p>Responsible for the Department's policy, research and communications functions.</p>	<p>Senior Assistant Deputy Minister, Policy and Communications: Guy Bujold</p> <p>Responsible for the advice and support to the Minister for the four Crown corporations.</p>	<p>Assistant Deputy Minister, Cities Secretariat: Yazmine Laroche</p> <p>Responsible for Department's policy, research, communications and outreach efforts in support of the New Deal for Cities and Communities, as well as the provision of secretariat services to the Prime Minister's External Advisory Committee on Cities and Communities.</p>	<p>Senior Assistant Deputy Minister, Policy and Communications: Guy Bujold</p> <p>Responsible for corporate services functions, including Finance, Human Resources, Administration, Planning, Internal Audit and Evaluation.</p> <p>Assistant Deputy Minister, Programs Operations: Cécile Cléroux</p> <p>Responsible for corporate Information Management/ Information Technology functions.</p> <p>Others: Legal Services, provided by the Department of Justice.</p>



Further organization information is detailed on the departmental Organizational Chart below and at http://www.infrastructure.gc.ca/info/chart_text_e.shtml.

Infrastructure Canada Organization Chart

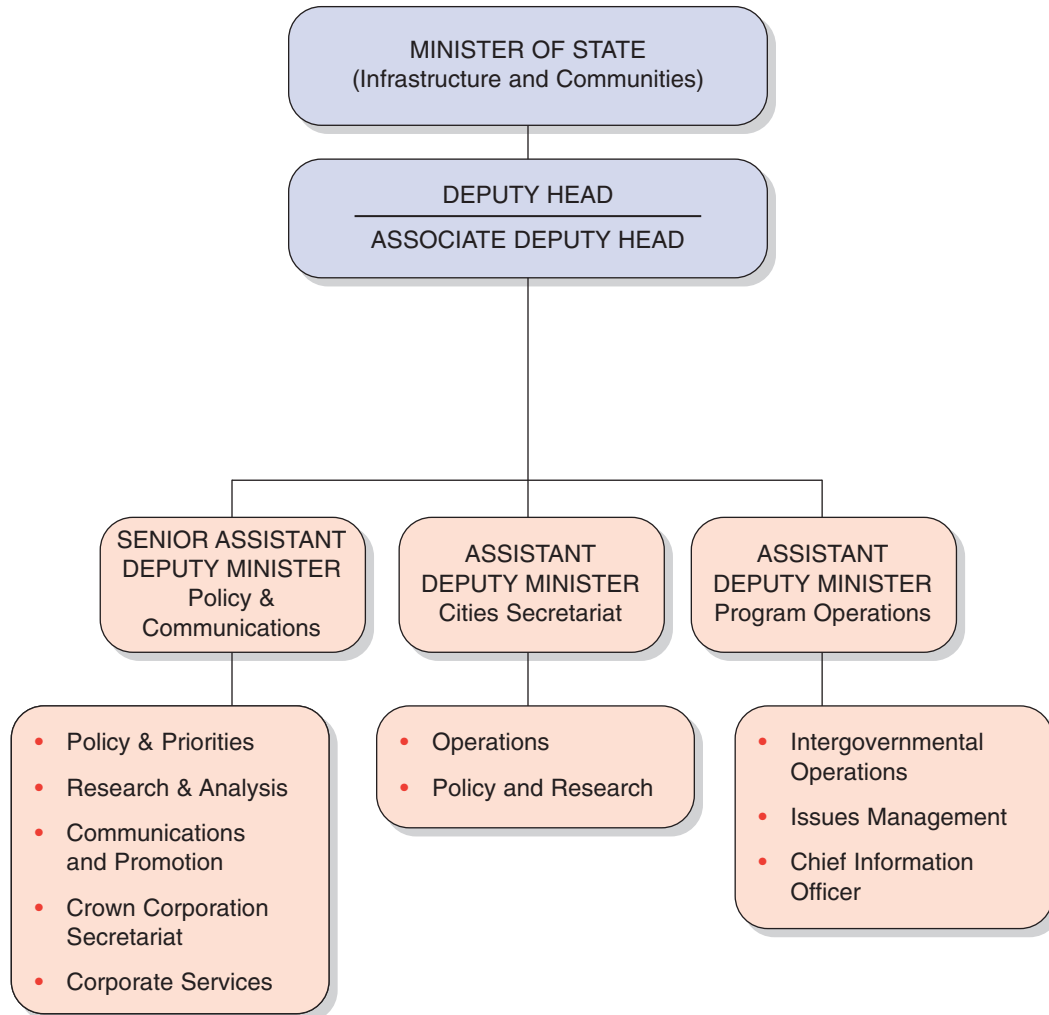


Table I: Departmental Planned Spending and Full Time Equivalents

(\$ thousands)	Planned Spending 2004-05	Planned Spending 2005-06	Planned Spending 2006-07	Planned Spending 2007-08
Infrastructure Programming	418,298	782,827	872,033	870,375
Crown Corporations Portfolio Management	0	5,407	1,422	1,422
Departmental Administration	5,807	5,743	5,728	0
Total Main Estimates	424,105	793,977	879,183	871,797
<i>Adjustments:</i>				
Contributions under the Canada Strategic Infrastructure Fund	46,105	123,443	257,297	258,586
Contributions under the Border Infrastructure Fund	4,270	0	0	0
Contributions under the Municipal Rural Infrastructure Fund	23,000	16,000	19,000	12,000
Contributions under Federal Gas-Tax Sharing	0	600,000	600,000	800,000
Contributions to the Federation of Canadian Municipalities	2,246	0	0	0
Payments to the Old Port of Montréal Corporation Inc.	16,100	0	0	0
Payments to Queens Quay West Land Corporation	4,000	0	0	0
Adjustments to the Operating Budget	7,463	(40)	0	0
Employee Benefit Plan (EBP)	291	0	0	0
Total Adjustments	103,476	739,403	876,297	1,070,586
Net Planned Spending	527,581	1,533,380	1,755,480	1,942,383
Plus: Cost of services received without charge	587	1,033	759	100
Net Cost of Program	528,168	1,534,413	1,756,239	1,942,483
Full Time Equivalents	182	205	265	265

Notes:

- (1) The items shown under Adjustments in fiscal year 2004-05 are all items that have been included in the Supplementary Estimates 2004-05 for Infrastructure Canada.
