



# From the Ground Up

Canadian Opinion on Public-Private Partnerships  
2004-2011

The Canadian Council for  
Public-Private Partnerships



Le Conseil Canadien pour  
les Partenariats Public-Privé



# From the Ground Up

## Canadian Opinion on Public-Private Partnerships

### Introduction

Public infrastructure affects every aspect of our daily lives – the roads we travel, the water we drink and the schools and hospitals that enrich our communities. Much of Canada’s infrastructure is aging. Governments at all levels are spending billions to upgrade facilities and create new infrastructure to respond to population growth and changing community needs.

In the interest of stretching their infrastructure dollar and ensuring value for money, governments across Canada and beyond, have turned to public-private partnerships (P3s) as an innovative model for achieving successful results. Through engaging the expertise of the private sector, harnessing the incentives and discipline of the market, P3s are ensuring on-budget and on-time delivery of new infrastructure.

The Canadian Council for Public-Private Partnerships<sup>1</sup> (CCPPP) believes that when the spheres of government and business intersect there are many benefits to be gained by both. Our mission is to promote innovative approaches to infrastructure development and service delivery through public-private partnerships (P3s) with all levels of government.

The Council advocates for evidence-based public policy in support of P3s, facilitates the adoption of international best practices, and educates stakeholders and the community on their economic and social benefits. The Council organizes an annual conference that is recognized internationally as the premier forum bringing together senior government and business leaders in the P3 community at which the most successful Canadian public-private partnerships are celebrated through CCPPP’s National Awards for Innovation and Excellence.

CCPPP undertakes an annual public opinion survey of how Canadians feel about the use of public-private partnerships to build infrastructure and provide public services in their communities. This year’s report outlines the key findings of the 2011 survey, assesses these in relation to past years and broader social and economic developments.

### Continued Strong Support for P3s

The CCPPP 2011 survey was undertaken by Nanos Research to find out Canadians’ opinions on public-private partnerships and in particular, to find out what they think about governments using this delivery model in certain sectors. (See Appendix A for survey methodology).

The 2011 poll showed that, in just one year, support for public-private partnerships jumped to an all-time high of seven in ten Canadians (70%) being open to the private sector delivering services such as roads, hospitals, schools, public transit systems and safe water systems in partnership with the government.

Survey highlights show that:

- A strong majority of Canadians was open to public-private partnerships to deliver public infrastructure and some public services;
- Support has continued to grow since 2004 when 60% show support;

[1] Established in 1993, CCPPP is national non-partisan, member based organization with broad representation from across the public and private sectors.

- In Ontario, support has jumped dramatically from 64 per cent in 2010 to 77 per cent in 2011;
- The sectors that have experienced the most noticeable increase in support for public-private partnerships since last year are transit systems (73%), water treatment facilities (67%), water sewage facilities (67%) and schools (66%); and
- There is strong support across all age groups.

## P3s and Broader Social and Economic Developments

As P3s function in a complex and changing environment, there are various forces that may be shaping Canadian attitudes.

### Financial Pressures Lead to Openness to New Approaches

The past year has seen a number of elections at the federal and provincial levels with all party leaders promising sound financial management and measured change.

While many experts contend that Canada weathered the financial crisis of 2008 better than most, governments at all levels have indicated their commitment to reducing deficits, ensuring cost effective use of tax dollars and creating more sustainable public services. Consequently, public sector leaders are open to new ways of achieving measurable results.

Nanos Research contends that the continuing negative news such as the political gridlock in the US and economic uncertainty in Europe have created “a chill-effect among consumers in Canada and have contributed to a further erosion of Canadian consumer confidence in terms of the future.”<sup>2</sup> Jobs and the economy are the key concerns of Canadians.<sup>3</sup>

From the beginning of the financial collapse of 2008 to 2010, support for P3s had grown from 61 to 65 percent. Today, we are still experiencing global economic uncertainty and governments are still under significant financial pressure to invest in infrastructure and provide more services. Our surveys since 2004 consistently showed that 86 per cent or more of Canadians believe that governments are having trouble keeping pace with infrastructure demands.<sup>4</sup>

### P3s Offer Strong Track Record of Success

As governments play catch up in meeting community infrastructure needs, P3s continue to be a model pursued by all levels of government where these arrangements offer value for money.

