



Infrastructure Canada

Departmental Performance Report

For the period ending
March 31, 2005



The Honourable John Godfrey
Minister of State (Infrastructure and Communities)



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Section I: Overview

Minister's Message

Quality of life in Canada relies on strong, vibrant and sustainable cities and communities.

Over the past year, the Government of Canada has made good progress towards meeting one of its main commitments – the New Deal for Cities and Communities. Gas tax and infrastructure agreements with provinces and territories have been concluded and we are working with the remaining provinces and territories to conclude agreements by year-end. In addition, we will soon start a round of discussions to arrive at public transit agreements. This will allow us to intensify our cooperation on a wide range of issues to ensure the sustainability of Canada's cities and communities. We will continue to do so in the full respect of provincial and territorial jurisdictions.

Cities and communities need stable, predictable, long-term funding. The 2005 Budget reiterated the Government's commitment to transfer \$5 billion over five years through the gas tax to municipalities in Canada. These funds will be targeted toward environmentally sustainable municipal infrastructure. The funds provide communities with flexibility to meet local priorities while supporting national objectives, such as reducing greenhouse gases.

The New Deal is about more than just money. It is about implementing a long-term vision of the role that Canada's cities and communities should play in our future prosperity and quality of life. It is only through collective action that we can create the success of our communities. And this success is fundamental to Canadians' quality of life and to the progress and prosperity of Canada.



John Godfrey



As we look to the year ahead, we will be pursuing the Government's ambitious agenda by delivering tangible benefits to Canadians in their communities. And we will move along that path in close and effective partnership with provinces, territories, municipalities and their associations and with a host of stakeholders.



John Godfrey
Minister of State (Infrastructure and Communities)



Deputy Minister's Message

I am proud to report again on the contributions of Infrastructure Canada to the Government of Canada's priorities, particularly the New Deal for Cities and Communities. The numerous achievements of the past year indisputably testify to the Department's continuing evolution as an increasingly important partner in the success of Canadians' communities and municipalities.

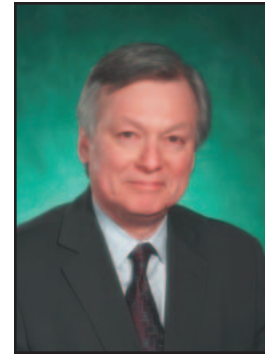
The Department remains committed to supporting sustainable communities and infrastructure across Canada to ensure quality of life, a healthy environment, socio-economic growth, innovation and international trade. That commitment is reflected in this report. I am confident that the work we have done and the foundation we have laid will enable us to move forward successfully with the priorities laid out in the following pages.

Since the Honourable John Godfrey's appointment as Minister of State (Infrastructure and Communities), the New Deal for Cities and Communities has progressed significantly with the signing of agreements with several provinces and territories.

The implementation and management of infrastructure projects and the signing of agreements under the Municipal Rural Infrastructure Fund with provinces and territories also show our corporate commitment to this Government investment in Canadian citizens' quality of life.

An emerging priority for the Department is what I call the infrastructure for public infrastructure. Building on the InfraGuide experience, we have expanded our efforts to provide a range of tools to support the infrastructure community.

Over the past year, Infrastructure Canada successfully launched its first public funding program for research, aiming particularly to improve understanding of public infrastructure issues. We were proud to note that this project, currently in its second phase, was a great success. And we recently launched the second component – peer-reviewed research. The acquisition and sharing of knowledge are critical to the success of our programs. And it is a significant contribution to our partnerships and collaborations with others.



André Juneau



Management Representation Statement

I submit for tabling in Parliament, the 2004-05 Departmental Performance Report (DPR) for Infrastructure Canada.

This document has been prepared based on the reporting principles contained in the Treasury Board of Canada Secretariat's *Guide for the preparation of 2004-2005 Departmental Performance Reports*:

- It adheres to the specific reporting requirements;
- It uses an approved Program Activity Architecture;
- It presents consistent, comprehensive, balanced and accurate information;
- It provides a basis of accountability for the results pursued or achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Signed: *Bob Jew*

Title: Deputy Minister

Date: SEP 30 2005



1.1 Summary Information

This *Departmental Performance Report* presents information on the activities and achievements of Infrastructure Canada in fiscal year 2004-2005 with respect to its strategic outcome, plans, priorities and expected results.

The Report has been prepared for Parliamentarians and interested members of the public.

Departmental Mission

Canada's quality of life depends, in part, on the vitality of its cities and communities. The mission of Infrastructure Canada is to help build sustainable Canadian communities where Canadians benefit from world-class public infrastructure.

The Department works with its key public and private sector partners to develop, influence and invest in Canada's communities and public infrastructure, providing benefits for Canadians such as improved quality of life, sustainable communities, economic growth and enhanced international trade. It also leads the Government's efforts to implement a New Deal for Cities and Communities. The New Deal is focused on establishing a long term vision for Canada's communities, building new relationships among all orders of government and with other partners, providing predictable and stable long-term funding, and improving the coherence among federal programs that benefit cities and communities.



Jim Moyes

Background

Infrastructure Canada was established in 2002 to lead the Government of Canada's effort to address the infrastructure challenges of Canadian cities, communities and regions, through research, policies and funding programs. Since then, the Department has evolved to become a centre of expertise for infrastructure management and the federal focal point for cities and communities issues.

During 2003, four Crown corporations that are today part of the Infrastructure Canada portfolio were transferred from the Minister of Transport to the Minister of State (Infrastructure). The four



were the Canada Lands Company Limited, the Old Port of Montréal Corporation Inc., Parc Downsview Park Inc., and Queens Quay West Land Corporation. Each of these Crown corporations supports the federal commitment to cities and communities through activities such as redeveloping surplus federal lands to meet community needs, providing green space in urban areas, and supporting recreational and cultural activities.

Budget 2004 committed the Government of Canada to a New Deal for Cities and Communities. Through the New Deal, the Government set forth a vision for building healthy and vibrant cities and communities across the country.

In July 2004, the position of Minister of State (Infrastructure and Communities) was created, with a dedicated portfolio established for the Department. At the same time, the mandate to pursue the New Deal was transferred from the Privy Council Office to Infrastructure Canada.

Budget 2005 confirmed an annual allocation of a portion of the federal gas tax through the next five years and emphasized the Government's continued commitment to communities of all sizes in all regions. The Budget also committed the Government to a replenishment of the infrastructure funds and underlined how these funds complement the gas tax fund.

Financial and human resources for the Department are summarized in Tables 1 and 2.

Table 1: Total Financial Resources for the Department, 2004-2005

(Net Cost of Program in \$ thousands)

Planned Spending	Total Authorities	Actual Spending
\$594,995	\$536,608	\$253,163

Table 2: Total Human Resources for the Department

(FTEs)

Planned	Actual	Difference
127	179	52



Summary of Departmental Performance

Infrastructure Canada has one Strategic Outcome that it strived to achieve for this reporting period: *to meet the priorities of Canadians for infrastructure in order to contribute to quality of life, a healthy environment, economic growth, rural and urban development, innovation and international trade.*

This strategic outcome will be revised to better reflect the recent expansion of the Department's responsibilities, and in particular its role in advancing the Government's New Deal for Cities and Communities.

