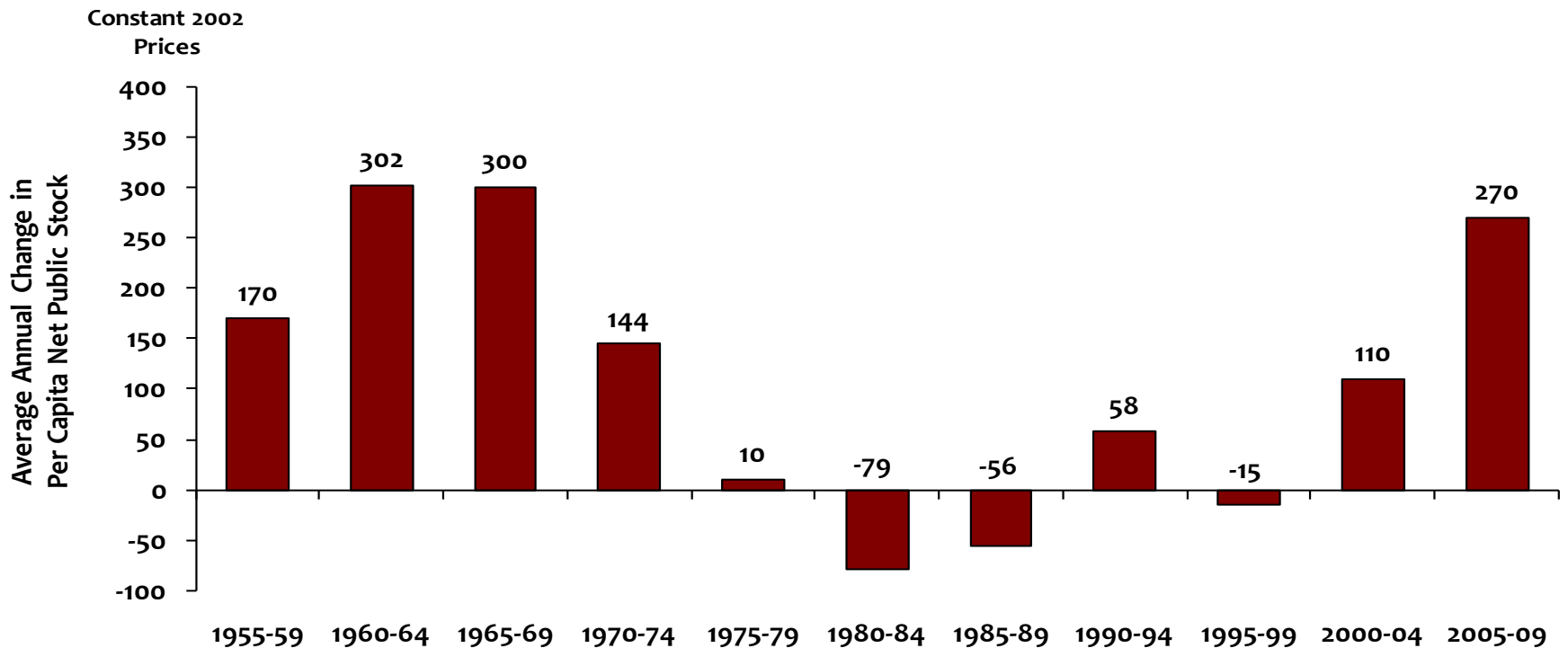


Long-Term Infrastructure Plan

Presentation to The Canadian Council for Public-Private Partnerships

Infrastructure Investments Since WWII

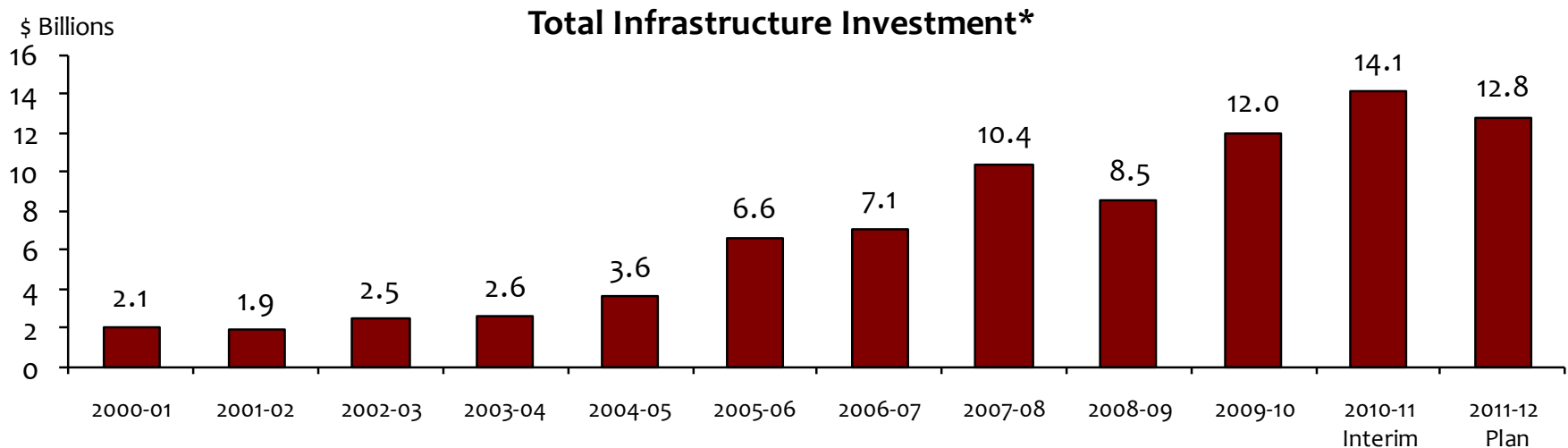
- Ontario's public infrastructure investment has fluctuated considerably in the decades since WWII
- After decades of neglect, the Province has been making historic investments in infrastructure



Sources: Statistics Canada and Ontario Ministry of Infrastructure

Recent Provincial Infrastructure Investments

- Since 2003, the Province has invested \$62 billion in infrastructure – levels unseen since the 1960s
- Despite these record levels of investment in recent years, the case for continued infrastructure investment and strategic planning remains strong, given that public infrastructure is a key economic driver that promotes growth and innovation