At the federal level, the P3 Canada Fund supported by PPP Canada has announced seven new projects valued at \$185 million. The first two investment rounds of the P3 Canada Fund have resulted in growing awareness and interest in P3s from all parts of the country and from all orders of government. For example, more municipal governments are considering this approach. Some provincial governments have outlined their infrastructure plans for the future and require consideration of P3s depending on the project’s size and complexity and where value for money can be demonstrated.

Over the last year, ten new infrastructure projects became operational in various communities across the country, eighteen are under construction and another eleven were procured. This brings the number of P3 projects across the country to over 150. Canadians are seeing visible signs of P3 projects in their communities with state of the art hospitals, improved transportation through new roads, new schools to accommodate growing populations and court houses for more efficient justice systems.

[2] Nanos Research, 2011

[3] CTV News / Globe & Mail / CP24 / Nanos Poll 2011

[4] *Building Canada’s Future: Canadian Attitudes to Public-Private Partnerships 2004-2010*, CCPPP

## Seven in Ten Canadians Support Public-Private Partnerships

Canadians had a generally positive opinion towards the private sector delivering services in partnership with government with seven in ten Canadians (70%) open to this approach in areas such as roads, hospitals, schools, public transit systems and safe water systems.

Over the last seven years, there has been an increase of ten percentage points across Canada overall, with the most dramatic change being an increase in openness to public-private partnerships in Ontario (55% in 2004 to 77% in 2011).

### Regional Support for Public-Private Partnerships Agree/Somewhat Agree (%)

#### Question:

As you may know, there is regular need for new or improved roads, hospitals, schools, public transit systems, safe water systems, and so on. Please tell me if you agree, somewhat agree, somewhat disagree or disagree with the following statement.

*"I am open to the private sector delivering these types of services in partnership with government."*

	Canada	Atlantic	Quebec	Ontario	Prairies	British Columbia
<b>2011</b>	<b>70</b>	<b>76</b>	<b>69</b>	<b>77</b>	<b>65</b>	<b>60</b>
<b>2010</b>	65	68	66	64	68	59
<b>2008</b>	61	67	69	56	62	58
<b>2007</b>	63	63	76	56	65	56
<b>2006</b>	64	66	73	58	68	57
<b>2005</b>	61	67	67	56	63	57
<b>2004</b>	60	63	68	55	61	61

## Increased Support for Transit, Water and School P3s

A strong majority of Canadians supported or somewhat supported public-private partnerships in a number of sectors. Nearly seven in ten Canadians supported or somewhat supported public-private partnerships in hospitals, roads, water treatment facilities, water sewage facilities, recreation facilities, transit systems and schools.

The highest levels of comparative support for public-private partnerships were for recreation facilities (75%), transit systems (73%) and roads (71%). These findings were generally consistent with the previous years of research. The sectors that have experienced the most noticeable increase in support since last year were transit systems (73%) water treatment facilities (67%) sewage facilities (67%) and schools (66%). In the former three areas this represents a significant increase from 2004 levels and the biggest year over year increases yet related to water and transit.

### Public-Private Partnerships in Different Sectors Support/Somewhat Support (%)

#### Question:

In Canada, some governments have created public-private partnerships to construct new public buildings and infrastructure. They remain government owned but there is an arrangement for a private partner to design, build, finance and in some cases maintain these new public facilities. Would you support, somewhat support, somewhat oppose or oppose public-private partnerships in the following areas, hospitals, roads, water treatment facilities, water sewage facilities, recreation facilities, transit systems, schools?"

