

Cabinet Information Item FPT Ministerial Report

Date: 09 sept 2016

Title: Meeting of FPT Ministers Responsible for Infrastructure (Sept 6-7, 2016) - Edmonton, Alberta.

Originating Department(s): Infrastructure Canada, meeting / communications lead; Canadian Intergovernmental Conference Secretariat, communications / logistics; Government of Nunavut, support for communications / photography.

Participants: Federal-Provincial-Territorial Ministers Responsible for Infrastructure, delegation from Federation of Canadian Municipalities with a special presentation by the Federation of Canadian Municipalities (FCM); the focus of the meeting was setting priorities for upcoming Phase 2 of the *Investing In Canada* program. Allocations for Phase 1 have been committed (2016-2019).

Nunavut Position(s): General Considerations:

- Equitable distribution of funding is essential and the funding formula of **base plus*** is a standard that has been applied successfully across most federal funding. This ensures small jurisdictions have access to sufficient and realistic funding levels.
- Another factor that could be included in federal funding considerations is the comparative purchasing power of the infrastructure dollar.
- Allocation is the preferred approach as it supports planning, is less burdensome than an application process and ensures equitable distribution of funds.
- Reporting standards must be clear and based on templates whenever possible. Reporting must be flexible and include:
 - the ability to adjust the funding split for each claim as long as the split is achieved at the end of the project (for claims-based funding)
 - the ability to easily move funding between projects to adjust for overages and short-falls
- It is important that funding is flexible to support research, pilot projects and testing of innovations, capacity building, as well as both enhancement and optimization of existing infrastructure.
- The focus can be on case-by-case outcomes, rather than specific projects with prescriptive definitions; this is reflective of the fact that a given model or project that may use standard practices in one community may need to use innovative practices in another community.

****Base plus refers to a funding formula which takes a set amount per each province / territory and applies a factor based on population – this was the funding basis for most, if not all, infrastructure funding.***

Transit:

- Nunavut has a significant transportation infrastructure deficit; since the primary access to communities is by air, public transit in Nunavut consists of airlines and airports; this category needs to be expanded to include airlines infrastructure to reflect Nunavut's unique geography.

Green Infrastructure:

- Federal funding is the key to moving projects forward; it is important that the Federal government better understand the extent of the needs of Nunavut to ensure that eligibility criteria do not negatively limit key priorities. For instance, with 25 small communities, off-grid power generation must be reliable 365 days a year. Updating 40 year old diesel technology to newer / cleaner technology is the key to lowering power costs and reducing greenhouse gas emissions.
- The order of priorities for Government of Nunavut departments consulted are:
 1. Drinking water and wastewater;
 2. Greenhouse emissions reduction;
 3. Climate change impacts.
- An additional critical category for Nunavut is solid waste management (including contaminated site remediation), which should be included in the green investments category.

Social Infrastructure:

- Social housing continues to be one of the most critical needs for Nunavut. With the decline of the federal Social Housing Agreements that support O&M of existing public housing infrastructure, a very big burden has been and will continue to be placed on the GN to maintain housing units.
- Upgraded telecommunications infrastructure, particularly access to broadband services, is critical for health and education.
- In Nunavut, recreation facilities have been funded only if there is sufficient funding after the prioritization of the projects was complete. Federal funding through previous federal infrastructure funding have supported arenas, community halls, etc.

Current situation:

- The Government of Canada has committed funds for Phase 1 (2016-2019) and is planning to allocate the remaining \$48 Billion in program funding (to 2026) in three priority areas: Public Transit, Green Infrastructure, and Social Infrastructure.
- Nunavut has a significant infrastructure deficit that requires significant upgrades and new construction in most communities; the capital for this cannot be met with the current level of Territorial funding allocations and debt cap restriction.

- Nunavut provides the majority of cost matching, and therefore serves as ultimate recipient for most of the funding. However, municipal infrastructure is then transferred to municipalities upon completion of construction.
- It is anticipated that the flexibility in reporting, project lists and front-end financing Focus on the mid-term and long term desired outcomes for provinces / territories and Canada and keep the project list flexible. Permit the territory or community to identify specific priority areas.
- Community and Government Services Deputy Minister, Lori Kimball, is participating in a bi-weekly meeting with F/P/T Deputy Minister's responsible for Infrastructure.

Next Steps:

- A fourth priority area, Trade and Transportation, has been identified, but the funding for this area will be new money from Transport Canada (with collaboration from Infrastructure Canada).
- Although Phase 1 will conclude in 2019, it is anticipated that there will be an announcement on Phase 2 by the end of 2016-2017 fiscal year. It was indicated that Phase 2 funding could roll out before Phase 1 concludes in Budget 2017-18.
- It will be important that flexibility in program delivery continue with Phase 2 to align funding cycles across all Orders of Government, allow for increments and to allow Nunavut to determine priorities.
- Deputy Minister Kimball will co-ordinate file sharing and communications with stakeholder GN departments including:
 - Economic Development and Transportation;
 - Nunavut Housing Corporation;
 - Qulliq Energy Corporation.

Minister

Deputy Minister