The Department also established three priorities during this reporting period:

1. Advancing the New Deal for Cities and Communities
2. Managing and leveraging investments to improve the state of sustainable infrastructure
3. Building, connecting and sharing knowledge.

The priorities represent a change from those set out in the *2004-2005 Report on Plans and Priorities* (see Table 3).

Table 3: Comparison of Departmental Priorities

(Current priorities and those of the 2004-2005 Report on Plans and Priorities)

Current Priority	Former Priority	Reason for Change
1. Advancing the New Deal for Cities and Communities	None	Added to reflect government-wide priority to cities and communities, following transfer of responsibility for the New Deal from Privy Council Office
2. Managing and leveraging investments to improve the state of sustainable infrastructures	1. Coordinating federal investments in infrastructure projects	Re-phrased to better reflect program area
3. Building, connecting and sharing knowledge	2. Enhancing knowledge and outreach on infrastructure issues	Re-phrased to better reflect program area
	3. Building an effective organization to deliver its mandate	Department remains strongly committed to ensuring organizational effectiveness, though no longer identified as one of the top three priorities



Table 4 summarizes the Department's Performance in fiscal year 2004-2005 in relation to its strategic outcome and three priorities.

Table 4: Summary of Performance in Relationship to Departmental Strategic Outcomes, Priorities and Commitments

Strategic Outcome: To meet the priorities of Canadians for infrastructure in order to contribute to quality of life, a healthy environment, economic growth, rural and urban development, innovation and international trade.		
Priority	Type	Expected Results and Current Status
1. Advancing the New Deal for Cities and Communities	New	<p>√ Successfully met expectations (for reporting period, program development ongoing)</p> <ul style="list-style-type: none"> • Ministerial consultations held with municipalities • Negotiations with provinces/territories initiated for sharing of federal gas tax revenue • Interdepartmental baseline research conducted of Canadians' awareness of infrastructure and communities issues • Developing shared vision through work of External Advisory Committee on Cities and Communities
2. Managing and leveraging investments to improve the state of sustainable infrastructures	Ongoing	<p>√ Successfully met expectations (for reporting period, fund implementation ongoing)</p> <ul style="list-style-type: none"> • Management of 4 infrastructure funding programs • 11 agreements signed under Canada Strategic Infrastructure Fund and 4 under Border Infrastructure Fund • 9 new Canada Strategic Infrastructure Fund projects announced (more than \$225 million in federal funding) • 1 new Border Infrastructure Fund project announced (\$4 million) • 461 additional Infrastructure Canada Program projects supported • Terms and conditions established for Municipal Rural Infrastructure Fund, 6 agreements signed with provincial/territorial governments, and 2 projects announced (\$5.4 million) • Introduced the Municipal Capacity Building component within the Municipal Rural Infrastructure Fund



Table 4: Summary of Performance in Relationship to Departmental Strategic Outcomes, Priorities and Commitments (continued)

Strategic Outcome: To meet the priorities of Canadians for infrastructure in order to contribute to quality of life, a healthy environment, economic growth, rural and urban development, innovation and international trade.		
Priority	Type	Expected Results and Current Status
3. Building, connecting and sharing knowledge	Ongoing	<p>√ Successfully met expectations (for reporting period)</p> <ul style="list-style-type: none"> • 23 research studies on infrastructure and communities, covering the Department's 6 research priority areas, completed and disseminated • \$25 million, 5-year Knowledge, Outreach and Awareness funding program launched • Development of research partnerships within the federal family and beyond • Web-based Research Gateway enhanced to reflect the role of cities and communities research and to further promote knowledge transfer • InfraGuide Phase 2 completed, evaluation launched and renewal for 1 year • Enhancement of on-line information management system for managing infrastructure programs (SIMSI), including integration of data on the funding programs

Reporting Framework

Consistent with guidance provided by the Treasury Board of Canada Secretariat, this *Departmental Performance Report* and the accompanying financial tables are presented using the new Program Activity Architecture (PAA) Framework. The most recent PAA structure is being used to reflect the current priorities and areas of progress in Infrastructure Canada.

Under the new PAA, Infrastructure Canada has three major program activity areas:

- Infrastructure and Communities;
- Crown Corporations Portfolio Management; and
- Departmental Administration.

Section II provides details on departmental performance under the first two of these program activity areas. Background information on the third activity area, departmental administration, is presented in Section IV of the report, *Other Items of Interest*.



1.2 Overall Departmental Performance

Section 1.2 provides context and details for the information presented in Table 4.

1.2.1 Departmental Context

Operating Environment

Infrastructure Canada is managed on a day-to-day basis by a Deputy Minister, assisted by an Associate Deputy Minister and four Assistant Deputy Ministers. Section III provides more information on the departmental organization.

The operating environment of Infrastructure Canada is characterized by a strong focus on building partnerships, its role as a centre of expertise for infrastructure management and the federal focal point for cities and communities issues, and a commitment to sustainability.

Building Effective Partnerships

Infrastructure Canada's success in achieving departmental and Government objectives depends largely on maintaining and enhancing well-established collaborative partnerships among a diverse range of groups, including other federal departments and agencies, several Crown corporations, the provinces and territories, municipalities, First Nations and other stakeholders. The complex challenges that play out in cities and communities require a coordinated approach if workable solutions are to be found. A partnered approach is essential and approaches must be tailored to address the circumstances of different communities: urban and rural, large and small.

For example, undertaking the primary responsibility for advancing the Government's New Deal for Cities and Communities has placed the Department in a lead role in developing partnerships with provinces, territories, municipalities and municipal associations across the country. Through these partnerships, the Department seeks to develop a shared vision for the future of Canada's cities and communities.

The Department works with its partners to provide stable, long-term funding to respond to infrastructure challenges. It also undertakes, supports and coordinates with other partners research generation and knowledge sharing related to public infrastructure.



Centre of Expertise

Over the past three years, Infrastructure Canada has evolved into a centre of expertise for leading the Government's efforts to strengthen the future of Canadian cities and communities. This expertise is based on its responsibility for leading the New Deal, implementing a range of infrastructure funding programs, addressing research and knowledge requirements, and looking ahead to Canada's emerging role in international urban policy initiatives.

An important component of this role is the coordination of a variety of infrastructure investments and initiatives undertaken by other federal departments and agencies. A priority of the New Deal is to ensure that these federal departments and agencies work together more effectively and better communicate to Canadians the full range of their activities in cities and communities.



Jim Moyes

Promoting Sustainability

Infrastructure Canada's operating environment is characterized by a strong commitment to sustainability of Canada's cities and communities. Sustainability of cities and communities has four pillars:

- *economic* sustainability, in terms of prosperity, innovation and access to opportunities;
- *social* sustainability, in terms of equity and quality of life;
- *cultural* sustainability, in terms of diversity, participation and creativity; and
- *environmental* sustainability, in terms of human and ecosystem health and resource efficiency.