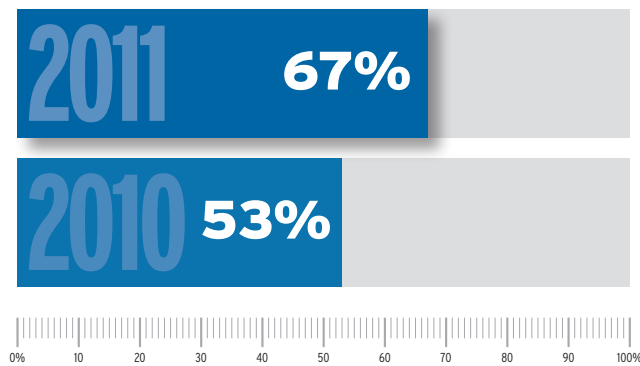
	Hospitals	Roads	Water	Sewage	Recreation	Transit	Schools
<b>2011</b>	<b>66</b>	<b>71</b>	<b>67</b>	<b>67</b>	<b>75</b>	<b>73</b>	<b>66</b>
<b>2010</b>	62	72	53	58	74	67	62
<b>2008</b>	63	71	55	58	72	67	60
<b>2007</b>	63	73	55	60	71	66	63
<b>2006</b>	63	72	55	60	72	67	
<b>2005</b>	63	71	53	58	73	67	
<b>2004</b>	62	72	54	60	73	65	

## Water Treatment Facilities

Support for public-private partnerships in water treatment facilities had remained consistent between 2004 and 2010 but the sector has experienced an increase in support over the past year. In 2010, about one in two (53%) Canadians supported public-private partnerships whereas almost seven in ten (67%) indicated support this year. This demonstrates that a strong majority of Canadians would stand behind municipal governments looking for an innovative way to provide much-needed water treatment infrastructure.

### Public-Private Partnerships in **Water Treatment Facilities**

Canadians who **Support / Somewhat Support** (%)

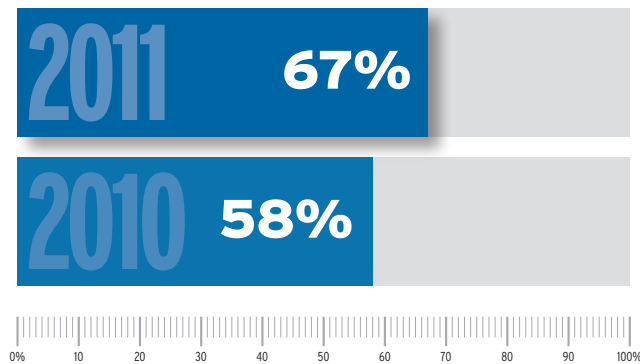


## Sewage Facilities

Support for public-private partnerships in sewage facilities has remained strong over time and it was nine per cent higher this year (67%) compared to 2010 (58%). The support for P3s in sewage facilities was the same level as for water treatment facilities.

### Public-Private Partnerships in **Sewage Facilities**

Canadians who **Support / Somewhat Support** (%)

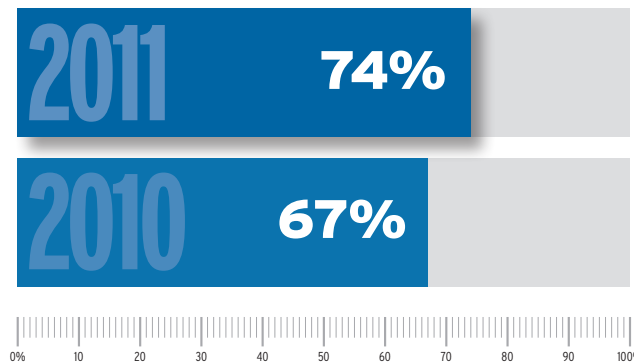


## Transit Systems

Support for public-private partnerships for transit systems has been consistent since 2004 but registered an increase this year. Nearly three in four (73%) Canadians supported public-private partnerships in transit systems compared to about seven in ten (67%) last year. This support may provide an impetus to consider new approaches to the financing, construction, operation and maintenance of transit systems in the face of population growth and traffic congestion.

