



For the Record

Ontario Government Releases Infrastructure Framework

In the spring of 2004, the Government of Ontario held consultation sessions throughout the province to obtain feedback on its "Discussion Paper on Infrastructure Financing and Procurement". It was the Government's first step in developing a long-term plan to address Ontario's infrastructure deficit. In April, The Canadian Council for Public-Private Partnerships submitted a Position Paper to the Minister of Public Infrastructure Renewal, Hon. David Caplan, outlining the benefits of using public-private partnerships to finance and deliver much-needed infrastructure in Ontario.

On July 27th, 2004, the Ministry of Public Infrastructure Renewal released "Building a Better Tomorrow - Infrastructure Planning, Financing and Procurement Framework for Ontario's Public Sector" (the "IPFP Framework"). The following is a brief on the framework prepared by Ogilvy Renault for CCPPP.

The IPFP Framework is intended to guide the manner in which the planning, financing and procuring of public infrastructure assets is conducted in the province of Ontario. The IPFP Framework applies to infrastructure initiatives undertaken by Ontario government ministries and agencies, as well as by municipalities and broader public-sector partners/agencies where the province has a material financial interest. The IPFP Framework is designed to support the Government's 3- and 10-year infrastructure investment plans, which specify the priorities and timelines for infrastructure investment in the province.

The IPFP Framework provides that the procurement of all large public infrastructure projects and the means of financing them will be assessed against five fundamental principles:

- the public interest is paramount;
- value for money must be demonstrable;
- appropriate public control/ownership must be preserved;
- accountability must be maintained; and
- all processes must be fair, transparent and efficient.

In terms of public control/ownership, the IPFP Framework is clear that public ownership of assets will be retained in the following "core" sectors - hospitals, water treatment and sewage plants, and public schools. Some have interpreted this to mean that there will not be any public-private partnerships in these sectors, which is an incorrect conclusion; there are numerous examples of infrastructure projects pursuant to which

the public sector has retained ownership of the assets and pays the private sector management, service or right-of-use fees.

The IPFP Framework does not endorse a particular financing or procurement model, but rather recognizes that the appropriate model for procuring public assets needs to be determined on a case by case basis. The IPFP Framework allows that a number of infrastructure financing and procurement models are available, which vary in the degree and manner of private sector involvement and the level and type of risk transfer to the private sector. Rather than eliminate the possibility of private sector involvement in public infrastructure projects, the IPFP Framework clearly provides that the Government will pursue various methods for such participation, subject to compliance with the above five principles.

While the omission of any reference to the words "P3s" is clearly noticeable in the IPFP Framework, the door is certainly not closed for public-private partnerships in Ontario under this Government. The Government is clearly indicating that it

would welcome private sector participation in infrastructure development in certain circumstances. As always, the devil is in the detail; the implementation will dictate whether or not the IPFP Framework in fact facilitates the much-needed improvements

to Ontario's public infrastructure and the degree and manner to which such improvements are done with private sector involvement.

For more information:

To obtain a copy of the Ontario Government's "Building a Better Tomorrow: Infrastructure Planning, Financing and Procurement Framework" go to The Council's website at: www.pppcouncil.ca/pdf/framework.pdf.

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