

Liberals face data deficit in deciding on infrastructure spending: documents

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The Liberals have made it a point to say that they want to make policy decisions based on the best available evidence. It's an off-shoot of their campaign criticism of the previous Conservative government's policy-making process.

Briefing material provided to Amarjeet Sohi, the country's new infrastructure minister, suggests the government will have to rely on limited data on the state of roads, bridges, highways, water and sewer systems when deciding where to spend money.

The documents, newly obtained by The Canadian Press under the Access to Information Act, say the federal government will not be able to make "strategic, evidence-based investment decisions" without better information.

Infrastructure Canada officials even suggested the government could pay for its own research about the so-called infrastructure deficit, which has been estimated to range from \$50 billion to \$130 billion. Various studies take different paths to arrive at different financial figures.

While there is no national database on specific pieces of infrastructure that need work, municipalities keep detailed information on the state of their infrastructure that they use when prioritizing work and applying for federal funding.

"It's important that any investment plan recognizes that municipalities are best positioned to decide which projects will provide the biggest boost to the economy and the greatest improvement to the quality of life to people in their communities," said Raymond Louie, president of the Federation of Canadian Municipalities.

He said the federation is in talks with the government to make sure the new cash will be predictable, to help cities plan future work.

The November briefing material warned the minister that simply throwing more money at the problem isn't going to help cut the infrastructure deficit. Department officials wrote that the stewards of the infrastructure — municipalities for the most part — must have "sound asset-management practices."

"Increased funding or alternative financing solutions in the absence of sustainable practices and strategic investment decisions will not address Canada's wide ranging infrastructure needs — nor can it serve to protect the investments being made," the documents said.

The Liberals have promised to increase infrastructure spending by an average of \$6 billion a year over the next 10 years, raising the federal investment to \$125 billion during that time.

The extra money is supposed to be spread equally to public transit projects, green infrastructure, such as wastewater facilities, and social infrastructure like affordable housing.

The Liberals made running deficits of up to \$10 billion a year to pay for the infrastructure program a key election promise. They hope the money will jolt the economy and raise federal revenues, helping to pay for their spending promises and balance the budget in four years.

An internal department evaluation of the Liberal platform, written in September before the Liberals won their majority on Oct. 19, said the new government will need to "make difficult choices" on where to spend the money and how to "maximize federal investments."

Still, the extra money doesn't reach the full amount that provinces, territories and cities have long sought from the federal government. Provincial leaders in the past have asked the federal government to set infrastructure commitments at two per cent of GDP, which would be about \$35.5 billion, Sohi was told, again with the caveat that extra cash alone won't help.

"Notional targets or measures such as infrastructure deficits or GDP benchmarks do little to guide investment decisions or provide a sense of priorities (particularly given the current fiscal challenges faced by all levels of government)," officials wrote in Sohi's briefing binder.

Jordan Press, The Canadian Press