### Public-Private Partnerships in **Transit Systems**

Canadians who **Support / Somewhat Support** (%)

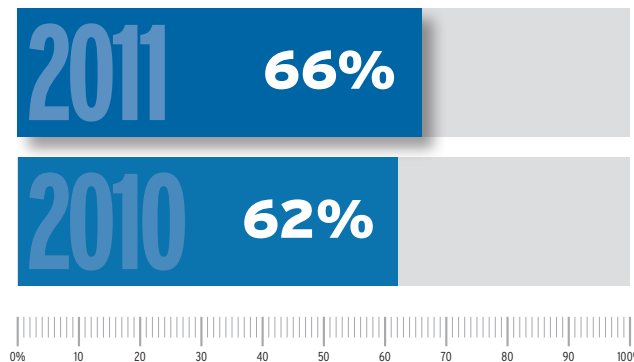


## Schools

While the provinces of Alberta and Nova Scotia are the only ones in Canada that have developed a P3 schools program to date, nearly seven in ten (66%) Canadians support public-private partnerships in this sector. Support has increased four per cent compared to the previous year (62%).

### Public-Private Partnerships in **Schools**

Canadians who **Support / Somewhat Support** (%)

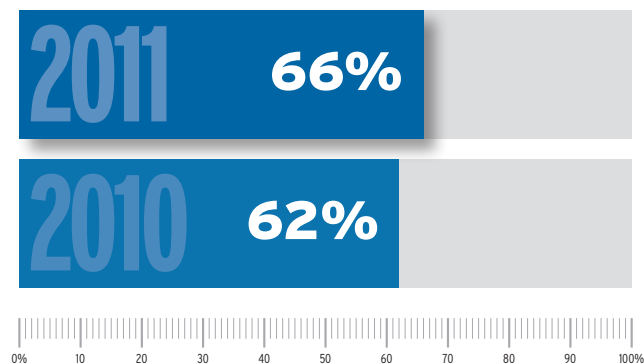


## Hospitals

Hospitals currently represent the largest area of P3 activity in Canada. Over fifty new P3 hospital projects have now been or are in the process of being built. Research in previous years made a distinction between the financing and construction of public hospitals and the operation of non-health related services, whereas the current study had a sectoral approach to the content. Despite this distinction, the current results for support of public-private partnerships in hospitals fell within the range of the previous results. The 2011 survey revealed that the percentage of Canadians who supported (66%) public-private partnerships in the hospital sector fell within the range of the 2010 results.

### Public-Private Partnerships in **Hospitals**

Canadians who **Support / Somewhat Support** (%)



## Roads

Roads are one of the most common areas of government infrastructure to utilize private sector construction and maintenance. Support for private sector involvement in roads has been consistently in the 71-73% range over the past seven years.

## Recreational Facilities

This sector remains the one with the most public support for the P3 model. It has consistently tracked over 70%, with three out of four Canadians supporting P3 recreation complexes in 2011. This level of support is encouraging in view of the growing interest by municipalities in developing recreation facilities.

## The Regional View

Canadian perspectives on public-private partnerships vary from region to region and across sectors as the following charts demonstrate.

### Atlantic Canada

New Brunswick was one of the first provinces to begin using the P3 model in Canada and now has a dedicated office (Partnerships New Brunswick) that is responsible for advising departments and assisting with procurement. Among the Atlantic provinces it is the most active in developing P3 projects in transportation (Trans-Canada Highway, Fredericton-Moncton Highway and Route 1 Gateway) as well as more recently, the Restigouche Hospital and Maritime Radio Communications Initiative.

Support for public private partnerships among Atlantic Canadians is among the highest in the country, especially for recreation facilities, roads, water treatment and sewage systems.

