



MEMBER BULLETIN

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Overview of the New Provincial Long-Term Infrastructure Plan

On November 28th, the Government of Ontario published its second Long-Term Infrastructure Plan (LTIP), entitled *Building Better Lives: Ontario's Long-Term Infrastructure Plan 2017*. The LTIP provides an overarching vision for how the province plans and invests in its infrastructure over a ten-year period. The document does not lay out provincial funding or project commitments, but rather identifies broad investment strategies and long-term objectives for provincial investments.

While much of the LTIP presents what appears to be common sense strategies for infrastructure asset management, many are newly enshrined approaches for how the government accounts for its existing infrastructure and plans for its long-term investments (i.e. evidence-based decision making; climate resiliency; full life-cycle costing and assessment). These new processes represent major steps forward in how the government thinks about, and maintains, its infrastructure assets.

Below is a high-level overview of some of the more relevant components of the LTIP. The full document can be found at the following link: <https://goo.gl/4h6rTe>.

Evidence-based Decision Making for Infrastructure Planning and Prioritization

The government will put in place new requirements to help establish improved practices for prioritizing where their infrastructure investments are being made and for what assets. This will include:

- developing clear investment prioritization criteria;
- establishing quantifiable objectives to assess the economic, social, and environmental impacts of their investments;
- establishing a reliable infrastructure asset inventory;
- identifying existing disparities in terms of what infrastructure we have versus what we need; and,
- developing a clear strategy for how to meet these identified needs.

The intent is to remove “politics” from infrastructure decision making by identifying where investments are *needed* (rather than wanted) to address health and safety concerns; deliver critical government services; and address vulnerabilities due to climate change.

This is a critically important step forward, and one that OSWCA has been advocating for, for many years. This process change will help to prioritize “need” over “want,” which has plagued investment in water and wastewater infrastructure for many years (i.e. “out of sight, out of



mind”). By standardizing its project prioritization standards to include climate resiliency, the delivery of critical government services, and, identifying where infrastructure investment gaps presently exist, OSWCA believe that sewer and water infrastructure will see a substantial and sustainable move forward as a priority-one infrastructure asset for investment.

Municipal Asset Management Regulation

To support its evidence-based decision making on infrastructure investments, the government will be putting in place a regulated process for municipal asset management plans. This regulated process will include a standardized approach to defining and measuring unfunded liabilities of municipal infrastructure, and how to “make better use of the full range of funding resources and financing tools” that are available to address budgetary shortfalls.

This is an important move because water and wastewater infrastructure assets are wholly owned by municipalities and this would provide the province with a greater say in how municipalities should be funding their assets and assisting them in establishing alternative funding approaches.

Improving Infrastructure Delivery and Managing Demand

An entire chapter in the LTIP is dedicated to identifying better ways to pay for, and manage demand on, infrastructure assets. For water and wastewater assets, the province is committed to revisiting user-based fees, which they believe will decrease water consumption rates by up to 15%. The initial step in this process will see the Ministry of Infrastructure collecting municipal demand-side data to help inform where capacity constraints exist and, therefore, where need is the greatest.

Climate Change Adaptation

The province is undertaking a climate change risk assessment process to help identify key vulnerabilities in its infrastructure and to aid municipalities in mitigating future environmental risks. The outcome of this assessment will help drive infrastructure planning and investment needs at the provincial-level, and will influence how both provincial and municipal infrastructure assets are managed and maintained against climate resiliency targets.

OSWCA Opinion on LTIP

Building Better Lives is a necessary and important move forward for the Government of Ontario. While it does not specifically address water and wastewater infrastructure (as these are wholly municipal-owned assets), it does represent the convergence of a number of the major OSWCA advocacy pieces from the past three years (i.e. standardized municipal asset management planning regulation; user-based pricing for water; evidence-based project prioritization). These accounting and project prioritization requirements will place a much greater focus of municipal and provincial investment on underground infrastructure. Additionally, the inclusion of climate adaptation principles and a standardized means of measuring the unfunded liabilities of municipal infrastructure will help to clearly identify the water and wastewater infrastructure deficit now and in the future, which in turn will encourage all municipalities to close their funding gaps. Overall, a very impressive look forward for infrastructure management in the province.