- (2) The adjustment item Contributions under the Canada Strategic Infrastructure Fund (CSIF) shown for 2005-06 to 2007-08 is related to funds that were earmarked in Budget 2003 for CSIF and that remain to be drawn down from the Fiscal Framework.
- (3) The adjustment item Contributions under the Municipal Rural Infrastructure Fund (MRIF) shown for 2005-06 to 2007-08 is comprised of the following two items: the First Nations component of the contribution program and the incremental operating resources for implementing departments and agencies. The Treasury Board submission to seek approval for the First Nations component and incremental operating resources for implementing departments and agencies will likely be submitted in Spring 2005.
- (4) The adjustment item Contributions under Federal Gas-Tax Sharing shown for 2005-06 to 2007-08 is related to funds that were earmarked in Budget 2005 for the share of federal gas-tax dedicated to cities and communities to be drawn down from the Fiscal Framework.
- (5) When Infrastructure Canada was established in December 2002, the department was given operating funding which sunsets in 2006-07. Infrastructure Canada will return to the Treasury Board for approval of ongoing resources in 2005-06.



Table 2: Program Activities

(\$ thousands)

2005-06					
Program Activity	Operating	Contributions	Total Main Estimates	Adjustments (planned spending not in Main Estimates)	Total Planned Spending
Infrastructure Programming	13,708	769,119	782,827	739,403	1,522,230
Crown Corporations Portfolio Management	5,407	0	5,407	0	5,407
Departmental Administration	5,743	0	5,743	0	5,743
Total	24,858	769,119	793,977	739,403	1,533,380

Table 3: Voted and Statutory Items Listed in Main Estimates

(\$ thousands)

Vote or Statutory Item	Truncated Vote or Statutory Wording	2005-06 Main Estimates	2004-05 Main Estimates
1	Operating expenditures	19,314	15,702
5	Contributions	769,119	406,958
10	Payments to Queens Quay West Land Corporation	4,000	0
(S)	Contributions to employee benefit plans	1,544	1,445
	Total Department	793,977	424,105

Notes:

- (1) Infrastructure Canada's budget for contributions has increased significantly from 2004-05 to 2005-06. This is attributable to the ramp-up of the three programs – the Canada Strategic Infrastructure Fund, the Border Infrastructure Fund, and the Municipal Rural Infrastructure Fund.
- (2) The payments to the Queens Quay West Land Corporation resided in the Main Estimates of Transport Canada in 2004-05. Responsibility for this Crown corporation was transferred to Infrastructure Canada in the 2005-06 Main Estimates.