	Hospitals	Roads	Water	Sewage	Recreation	Transit	Schools
<b>2011</b>	<b>72</b>	<b>73</b>	<b>74</b>	<b>72</b>	<b>84</b>	<b>74</b>	<b>67</b>
2010	61	71	65	64	79	73	64
2008	69	77	65	70	76	75	67
2007	65	79	60	72	78	80	63
2006	65	69	59	63	73	73	
2005	64	74	62	67	76	75	
2004	58	67	61	66	77	76	

### Quebec

Quebec has procured several P3s in transportation (Autoroute 25, Autoroute 30, AMT maintenance centre, service areas), L'adresse syphonique in Montreal as well as two large hospital projects (Glen Campus of the McGill University Hospital Centre and the Centre hospitalier de l'Université de Montréal). A number of others are in procurement, including two hospitals and a detention centre.

Residents of Quebec showed contented strong support related to recreation and transit.

	Hospitals	Roads	Water	Sewage	Recreation	Transit	Schools
<b>2011</b>	<b>66</b>	<b>66</b>	<b>65</b>	<b>65</b>	<b>75</b>	<b>76</b>	<b>64</b>
2010	72	76	61	64	75	73	71
2008	74	80	68	68	72	72	72
2007	74	80	64	65	68	70	74
2006	75	80	67	69	75	73	
2005	70	78	63	63	72	68	
2004	69	78	69	69	70	69	

## Ontario

Through its Alternative Financing and Procurement (AFP) initiative, Ontario has developed the most P3 projects in Canada. Thirty-nine projects have been completed, including hospitals, roads, water/wastewater, courthouses and recreation centres. There are 30 projects currently under construction and a further 11 in procurement. Ontario is now considered the most active P3 markets in North America.

Support for public-private partnerships is highest in Ontario. The 2011 survey showed significant increase in support for partnerships related to water and sewage systems, transit and schools.

	Hospitals	Roads	Water	Sewage	Recreation	Transit	Schools
<b>2011</b>	<b>70</b>	<b>76</b>	<b>72</b>	<b>74</b>	<b>78</b>	<b>76</b>	<b>64</b>
<b>2010</b>	57	69	48	52	71	62	58
<b>2008</b>	57	64	47	49	69	60	53
<b>2007</b>	57	68	51	56	70	62	56
<b>2006</b>	54	64	47	52	66	60	
<b>2005</b>	60	67	47	55	72	67	
<b>2004</b>	58	68	45	51	71	59	

## Prairies

In the Prairies, Alberta has seen the most P3 activity with its 28 schools projects, five major road projects in Calgary and Edmonton as well as several water/wastewater projects. In Manitoba, the City of Winnipeg has been leading the municipal sector on P3 with two road projects (Chief Peguis Trail and Disraeli Bridges) as well as a strategic service contract for its wastewater system.

Residents across the Prairies continued to show strong support for P3s. Recreation and transit continue to be areas where support is highest.

	Hospitals	Roads	Water	Sewage	Recreation	Transit	Schools
<b>2011</b>	<b>61</b>	<b>67</b>	<b>65</b>	<b>62</b>	<b>72</b>	<b>70</b>	<b>67</b>
<b>2010</b>	62	75	52	60	78	69	63
<b>2008</b>	60	75	55	61	77	70	60
<b>2007</b>	64	76	57	61	77	67	65
<b>2006</b>	65	80	61	66	81	68	
<b>2005</b>	66	76	57	62	80	69	
<b>2004</b>	61	73	54	60	76	67	

## British Columbia

British Columbia was the first province to form a dedicated P3 agency and now requires projects over \$50 million to be screened for P3 potential. Led by Partnerships BC, the province has procured a number of large road and bridge projects, the well-known Canada Line rapid transit project, eight hospital complexes and is now procuring a pretrial centre in Surrey and a social housing facility in Vancouver. At the municipal level, a small group of cities have developed P3s in recreation and water/wastewater.