The Department works to achieve sustainability through a variety of mechanisms. For example, it adopted an innovative policy-leveraging approach in its community infrastructure funding that has included attention to such issues as climate change and water and energy conservation in projects receiving federal funding. Under this program, at least 60% of the overall total contribution, representing at least 40% of the total contribution in any one province or territory, is targeted toward projects with direct environmental and human health benefits. Water projects funded under these programs must address the issues of metering and pricing, and any new buildings must exceed the energy efficiency requirements of the Model National Energy Code for Buildings by 25%.

In addition, the Department ensures that environmental assessments are conducted for most projects it supports so that the projects do not result in significant adverse environmental effects. These environmental assessments are conducted under the *Canadian Environmental Assessment Act* or, depending on the location, under a harmonized approach with the partnering provincial government.

Challenges

Infrastructure Canada must address several important challenges in its efforts to coordinate and manage programs to build a world-class public infrastructure for Canada, and to take the lead in advancing the Government's New Deal for Cities and Communities.

Dependence on Partnerships for Delivery

Building sustained relationships based on shared values, trust and open communications is a long-term proposition. The Department's dependence on partners for delivering most of its programs and services presents several challenges. Not all project proponents have the same capacity (in terms of human and financial resources and expertise) to implement projects effectively. Insufficient capability could lead to reduction in a proponent's project scope, cost overruns, and project delays that may put public investments at risk. While the Department has limited control over the delivery capacities or activities of its project proponents, it retains ultimate responsibility for the use of contribution infrastructure funds.

Balancing Funding Priorities

Balancing priorities for funding among different partners with varying needs represents a significant challenge. No single order of government alone can address the infrastructure needs across the country. Partnerships among all orders of government are essential. Through its infrastructure programs, the Department works with



provincial, territorial, local governments, First Nations and other partners, to collaboratively fund projects that are identified by provinces, territories and municipalities as their top priorities. At the same time, it must find an equitable balance among jurisdictions, recognizing distinct and sometimes competing agendas.

Influence of External Factors

Many of Infrastructure Canada's projects are subject to a wide variety of human and environmental related events, given their wide geographic coverage and long horizon for completion. Projects and investments may be adversely affected by natural disasters (such as floods or ice storms), as well as by sudden changes in local or regional political, social and economic circumstances. Additionally, the Department must remain fully alert as to potential legal issues or decisions that may be made outside the context of its projects, but that may have a serious implication on program delivery aspects.

Long-term Nature of Infrastructure Investments

The Department must be held accountable for demonstrating results of its investments and decisions on behalf of Canadian taxpayers. However, several factors may impair the availability of program result information and in turn the Department's ability to demonstrate tangible progress and results. For example, the benefits of many of the infrastructure funding programs, as well as the New Deal for Cities and Communities, may not be immediately apparent, and may only arise over a long period of time, given the multi-year development and implementation of projects.

Enhancing the Knowledge Base

The Department must address a number of challenges related to knowledge in carrying out its responsibilities. On the research side, there are three important issues. First, important knowledge gaps remain regarding both infrastructure and communities issues (including: the state of infrastructure in different communities across the country; the economic, social, cultural and environmental impacts of infrastructure at the community level; and the kind of infrastructure Canada requires to meet its objectives in the 21st century). Second,



Infrastructure Canada



there is a need to foster a stronger, more multi-disciplinary community of researchers interested in infrastructure and communities issues and willing and able to generate policy-relevant research. A third challenge concerns knowledge dissemination and transfer — how to ensure that those who need the available knowledge and data have access to it on a timely basis.

Challenges also arise with respect to improving public awareness and understanding of infrastructure and communities issues. In a poll in December 2004, 91% of Canadians rated modern infrastructure as very important or important in making a community “a desirable location in which to live or work”. However, research found there was little desire among respondents for more compact communities, and a limited understanding of issues relating to urban sprawl. This finding suggests there may be a difference between what Canadians say they value in terms of sustainable development and public infrastructure, and what their actions demonstrate. While Canadians clearly view investment in infrastructure as a priority, they are sometimes unclear on what is truly meant by the term “infrastructure”, often equating it with roads, rather than public transit, or water treatment, for example. Challenges remain in increasing the understanding of infrastructure issues among Canadians, generating awareness of the federal contribution to infrastructure in Canada, and in raising awareness of how sustainable development and infrastructure choices are linked.

Departmental Capacity Needs

Finally, the Department operates in a highly complex, visible and rapidly evolving environment of multiple jurisdictions, community priorities and emerging opportunities. It must continue to adapt to ensure its effectiveness and efficiency. It must have in place the necessary management structures, partnerships, human resources and capability, financial resources and information management tools to effectively carry out its mission on behalf of the Government and to sustain the partnerships it needs to ensure success.

1.2.2 Progress by Departmental Priorities

In fiscal year 2004-2005, Infrastructure Canada successfully met expectations in responding to the challenges it faced and achieving its mission. The Department established the management accountability frameworks, structures, policies and processes required to function as a separate department, effectively manage national infrastructure programs, and advance the New Deal for Cities and Communities.



1. Advancing the New Deal for Cities and Communities

Infrastructure Canada is responsible for promoting and leading the Government's New Deal for Cities and Communities, announced in Budget 2004. The objectives of the New Deal are to work in partnership with the provinces and territories, First Nations, municipalities and other stakeholders to:

- develop and implement a vision for ensuring the economic, social, cultural and environmental sustainability of Canada's cities and communities;
- assist municipalities in securing stable, predictable and long-term funding;
- give municipalities a stronger voice in decisions that affect them; and
- help equip communities to develop local solutions for local problems, including seeking opportunities for agreements to address specific issues.

During the reporting period, the Government of Canada and the Department successfully advanced the New Deal on several fronts.

In Budget 2004, the Government of Canada announced its commitment to provide historically unparalleled levels of funding to municipalities in the form of a 100% rebate on the Goods and Services tax for municipalities. This decision will result in \$7 billion over 10 years in unconditional funding for municipalities. In addition, the Government committed \$5 billion in stable funding to be provided to municipalities over five years through sharing of federal gas tax revenue with Canada's cities and communities. In Budget 2005, the Government committed to continuing to share the federal gas tax revenue with municipalities beyond the initial five-year period.



Infrastructure Canada



The Prime Minister's External Advisory Committee on Cities and Communities continued to work on developing a long-term shared vision of the role that cities and communities should play in sustaining Canada's prosperity.

Under the New Deal, the Government is committed to building new relationships among all orders of government and with other partners. The Minister and the Department consulted extensively with provincial, territorial and municipal leaders and associations to help build partnerships for communities. In November 2004, the Minister met with provincial and territorial ministers responsible for local government, the first such meeting in more than 20 years. They discussed the New Deal and the process for allocating federal gas tax revenues. In February 2005, the Minister outlined to his provincial and territorial counterparts the details of how he would negotiate the agreements for the sharing of the federal gas tax revenues with each jurisdiction.