Table 4: Net Cost of Department

(\$ thousands)

Net Planned Spending	1,533,380
<i>Plus: Services Received without Charge</i>	
Accommodation provided by PWGSC	415
Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS	618
2005-06 Net Cost of Program	1,534,413

Table 5: Details on Transfer Payments Programs

Over the next three years, Infrastructure Canada will manage the following transfer payment programs in excess of \$5 million:

2005-06 to 2007-08

- Contributions under the Canada Strategic Infrastructure Fund;
- Contributions under the Border Infrastructure Fund; and
- Contributions under the Municipal Rural Infrastructure Fund.

For further information on the above-mentioned transfer payment programs see <http://www.tbs-sct.gc.ca/est-pre/estime.asp>.

Table 6: Horizontal Initiatives

The objective of reporting on horizontal initiatives is to provide parliamentarians, the public and Government with an overall picture of public expenditures, plans and priorities for all major horizontal initiatives.

A horizontal initiative is an initiative in which partners, from two or more departments have agreed under a formal funding agreement (e.g. Memorandum to Cabinet, Treasury Board Submission, federal-provincial agreement) to work towards the achievement of shared outcomes. Over the next three years, Infrastructure Canada is the lead in the following horizontal initiatives:

- Canada Strategic Infrastructure Fund;
- Border Infrastructure Fund;
- Infrastructure Canada Program; and
- Municipal Rural Infrastructure Fund.

Further information on the above-mentioned horizontal initiatives see <http://www.tbs-sct.gc.ca/est-pre/estime.asp>.





Section IV – Other Items of Interest

Departmental Administration

Description

Departmental administration forms the fourth activity of the Department and comprises the following sub-activities:

- Office of the Minister of State;
- Office of the Deputy Head (including the Associate Deputy Head);
- Corporate Services;
- IM/IT; and
- Legal Services.

The Corporate Services sub-activity is further broken down into:

- Finance;
- Administration;
- Human Resources; and
- Planning, Audit and Evaluation.



Effectively Managing the New Infrastructure and Communities Portfolio

The Minister of State (Infrastructure and Communities) supported by the Deputy Head is responsible for ensuring that government priorities are pursued through the Infrastructure and Communities Portfolio. This portfolio includes responsibilities for:

- The New Deal for Cities and Communities;
- Infrastructure programming and cross-cutting support functions such as policy and communications, research and analysis, information management and program operations; and
- Support to the Minister in his responsibilities for four Crown corporations – the **Canada Lands Company Limited**, the **Old Port of Montréal Corporation**, **Parc Downsview Park Inc.**, and **Queens Quay West Land Corporation**.

Infrastructure Canada is ideally positioned to support the Government of Canada's vision for sustainable communities. Success requires all parts of the Department to recognize the complementary roles they play within the Portfolio, and their respective roles in supporting the Minister in his responsibilities toward Parliament and Canadians.

Effective portfolio management is imperative to maintain an organization that is properly positioned not only to deliver on the department's priorities, but also to help the government achieve its overall strategic objectives.

Management Initiatives

Operational Review and Establishment of Ongoing A-base

During 2004-05, Infrastructure Canada initiated an operational review to ensure its delivery model was appropriate and to determine whether it is structured and resourced optimally to meet its present and future operational challenges. The preliminary findings of this independent review support the current delivery model, and requirement for an appropriate level of resources for control and monitoring as the programs and projects move through their life cycles. It confirmed the strategic choice of Infrastructure Canada in delegating program delivery responsibilities to federal delivery partner when feasible and where expertise resides. Recommendations will be considered by the department in the upcoming fiscal year and the report will be shared with Treasury Board Ministers.



The Department is currently funded from sunset program funds and will be seeking the regularization of its operating funding in order to deliver on the mandate given to it.

Human Resources Modernisation Act (PSMA)

The PSMA is a cornerstone piece of legislation for modernizing human resources management in the public service. It was designed so that Canadians could be better served.