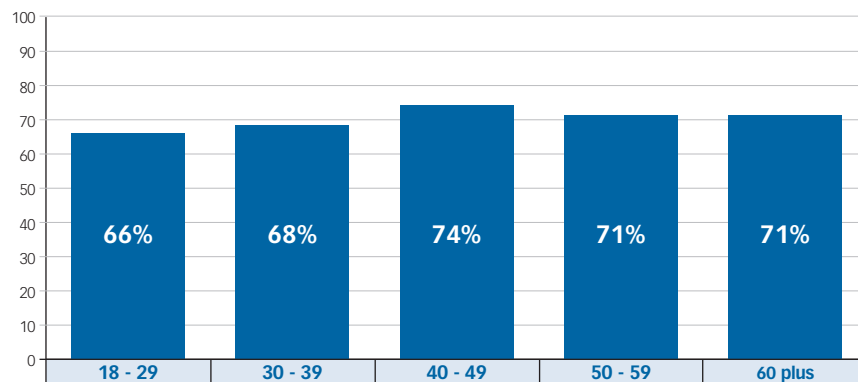
Overall support in British Columbia remains steady. Most areas show only minor variations over the years with the exception of water treatment systems.

	Hospitals	Roads	Water	Sewage	Recreation	Transit	Schools
<b>2011</b>	<b>58</b>	<b>72</b>	<b>60</b>	<b>58</b>	<b>67</b>	<b>67</b>	<b>64</b>
2010	62	71	44	58	73	60	58
2008	60	67	47	57	73	67	57
2007	56	68	46	57	69	62	56
2006	64	72	44	58	75	70	
2005	54	63	43	49	70	56	
2004	66	71	50	63	77	62	

## Strong Support for P3s Among All Age Groups

This year's survey found that Canadians across all age groups were supportive or somewhat supportive of the private sector working in partnership with government to deliver services such as new or improved roads, hospitals, schools, public transit systems and safe water systems. CCPPP's past surveys have shown that the majority of Canadians recognize that governments are having trouble keeping pace with the demands for these types of services. The 2011 findings could mean that there is growing recognition among those of all ages that partnerships between government and the private sector offer an opportunity to better meet current needs as well as build a strong future.

### Support for P3s Cuts Across All Ages: 2011



## Summary and Conclusion

*From the Ground Up* shows that Canadians' support for public-private partnership has grown steadily, and across sectors since 2004 when the Council began to track how Canadians feel about the private sector building infrastructure and delivering services in partnership with the government. Over the past seven years, the support for P3s has increased from 60 to 70 per cent of Canadians.

Despite the continued global economic uncertainty, Canadian P3 projects have a strong track record of success. They are providing new ways of delivering services and building public infrastructure, meeting a critical need in our society and leveraging private capital for the public good<sup>5</sup>. The result is that Canadians get much-needed infrastructure faster and receive long term value for money.

The Canadian experience has shown that, compared to a traditional procurement model, a P3 project brings the innovation and efficiency of the private sector, appropriate sharing of risk while the public sector retains ownership.<sup>4</sup> The very important role of the government is not lost, but continues as the public-sector partner plays a central and critical oversight role. This is what makes public-private partnerships true partnerships and this is why governments continue to engage in them – because it is in the public interest.

The increased support for P3s in transit, water/sewage treatment facilities and schools shown in this year's survey, as well as the strong numbers for P3s in recreation facilities opens up a new avenue for municipalities, First Nation communities and others to explore partnering with the private sector to deliver much-needed infrastructure and services for their residents. This, combined with the overall increase in support for possible public-private partnerships nation wide, can only bolster the success of the next generation of Canadian P3 projects.

[5] Royal Institute of Chartered Surveyors Research: *The Future of Private Finance Initiative and Public Private Partnership*, June 2011 (page 48).

[6] *Dispelling the Myths: A Pan-Canadian Assessment of Public-Private Partnerships for Infrastructure Investments*, The Conference Board of Canada, January 2010.