The Department, in cooperation with several other federal departments, also commissioned research on Canadians' views of community life. The survey found that Canadians consider modern infrastructure as one of the most important factors contributing to the quality of life of their cities and communities. The findings will provide a baseline understanding of the views of Canadians on issues facing their cities and communities.

2. Managing and leveraging investments to improve the state of sustainable infrastructure

Infrastructure Canada seeks to maximize economic, social, cultural and environmental benefits for Canadians through investments in public infrastructure in a coordinated manner with provincial, territorial and municipal governments, and First Nations.

During the reporting period, Infrastructure Canada managed four funds, each tailored to distinct needs and requirements providing investments in Canada's priority infrastructure needs.

In Budget 2005, the Government committed to the extension of infrastructure programs and stipulated that these funds would be over and above the gas tax commitments.

Over the past fiscal year, the Department implemented its two strategic funds. It committed more than \$225 million towards an additional nine Canada Strategic Infrastructure Fund (CSIF) projects, and an additional \$4 million towards a new Border Infrastructure Fund (BIF) project.

Infrastructure Canada continued to work with its federal delivery partners to meet community infrastructure needs through the

existing Infrastructure Canada Program (ICP) funding. Under the ICP, more than 3,400 projects have been approved since 2000, including 461 in fiscal year 2004-2005, to protect the environment and support long-term community and economic needs. By the end of the fiscal year, most of the \$2.05 billion in ICP funding available had either been committed to approved projects or notionally allocated to those that are under review.

Budget 2003 established the second of the community funds, the MRIF. In fiscal year 2004-2005, program terms and conditions were approved by Treasury Board, negotiations were initiated with all provinces and territories and agreements were signed with six jurisdictions. Furthermore, two projects were approved during the year, with a federal contribution of \$5.4 million. This fund will help address public infrastructure needs of communities, particularly small and remote ones, throughout Canada. Eligible projects categories include water, wastewater, cultural and recreational infrastructure.

A capacity building component was established within MRIF to allow interested jurisdictions to apply up to 1% of their allocation towards projects that will help communities enhance knowledge of their existing infrastructure assets, better evaluate life-cycle costs associated with the infrastructure they own and operate, better assess the capacity of current infrastructure and identify future needs, better plan and make infrastructure funding decisions, and better train municipal staff in long-term infrastructure management.

3. Building, connecting and sharing knowledge

Infrastructure Canada seeks to develop and share knowledge about communities and infrastructure by: identifying priority areas for research; carrying out a variety of research activities to support policy development; collaborating with those who create and use knowledge about infrastructure and communities to develop more effective ways to share and transfer it and ensure it is available to support policy and decision making; and communicating with Canadians about the fundamental role infrastructure plays in their lives and their communities.

Infrastructure Canada continued to undertake activities in all of its major program activity areas in fiscal year 2004-2005 in support of building, connecting and sharing knowledge.

The Department completed and disseminated 23 research studies on infrastructure and communities, covering its six research priorities.

A new five-year, \$25-million Knowledge, Outreach and Awareness funding initiative was launched to enhance implementation of the Department's *Research Strategy*. The first call for proposals was



completed under the first component of the initiative, the Knowledge-building, Outreach and Awareness program in fiscal year 2004-2005. The first call yielded more than 160 proposals from across the country seeking more than \$43 million in funding.

The Research Gateway, the primary Web-based tool of the Department for sharing and promoting research on infrastructure and communities, was strengthened to allow for easier use and improved responsiveness to the requirements of departmental partners. In addition, an on-line Register of Research was introduced as a searchable database through the Research Gateway.



Jim Moyes

The Department continued to work closely during the reporting period with research partners from across the federal government and other orders of government, university-based researchers, think tanks, professional associations and others experts in pursuit of its knowledge generation, community-building and knowledge transfer objectives. For example, the Department continued to chair and provide leadership for the federal government's first Assistant Deputy Minister-level Network on Infrastructure Research, as well as its Horizontal Research Roundtable on Infrastructure. It also formalized a research partnership with Statistics Canada covering three projects beginning in the reporting period, and contributed a leading role to a new international study looking at the future of infrastructure and implications for various public and private interests.

Phase II of the Department's InfraGuide, the National Guide for Sustainable Municipal Infrastructure, was completed. The Department also committed to renewing the project for one additional year, reflecting the value of the best practices guide as an information tool for municipalities. A summative evaluation of Phase II was



initiated to provide the basis for decisions regarding future funding for the project, as well as recommendations to better position the InfraGuide to achieve its objectives.

The Department also strengthened its Internet-enabled database system (the Shared Information Management System for Infrastructure, or SIMSI) to track the large number of project requests, financial and other transactions involved in managing the community-based programs. This system allows local communities to enter their proposals, and to have all stages of evaluation, approval and execution tracked. In fiscal year 2004-2005, new modules to enter information on CSIF and BIF projects were created and enhancements were made to encourage all jurisdictions to use SIMSI as the database of choice for project application, processing, assessment and other administrative tasks for MRIF.

1.2.3 Alignment with Government of Canada Outcomes

The *Annual Report to Parliament: Canada's Performance* tracks, from a "whole of government perspective", how Canada is doing as a nation under four broad priority performance themes: Sustainable Economy; Canada's Social Foundations; Canada's Place in the World; and, Aboriginal Peoples. The themes are subdivided into "Government of Canada Outcomes", the long-term and enduring benefits to Canadians that federal departments and agencies are working to achieve.



Table 5 identifies the Department’s program activities that aligned with 10 of the Government of Canada outcomes. Details on each of the program activities and sub-activities are provided in Section II.

Table 5: Alignment of Infrastructure Canada Program Activities with Government of Canada Outcomes

Government of Canada Performance Theme and Outcomes	Infrastructure Canada Program Activity
<p><i>Sustainable Economy:</i></p> <ul style="list-style-type: none"> • Sustainable economic growth • An innovative and knowledge-based economy • Income security and employment for Canadians • A fair and secure marketplace • A clean and healthy environment 	<p>Infrastructure and Communities Crown Corporations Portfolio Management</p>
<p><i>Canada’s Social Foundations:</i></p> <ul style="list-style-type: none"> • A Vibrant Canadian Culture and Heritage • Safe and Secure Communities 	<p>Infrastructure and Communities Crown Corporations Portfolio Management</p>
<p><i>Canada’s Place in the World</i></p> <ul style="list-style-type: none"> • A Strong and Mutually Beneficial North American Partnership 	<p>Infrastructure and Communities</p>
<p><i>Aboriginal Peoples</i></p> <ul style="list-style-type: none"> • Safe and Sustainable Communities • Housing 	<p>While “Infrastructure and Communities” contributes to these outcome areas, it is not noted in Canada’s Performance Report, because the reporting structure – Aboriginal Horizontal Framework (or Outcome Map) – does not capture programs of general application that also benefit Aboriginal peoples such as those delivered by Regional Development Agencies. Also, since the map does not capture Northern programs, it does not fully reflect the range of programs and expenditures available to all aboriginals.</p>



Section II: Analysis of Performance by Strategic Outcome

Section II presents an analysis of the performance of Infrastructure Canada in fiscal year 2004-2005 related to its strategic outcome and priorities. As noted in Section I, the performance analysis applies the Department's new Program Activity Architecture (PAA) framework established during the reporting period (see Figure 1). During this period, the Government initiated a number of changes that recognized the increasing importance of infrastructure in supporting its agenda. These changes included organizational changes to Infrastructure Canada that resulted in new program activities being incorporated into the Department. The changes, along with the experience gained in implementing infrastructure programs and developing departmental management accountability and reporting structures, required a new structure for departmental planning and reporting. This structure better reflects the departmental achievement areas and sets the stage for reporting on performance both now and in the years ahead.