- Over the next three years, Ontario will invest more than \$35 billion, including \$12.8 billion in 2011-12



* Total Infrastructure Investment is net of third-party contributions

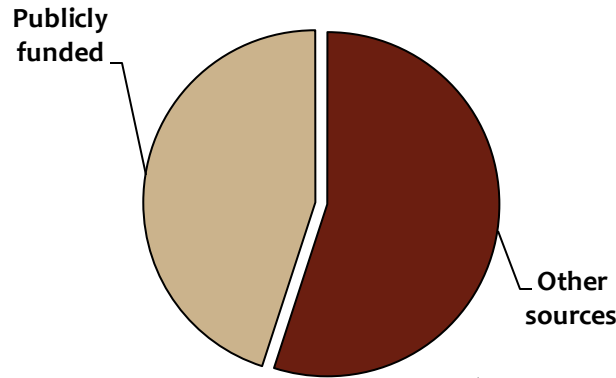
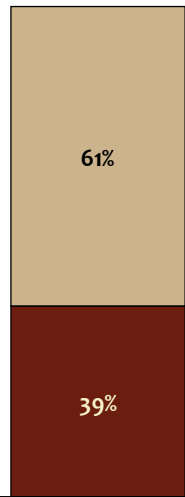
Note: Starting in 2002-03, Infrastructure Investments include the cost of tangible capital assets acquired by consolidated government organizations. Starting in 2005-06, the provincial reporting entity was expanded to include colleges, school boards, and hospitals.

Source: Ontario Ministry of Infrastructure

The Province's Share of the Construction Sector Market

Breakdown of non-residential construction activity

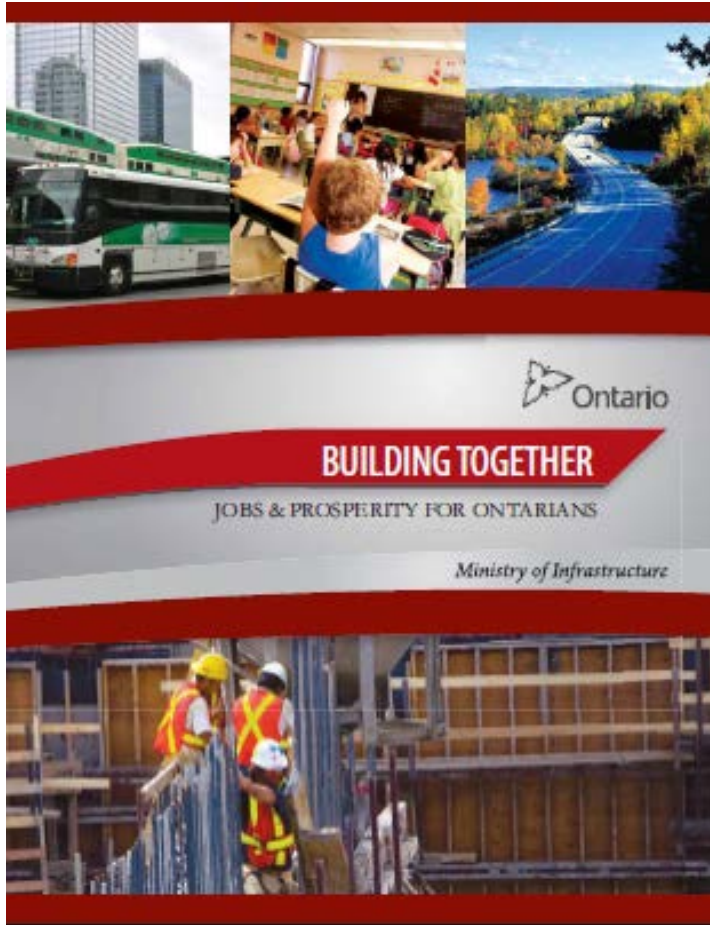
Breakdown of total construction activity
100% = \$25 billion