The new *Public Service Labour Relations Act* (PSLRA) will come into effect on April 1, 2005. Infrastructure Canada is working with other departments to develop the management framework required to implement the various measures that will come into force.

The *Public Service Employment Act* (PSEA) will come into effect in late December 2005 and work will continue during the first half of the fiscal year to develop the HR Planning Framework and related directives to support the new approach to staffing.

An implementation plan, with a complementary communications element, has been prepared in draft and work will continue throughout fiscal year 2005-06 on the various initiatives to ensure that the Department will meet the implementation deadlines.

Risk Management

Significant work has been undertaken by the Department in the area of risk management. A Corporate Risk Profile (CRP) is being developed to understand better the strategic organizational context within which the organization must manage risk to achieve results, and to determine coordinated measures to mitigate key corporate level strategic risks.

At the operational level, a Risk Profile is also being developed that will present the risks potentially affecting the delivery of programs. This will build upon the existing result-based management and accountability frameworks and risk-based audit frameworks that have been prepared for key programs and initiatives.

The CRP and the program operations-level risk profile will also serve to establish plans for the conduct of internal audits, program evaluations and other program and support activities. Action plans will be established to enhance and strengthen organization-wide management of risk.



Audit and Evaluation

Infrastructure Canada continues its work to establish sound and sustainable audit and evaluation functions. Internal Audit is using a risk-based approach to planning and conducting audits that will provide assurance on the adequacy of integrated risk management practices, management control frameworks and information used for decision making and reporting in the achievement of overall program objectives.

This is complemented by a program monitoring and evaluation function. The program monitoring and evaluation function ensures that the design and maintenance of program and operational control systems are adequate, including whether recipients have complied with the terms and conditions applicable to contributions and the monitoring of audits of contribution recipients.

In 2005-06, Infrastructure Canada will carry out an evaluation of the Infrastructure Canada Program, as well as an evaluation of the contribution to the Federation of Canadian Municipalities for the National Guide to Sustainable Municipal Infrastructure – Phase II.

A risk-based audit plan for audits to be carried out in 2005-06 will be submitted to the Departmental Audit and Evaluation Committee for its approval.

Accommodation Planning

The growth of the Department through the expansion of its mandate and transfer of responsibilities from other government departments has resulted in a workforce which is dispersed in multiple buildings in the downtown Ottawa core. This results in inefficiencies, and increased costs, and has an impact on employee morale. Infrastructure Canada is working with Public Works and Government Services Canada to develop a plan for the consolidation of its operations at one or two buildings in downtown Ottawa.

Sharing of Corporate Services Functions with Other Departments

When the Department was established in 2002, its corporate support functions adopted the approach of partnering with other government departments, whenever possible, through shared services and systems arrangements. This approach benefits the Department by enabling it to draw on the specialized expertise found in larger departments, and take advantage of the economies of scale not achievable in a small organization. It is very much in line with the current objectives of the Government to move to a greater use of shared services and systems, especially in smaller departments and agencies.



Infrastructure Canada currently has Memoranda of Understanding with other government departments such as Industry Canada and Public Works and Government Services Canada for functions such as:

- Office technology and desktop support;
- Corporate systems' operations and maintenance, including interface to the Receiver General systems;
- Accounting operations, acquisition of goods and contracting for services (entire suite of services, including the public tendering process);
- Employee pay and benefits;
- Telecommunication services; and
- Translation services.

In the longer term, Infrastructure Canada is supportive of the government's shared corporate administrative services initiative and will be proposing that it is among the first wave of departments moved to this model.

Government On-Line

An important aspect of Infrastructure Canada's mandate is the enhancement of the federal infrastructure knowledge base and the creation of better operations' management and investment decision-making tools. SIMSI (Shared Information Management System for Infrastructure) is an on-line information management tool that now provides the backbone technology for the e-management of infrastructure programs. It was originally developed to facilitate the management of shared-cost projects among the three orders of government under the Infrastructure Canada Program, and will soon be available to support the MRIF, CSIF and BIF.

More information is available at http://www.infrastructure.gc.ca/simsi-spgii/index_e.shtml.

Management of Government Information (MGI)

As well, an Information Management function will be established for the MRIF, CSIF and BIF to ensure the Department meets its obligations under the MGI policy. The SIMSI will be expanded to support the IM function for the MRIF, CSIF and BIF programs.



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