Under its PAA framework, Infrastructure Canada has established the following three program activity areas:

Infrastructure and Communities

This Program Activity consists of providing policy advice, program operations, research and analysis, communications and information systems to support investments in infrastructure and infrastructure-related research projects across Canada through managing and administering core funding programs. It also includes developing new relationships with cities and communities, ensuring a coherent federal approach to cities and communities, and helping ensure their sustainability through stable, long term funding,

Crown Corporations Portfolio Management

This Program Activity is the focal point for providing support to the Minister in his responsibilities for four specific Crown corporations in the Infrastructure and Communities Portfolio.

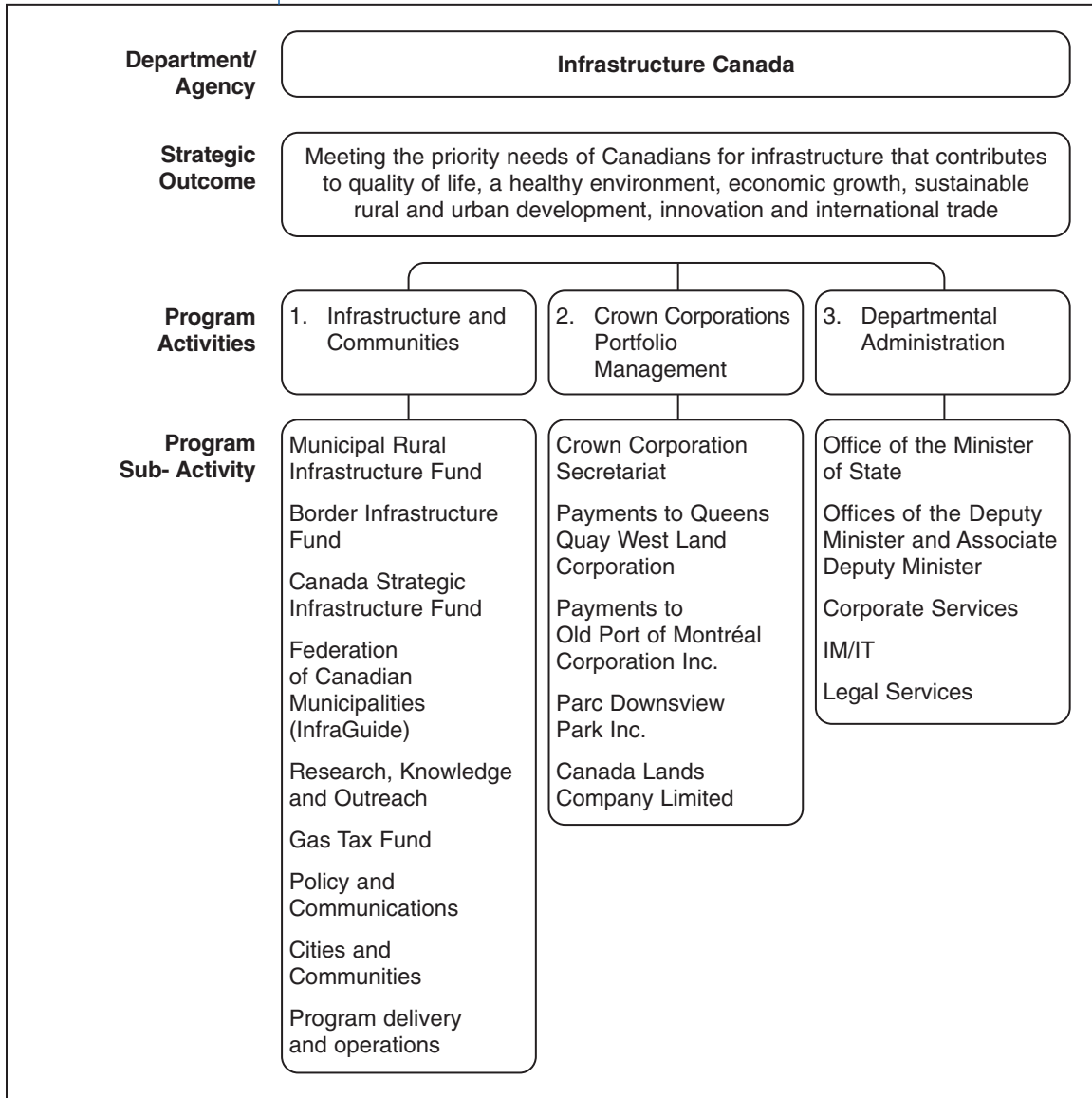
Departmental Administration

This Program Activity encompasses the Office of the Minister of State, the Office of the Deputy Minister and Associate Deputy Minister, Corporate Services, Information Management/ Information Technology and Legal Services.



Section II provides details on departmental performance under the first two of these program activity areas. Background information on the third activity area is presented in Section IV of the report, *Other Items of Interest*.

Figure 1: Program Activity Architecture



2.1 Infrastructure and Communities

The Infrastructure and Communities program activity has three major sub-activity areas:

1. Cities and Communities;
2. Infrastructure Programming; and
3. Research.

Table 6: Financial and Human Resource Requirements, Infrastructure and Communities, 2004-2005

(\$ thousands)

Main Estimates	Planned Spending	Total Authorities	Actual Spending	FTEs Actual
\$418,298	\$587,715	\$500,022	\$217,913	115

2.1.1 Cities and Communities

Description

This program sub-activity contributes to the mandate of the Infrastructure and Communities portfolio by providing leadership and coordination in the development of a New Deal for Cities and Communities. The Cities and Communities Branch within Infrastructure Canada works to improve policy integration on socio-economic, environmental, infrastructure and cultural issues related to cities and communities. Beginning in fiscal year 2005-2006, it also will negotiate agreements with provinces, territories and First Nations on the federal gas tax transfer.

As the focal point for the Government of Canada's cities and communities agenda, it advises and serves the Minister of State (Infrastructure and Communities) and the Prime Minister on cities and communities' issues of national importance, and provides support to the External Advisory Committee on Cities and Communities.



Expected Results and Performance Measurement

The expected result under this program sub-activity is that the New Deal for Cities and Communities will result in a long-term vision and concrete action plan that includes measurable results for economic, social, cultural and environmental sustainability, along with associated responsibilities for all orders of government. Other results that contribute to the sustainability of communities will be identified in partnerships with provinces and territories, and in consultation with municipalities

Agreements with the provinces and territories on the federal gas tax transfer include a common set of base indicators related to outcomes and outputs, as well as the arrangements for reporting on results to Canadians and residents of the particular jurisdiction.