■ Non-residential construction
■ Residential construction

- The construction sector generates approximately \$25 billion of activity per year and accounts for approximately 5% of GDP
- Public investments in infrastructure account for more than a quarter of all construction activity in the province and nearly half of all non-residential construction activity.
- This market power gives the Province a unique window into the strengths and challenges of the sector

An Overview of *Building Together*

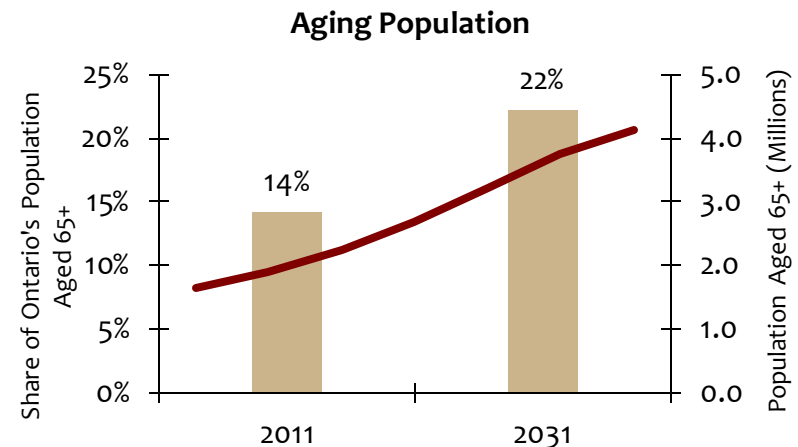
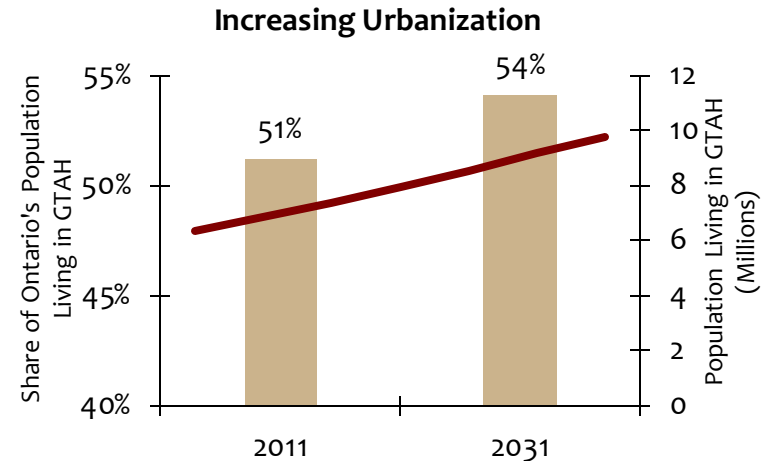


- The plan is a framework document, which sets out the government's strategic policy and investment priorities over the next decade. The document is organized in three parts:
 - **Part one** looks at prospective trends that will drive demand for infrastructure
 - **Part two** sets out the government's priorities on a sector by sector basis
 - **Part three** examines the procurement, partnerships and asset management principles that will help implement those sector priorities and ensure effective infrastructure investment

- Behind the plan, the government has adopted a 10-year planning perspective for infrastructure
 - Decisions on specific projects will be made through the Province's annual planning and budgeting process
 - A significant number of new projects have been announced recently (details in Appendix)

Part I: Understanding the Future Demand for Infrastructure

- Decisions about what to build now require a clear understanding of the long-term trends that Ontario faces:
 - **A more global and service-oriented economy**
 - **A larger, older, and more urbanized population**
 - **Slower growth in the size of the workforce**
 - **The effects of climate change**
 - **A shift towards technological infrastructure**