## Appendix A

### Methodology

The Canadian Council on Public-Private Partnerships (CCPPP) retained Nanos Research to measure and track Canadians' opinions towards public-private partnerships and gain further insight into their awareness and understanding of public-private partnerships. A random telephone sample of 1,209 Canadians 18 years of age and older was conducted between September 25 and October 2, 2011. The margin of error for a sample of 1,209 randomly selected respondents is 2.8 percentage points, plus or minus, 19 times out of 20. Percentages may not add up to 100 due to rounding.

Within the sampling universe, potential respondents were randomly selected to participate in the study. All selected members of the sampling universe who were not available were called back five times. Ten percent of the fieldwork was monitored as part of the firm's quality and data integrity procedures. Validation and testing of key demographic cohorts indicate that the sample profiles were representative of the populations within acceptable margins of statistical accuracy. This research project was completed in accordance with the standards of and registered with the Marketing Research and Intelligence Association of which Nanos Research is a Corporate Gold Seal Member.

### 2011 Questions

*As you may know, there is regular need for new or improved roads, hospitals, schools, public transit systems, safe water systems, and so on. Please tell me if you agree, somewhat agree, somewhat disagree or disagree with the following statement.*

*I am open to the private sector delivering these types of services in partnership with government. In Canada, some governments have created public-private partnerships to construct new public buildings and infrastructure. They remain government owned but there is an arrangement for a private partner to design, build, finance and in some cases maintain these new public facilities. Would you support, somewhat support, somewhat oppose or oppose public-private partnerships in the following areas:*

- *Hospitals*
- *Roads*
- *Water Treatment Facilities*
- *Water Sewage Facilities*
- *Recreation Facilities*
- *Transit Systems*
- *Schools*

## Comparison of tracking questions fine-tuned in 2011

The following table compares the 2010 and 2011 tracking questions.  
A review of the data suggests that results are comparable year over year.

TRACKING	2010	2011
Introduction	<p>A. We see a lot in the media these days about the need for new or improved roads, hospitals, schools, public transit systems, safe water systems, supplies of electricity and so on.</p> <p>B. If your access to services remained the same, if the quality of services was the same or better, and if the cost to you was no more than if the government was providing the services.</p>	<p>A. As you may know, there is regular need for new or improved roads, hospitals, schools, public transit systems, safe water systems, and so on.</p> <p>B. In Canada, some governments have created public-private partnerships to construct new public buildings and infrastructure. They remain government owned but there is an arrangement for a private partner to design, build, finance and in some cases maintain these new public facilities.</p>
Response scale	<p>A. Four-point scale (strongly agree, somewhat agree, somewhat disagree or strongly disagree).</p> <p>B. Two-point scale (support or oppose)</p>	<p>A. Four-point scale (agree, somewhat agree, somewhat disagree or disagree)</p> <p>B. Four-point scale (support, somewhat support, somewhat oppose or oppose)</p>
Private sector	It is time to allow the private sector to deliver these types of services in partnership with government.	I am open to the private sector delivering these types of services in partnership with government.
Hospitals	The financing and construction of public hospitals; The operation of non-health related services in public hospitals such as cleaning and cafeterias	Hospitals
Roads	The construction and maintenance of roads	Roads
Water treatment facilities	The operation of public water treatment facilities	Water treatment facilities
Water sewage facilities	The operation of public sewage treatment facilities	Water sewage facilities
Recreation facilities	The construction and operation of public recreation facilities, such as public pools and ice rinks	Recreation facilities
Transit systems	The operation of public transit systems	Transit systems
Schools	The financing, construction, and facility maintenance of public schools	Schools

Extra copies of this publication may be ordered by contacting:

The Canadian Council for Public-Private Partnerships

Toronto, Ontario

Phone:

416.861.0500

email:

partners@pppcouncil.ca

[www.pppcouncil.ca](http://www.pppcouncil.ca)

**The Canadian Council for  
Public-Private Partnerships**



**Le Conseil Canadien pour  
les Partenariats Public-Privé**