Achievements in 2004-2005

Over fiscal year 2004-2005, Infrastructure Canada made significant progress on advancing the Government's New Deal for Cities and Communities. Achievements in this program sub-activity area contributed to all three departmental priorities.

Setting Priorities

The Government of Canada's commitment to the New Deal for Cities and Communities was underscored in July 2004 when John Godfrey was named Minister of State (Infrastructure and Communities) and was given responsibility for a dedicated portfolio. The Cities Secretariat of the Privy Council Office and Infrastructure Canada were brought together. The Minister's new portfolio included the expanded Department and four Crown corporations that contribute to the sustainability of Canada's communities (Canada Lands Company Limited, the Old Port of Montréal Corporation Inc., Parc Downsview Park Inc. and Queens Quay West Land Corporation).

Initiatives under the New Deal for Cities and Communities were highlighted in the February and October 2004 Speeches from the Throne targeted at the "infrastructure needed to support quality of life and sustainable growth," and at helping "our communities become more dynamic, more culturally rich, more cohesive, and partners in strengthening Canada's social foundations" through "reliable, predictable and long-term funding." The Government also committed to a partnership approach aimed at key issues such as housing and homelessness, urban renewal, immigrant integration and the challenges facing off-reserve Aboriginal Canadians.

In Budget 2005, the Government set out the flow of \$5 billion in federal gas tax funding for cities and communities. The Budget also contained a commitment to Canadian municipalities that the Minister of Finance's pre-Budget consultations with municipalities will become a permanent part of the federal budget-making process.



Funding

In Budget 2004, the Government of Canada announced its commitment to provide stable funding to municipalities in the form of a 100% rebate on the Goods and Services tax for municipalities. This initiative is expected to result in \$7 billion over 10 years in unconditional funding for municipalities to be allocated to their greatest priorities.

In addition, the Government has committed an additional \$5 billion in stable funding to be provided to municipalities over five years through sharing of federal gas tax revenue with Canada's cities and communities. The funds are to be targeted for environmentally sustainable municipal infrastructure. The inter-jurisdictional allocation formula for these funds was announced in February 2005, and reaffirmed in Budget 2005. In Budget 2005, the Government announced its intention to continue sharing federal gas tax revenue with municipalities beyond the initial five-year period.



Jim Moyes

A Shared Vision of Canada's Communities

In December 2003, the Prime Minister created an External Advisory Committee on Cities and Communities under the leadership of Michael Harcourt, former Premier of the Province of British Columbia and former Mayor of Vancouver. The group is an independent committee composed of 14 members drawn from across the country. Its mandate is to:

- develop a long-term shared vision of the role that cities should play in sustaining Canada's prosperity;
- advise the Prime Minister and Minister of State (Infrastructure and Communities) on policy proposals generally related to the Government's cities and communities' agenda;
- act as a sounding board on issues related to the New Deal;
- enhance the Prime Minister's and Minister of State's understanding of cities and community issues by providing regional perspectives; and
- undertake outreach activities in support of the Prime Minister and Minister of State.



The advisory committee has formed subcommittees on cultural, social, environmental and economic sustainability, and on big cities, mid-sized cities, and rural and remote communities. During the reporting period, the advisory committee continued to meet regularly with local community members across the country to better understand local concerns and issues and to test its draft 30-year vision (see highlight box).

The advisory committee also submitted to the Prime Minister a series of fiscal options and interim recommendations relating to sustainability issues in rural and remote communities. An interim report to the Prime Minister was expected to be submitted early in fiscal year 2005-2006.

Draft 30-Year Vision for Canada's Cities and Communities

The Prime Minister's External Advisory Committee on Cities and Communities has developed a draft vision for cities and communities in 30 years. Over the fiscal year, the committee consulted with communities and others to seek feedback on the vision.

The draft vision states:

Canadian cities and communities are sustainable places of exceptional beauty, neighbourliness and prosperity, rich in ideas, confidence, diversity, creativity and innovation, where all people are included economically, socially and politically.

Under this vision, Canada's cities and communities will be models of environmental, economic, social and cultural sustainability. They will:

- sustain vibrant economies where all people can realize their full potential;
- minimize their ecological foot print;
- attract and retain talented people and encourage creativity and entrepreneurship;
- foster respect for one another, inclusiveness, kindness and human dignity;
- include new arrivals with grace and speed;
- have buildings and public spaces that are beautiful and accessible;
- build on their distinctive human, cultural, historical and natural characteristics;
- ensure a civil and peaceful society for all people; and
- be places where people take personal responsibility for the success of their community.



Federal-Provincial/Territorial Partnerships for Communities

The Minister and the Department have consulted extensively with provincial, territorial and municipal leaders to help build partnerships for communities. In November 2004, the Minister met with provincial and territorial ministers responsible for local government, the first such meeting in more than 20 years. They discussed the New Deal and the process for allocating federal gas tax revenues.

In February 2005, the Minister outlined to his provincial and territorial counterparts the details of how he would negotiate the New Deal for Cities and Communities with each jurisdiction. The Minister also announced the share of \$5 billion in federal gas tax funding each province and territory will receive over the next five years (see Table 7). Thus funding will be made available to municipalities starting in 2005 (Table 8). These federal-provincial/territorial framework agreements will also lay out areas for future collaboration under the New Deal, on issues of local and regional importance and of national consequence.

Table 7: Allocation of Gas Tax Funds over 5 Years (2005-2010)

Provinces, Territories and First Nations	Total over five years (\$M)	Yearly funding as of year 5 (\$M)
Newfoundland and Labrador	82.3	32.9
Prince Edward Island	37.5	15.0
Nova Scotia	145.2	58.1
New Brunswick	116.1	46.4
Québec	1151.0	460.4
Ontario	1865.5	746.2
Manitoba	167.3	66.9
Saskatchewan	147.7	59.1
Alberta	476.9	190.8
British Columbia	635.6	254.2
Yukon	37.5	15.0
Northwest Territories	37.5	15.0
Nunavut	37.5	15.0
First Nations	62.5	25.0
TOTAL	5,000.0	2,000.0

The intra-jurisdictional allocation will be determined through negotiations with provinces and territories.

Note: Columns may not add to totals shown due to rounding



**Table 8: Investments in Communities
(Yearly Gas Tax Allocation)**

2005-06	2006-07	2007-08	2008-09	2009-10	Total
\$600M	\$600M	\$800M	\$1B	\$2B	\$5B

Building Knowledge

Infrastructure Canada continued to work closely with key partners to build knowledge about infrastructure, connect researchers, and communicate research to help decision-makers across Canada and the world.