Part II: Setting Long-Term Priorities By Sector



- For each sector, the plan provides a series of policy goals that describe the government's investment priorities
- The plan places a particular emphasis on core economic infrastructure, such as roads, transit, and postsecondary education. For example:
 - Getting Ontario's goods to market with better highways, bridges, and border crossings (e.g., the 407 East extension, the Windsor-Essex Parkway)
 - Giving commuters fast, affordable, and environmentally sound transit options (e.g., the Eglinton-Scarborough Cross-town LRT, the Ottawa LRT, the Kitchener Waterloo LRT)
 - Recently announced funding of \$600 million will create about 25,000 spaces at colleges and universities (details in Appendix)
- Investments in social infrastructure will continue, helping to align public services with demographic changes. This will include:
 - Ensuring healthier lifetime outcomes, such as expecting to see 3 to 5 major hospital expansions and redevelopment projects each year, subject to fiscal capacity, in addition to the dozens of projects that are currently under construction and those still in procurement (details in Appendix). Also supporting a gradual shift to continuum of care and community-based care models
 - Continuing substantial investments in schools, including the roll-out of full-day kindergarten across the province

Part III: Improving Infrastructure Procurement

- Ontario has developed one of the most dynamic infrastructure markets in the world and the government is keen to build on this success
- Infrastructure Ontario (IO) has been a big part of that success. IO has brought more than 50 projects to the market, worth close to \$21 billion in capital construction
- The government intends to build on that record by providing, as follows:
 - **A higher degree of centralized procurement:** all provincial projects or bundles of provincial projects (including hospitals and colleges) valued at more than \$50 million will be considered for procurement by IO
 - **A greater variety of AFP projects in new sectors:** AFPs in the transportation, post-secondary, tourism sectors, and government services
 - **A more meaningful presence for IO in the broader public sector (BPS):** over time, BPS recipients of infrastructure grants in the amount of \$100 million or above will consult with IO to determine how and whether IO can help with their procurement
 - **A broader role for IO:** IO will now involve itself in all types of government procurement activity, i.e., both traditional project management and alternative financing and procurement (AFP)

Part III (Cont'd): Institutionalizing Asset Management

- Historically, governments have neglected their repair and maintenance obligations
- In recent years, the Province has worked to put in place robust asset management practices. Going forward, the Province expects asset management planning to be a normal part of infrastructure stewardship. Specifically, the government will:
 - Regularly release a “State of Ontario’s Infrastructure” report that will give key performance measures and benchmarks about the infrastructure portfolio
 - Make significant provincial infrastructure grants to the BPS conditional on published asset management plans
 - These plans will be phased in, consolidate existing requirements, and be developed in consultation with the municipal sector
 - Use the AFP model, where possible and appropriate, to lock in lifecycle maintenance for major projects



Part III: Ensuring a Robust Construction and Design Sector



- The Province intends to work with its industry partners to address future challenges to the sector
- The Minister of Infrastructure will meet regularly with representatives from the construction and design sectors
 - These meetings will provide opportunities for a dialogue and mutual exchange of views on issues affecting the industry
- Over the next five years, global investments in infrastructure will total approximately \$10 trillion
 - The government is eager to help the sector capitalize on that activity, and will facilitate overseas trade missions to help grow the industry abroad

APPENDIX

Key Upcoming Major Procurements

Sector	Project
Postsecondary	Wilfrid Laurier University - Global Innovation Exchange
	Humber College - North Campus Revitalization
	Sheridan College - Mississauga Campus Expansion (Phase 2)
	Ryerson University - Applied Health Sciences Building
	University of Toronto (Mississauga) - Reconstruction and Renovation Project
Health & Social	York University - Engineering and Science Building
	ErinoakKids Centre for Treatment and Development
	Hamilton Health Sciences Children's Treatment Centre
	Providence Care Centre (Kingston) - Replacement Hospital
	Hawkesbury and District General Hospital - Redevelopment
	Brockville General Hospital - Mental Health/Complex Continuing Care/Rehab - Phase 2
	York Central Hospital - New Vaughan Hospital
	Cambridge Memorial Hospital - Main Capital Redevelopment Project
	Orléans Family Health Hub
Joseph Brant Memorial Hospital (Burlington) - Redevelopment Project Phase 1	
Transportation	Peel Memorial Centre for Integrated Health and Wellness
	Highway 417 Expansion
	Northern Highway Investments
	Eglinton-Scarborough Crosstown LRT
	Ottawa LRT
	Kitchener Waterloo LRT

Note: these projects are examples, and do not represent the complete list of procurements that will take place over the course of *Building Together*