The Department collaborated with Statistics Canada to build and publish information on Canada’s metropolitan areas and the challenges they face. The series of reports, *Trends and conditions in census metropolitan areas*, provides key background information on a range of factors: demographics; housing; immigration; low-income and stressed neighbourhoods; economic conditions; health; location of work and commuting mode; and culture. Most reports cover the 1981-2001 period. The reports are available through the web site of Statistics Canada: <http://www.statcan.ca:8096/bsolc/english/bsolc?catno=89-613-MWE>.

Canadian Survey Identifies Infrastructure as “Very Important” to Quality of Life

A recent survey commissioned by Government of Canada found that Canadians consider modern infrastructure as one of the most important factors contributing to the quality of life of their cities and communities.

In the poll of 4,200 Canadians, “Canadians’ Views on Community Life: A National Overview,” 91% of respondents rated modern infrastructure as very important or important in making a community “a desirable location in which to live or work.” Modern infrastructure ranked as the third most important factor, after the “quality of its schools, colleges and universities” (95%) and its “green spaces and parks” (93%).

When respondents were asked about the “single most important issue” facing their city or town, infrastructure was identified second most frequently (13%), after health care (27%), and before social issues (8%), employment/job security (7%) and the environment (5%).

The survey, conducted in December 2004, was commissioned to help improve understanding of the views of Canadians on issues facing their cities and communities.



2.1.2 Infrastructure Programming

Description

Two groups of funds, strategic and community-based funds, have been created. Budget 2005 committed the Government to continued funding of these funds, as required.

1. Strategic Funds

The first group addresses strategic projects of national, inter-provincial or regional significance. There are two separate infrastructure funding programs under this group:

- Canada Strategic Infrastructure Fund (CSIF)

The CSIF is a \$4-billion fund directed to projects of major federal and regional significance in areas that are vital to sustaining economic growth and enhancing the quality of life of Canadians. Maximum federal funding is set at 50% of total eligible project costs, except for broadband and northern infrastructure projects where funding can go up to a maximum of 75% . The CSIF operates under the authority of the *Canada Strategic Infrastructure Fund Act*. (see <http://laws.justice.gc.ca/en/c-10.3/24002.html>). The fund is expected to provide federal support to approximately 44 projects.

In addition, Budget 2003 committed that 10% of total CSIF funding will be allocated to projects identified as federal priority projects: the Red River Floodway project in Manitoba; transportation infrastructure improvements under the “Corridors for Canada” in the Northwest Territories; the National Satellite Initiative to provide broadband access to Northern and remote communities; and the twinning of the Trans-Canada Highway in Banff National Park in Alberta. Details of these and other announced projects can be found at http://www.infrastructure.gc.ca/csif/publication/newsreleases/index_e.shtml.

CSIF’s delivery model is based on a partnership arrangement between Infrastructure Canada and departments that have a direct mandate in a given field (for example, Transport Canada for transportation projects, and Industry Canada for advanced telecommunications) or agencies that have a regional development mandate. Memoranda of Understanding are negotiated which clarify accountabilities.



- Border Infrastructure Fund (BIF)

The BIF is a \$600-million fund that targets the six largest surface border crossings between Canada and the United States, as well as several other crossings, by providing funding for investments in physical infrastructure, intelligent transportation system infrastructure, and improved analytical capacity. The fund reflects the importance of Canada's border crossings and highway approaches to economic growth, trade and security. The BIF also supports key infrastructure initiatives underlined in the Smart Border Action Plan signed by Canada and the United States in December 2001 (see <http://www.dfait-maeci.gc.ca/anti-terrorism/declaration-en.asp>).

Project Profile: Halifax Harbour Clean-up

The federal government is contributing \$60 million to a large-scale project involving the construction of three enhanced primary sewage treatment plants in Halifax, Dartmouth and Herring Cove, Nova Scotia. The project will improve the health of humans and marine organisms, and have a positive environmental and economic impact in the region. The project is being funded jointly with the Province of Nova Scotia (\$30 million) and the Halifax Regional Municipality (the balance, an estimated \$273 million).



Infrastructure Canada

As part of the initiative, the regional municipality has involved community members, individuals and companies in a pollution prevention program to increase awareness of the impacts of putting dangerous or toxic materials into the wastewater stream.

With restricted availability of land, and the need to place facilities in established built-up areas, the treatment plants use a smaller land base than usual, as well as innovative treatment technology.

Further information is available at the dedicated web site: <http://www.halifax.ca/harboursol/>



BIF projects are implemented over a relatively long time frame, and the Treasury Board-approved program terms and conditions are in effect until 2013. Most of the projects supported by this fund are delivered through partnerships with Transport Canada. Some BIF funding has been transferred to the Canada Border Services Agency for the development of the CANSIM border modeling software.

2. Community Funds

The second group of funds addresses community undertakings, most of them on a smaller scale and of local impact. There are two community-based infrastructure funding programs:

Project Profile: Broadband Access for les Îles-de-la-Madeleine

A local non-profit organization on les Îles-de-la-Madeleine (Magdalen Islands) has helped bring the 'information highway' to the residents of islands off the Gaspé shore, with the help of federal infrastructure funding. The project involves the installation of two high capacity fibre optic cables in the straits between the mainland and the islands, permitting residents and local institutions to link to the Télébec Internet backbone at Cap-aux-Meules.

Total cost of the project was \$13.8 million, shared equally by the Government of Canada and the Province of Québec.

The local organization, the Réseau intégré de communications électroniques des Îles-de-la-Madeleine (RICEIM) is composed of the municipality, the school board, the local development centre, the community development assistance corporation, the Chamber of Commerce, and the Hospital. RICEIM will own and, with a private sector partner, operate the ground-based facility and assure the connection to the mainland.

The project began operation in 2004. Immediate benefits have included improvements to both landline and cellular telephone service on the islands. Over the longer term, benefits are expected to include enhanced delivery of health and governmental services, new opportunities for education and training, and increased opportunities for tourism, through on-line marketing and reservation systems.

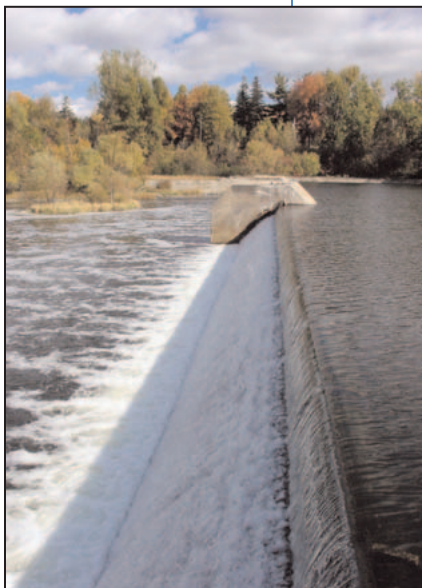


Infrastructure Canada



- Infrastructure Canada Program (ICP)

The \$2.05-billion ICP was created in 2000 to enhance infrastructure in Canada's urban and rural communities, and to improve quality of life through investments that protect the environment and support long-term community and economic growth. To date, all ICP funding has been committed to approved projects or notionally allocated to those that are under review and support has been announced for more than 3,400 approved projects across Canada.



Jim Moyes

Funding for the ICP was transferred to the five federal delivery partners responsible for program delivery: Western Economic Diversification Canada (for projects in the Western provinces); Industry Canada (for Ontario projects); Canada Economic Development – Quebec (for Quebec projects); the Atlantic Canada Opportunities Agency (for projects in Atlantic provinces); and Indian and Northern Affairs Canada (for First Nations and the North). Detailed reporting on expenditures is included in the Reports on Plans and Priorities and Departmental Performance Reports for those organizations.

The ICP's first priority is support for "green" municipal infrastructure, consistent with the Government of Canada's sustainable development objective. A minimum of 50% of federal expenditures will be devoted to projects such as water and wastewater systems, solid waste management and recycling, and capital expenditures to retrofit or improve the energy efficiency of buildings and facilities owned by local governments. Other priorities include local transportation infrastructure, cultural and recreational facilities, rural and remote telecommunications, and affordable housing.

This program is scheduled to end in March 2007. During the fiscal year, the Department was considering options to extend the program to accommodate provinces and territories that had not fully committed their allocations.

- Municipal Rural Infrastructure Program (MRIF)

The MRIF reflects the Government of Canada's commitment to urban and rural growth. The fund was allocated \$1 billion in Budget 2003 for smaller-scale municipal infrastructure projects designed to improve the quality of life and economic opportunities in smaller centres, including a component addressing the infrastructure needs of First Nations' communities. In Budget 2004, the Government of Canada accelerated the funding timeline for the MRIF from the original 10 years to five years, effectively doubling the monies available to Canadian municipalities under this program. Following the Treasury Board's approval of terms and conditions for the



program, which provides funds for contributions to the projects and administrative costs, agreements have been signed with six provinces and territories. The remaining jurisdictions are expected to sign agreements during fiscal year 2005-2006. The new fund will be cost-shared, with the Government of Canada contributing, generally, one-third of a project's eligible costs.

The MRIF focuses on projects that support sustainable development and quality of life, with a minimum 60% of its nation-wide expenditures devoted to "green" projects.



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Expected Results and Performance Measurement

The expected result under this program sub-activity is that through infrastructure programming, Infrastructure Canada works to contribute to the broader horizontal and strategic outcomes of the Government of Canada.



Results-Based Management and Accountability Frameworks and Risk-Based Audit Frameworks have been developed for all new infrastructure funding programs (i.e., CSIF, BIF, and MRIF). These documents define the expected results for each program and propose a suite of performance indicators. They include the Government's selection criteria for project-leveraging proposals. Ongoing performance measurement will be used to make the necessary adjustments to the programs, and performance measurement strategies will be reviewed annually. In addition, interim and final evaluations will be scheduled for the CSIF, BIF and MRIF programs to assess their relevance, success and cost-effectiveness.

ICP, the original program now nearing completion, operates under a Federal Governance and Accountability Framework that identifies roles and responsibilities. Audit and program evaluation frameworks establish the elements required for due diligence, to monitor the results, and ensure the federal funds were spent properly. Infrastructure Canada will conduct a federal evaluation of the Infrastructure Canada Program in 2005-2006, which will provide the MRIF with lessons-learned to take into consideration.

Program monitoring is supported by the Department's Shared Information Management System for Infrastructure (SIMSI).

Strengthening E-Management of Infrastructure Programs

The Department's Shared Information Management System for Infrastructure (SIMSI) is an on-line information management tool that provides the technology for the e-management of infrastructure programs. It was originally developed to facilitate the management of shared-cost projects among the three orders of government under the Infrastructure Canada Program. The system now assists the funding programs' management and stakeholders by providing status information, performance monitoring, costs, benefits, timeline tracking and claims processing.

In 2004-2005, SIMSI experienced significant growth in users, functionality, and programs supported. With the addition of a thousand new users at all levels (data entry, project officers, program managers, senior management) and with participation from the three orders of government, SIMSI has progressed to a multi-jurisdictional system with coverage across Canada. The technology infrastructure built for the ICP has been used for "fast track" implementation of electronic project tracking and program management components for MRIF, CSIF and BIF. Projects were launched to improve system functionality in the areas of geo-coding to feed into the Department's future Graphical Information System, enhance alternative service delivery including CD-ROM and web services in addition to the on-line Internet-based system, and improve distributed data for reporting.



Table 9 summarizes the expected results and performance indicators for the infrastructure programs.

Table 9: Expected Results and Performance Indicators for Infrastructure Programs

Expected Results	Sample Performance Indicators
<p>CSIF</p> <ul style="list-style-type: none"> • Safer and faster movement of people and goods on Canada's major land transportation routes • Less production of greenhouse gases and airborne pollutants • More effective urban development • Increased economic activity, including tourism • Improved quality of life for Northern Communities • Increased connectivity of remote and northern communities • Improved regional conditions from national priority projects 	<p>Early indicators of performance</p> <ul style="list-style-type: none"> • Number of project announcements • Number of Signed Contribution Agreements • Number of MOUs with other government departments and partners for delivery • Number of Treasury Board submissions • Approval of projects
<p>BIF</p> <ul style="list-style-type: none"> • More efficient facilities capable of handling greater capacity at major border crossing, helping trucks travel across the busiest Canada-US border points more quickly • Improved Canada-US relations and better movement of goods, contributing to increased trade and production • Improved border crossing, contributing to federal security and increased safety for all Canadians 	<p>Intermediate indicators of performance</p> <ul style="list-style-type: none"> • Collaborative support of other government departments and key partners • Resources levered from partners • Timely completion of projects • Compliance to scope of project • Effective program and project management, risk management, monitoring and reporting • Effective communications, awareness and understanding • Program and Projects' results and benefits compliance by agreement signatories
<p>ICP</p> <ul style="list-style-type: none"> • Enhancement of the quality of the environment (water and wastewater management, solid waste management and more efficient energy use) • Support for long-term economic growth (increasing economic opportunity in communities, access to the new economy through improved telecommunications and tourism opportunities) • Improvement of community infrastructure (increasing community safety and access to local recreational facilities, supporting Canadian heritage and culture and the development of minority English and French linguistic communities) • Increased innovation, and use of new approaches and best practices, and the more efficient use of existing infrastructure 	<p>Ultimate indicators of performance</p> <ul style="list-style-type: none"> • Safe reliable transportation • Sustainable economic development • Sustainable use and quality of water, and efficient wastewater treatment • Safe and efficient borders
<p>MRIF</p> <ul style="list-style-type: none"> • Improved and increased stock and better management of core public infrastructure in areas such as water, wastewater, cultural and recreation, which make our communities vibrant and productive places to live and work and raise families • Improved quality of life and economic opportunities for smaller communities and First Nations • Increased connectivity of smaller and rural communities 	<ul style="list-style-type: none"> • Improved innovation and delivery of public services via connectivity • Efficient and sustainable energy systems



Achievements in 2004-2005

Over fiscal year 2004-2005, Infrastructure Canada made significant progress on implementing the infrastructure funding programs in support of its strategic outcome.

Canada Strategic Infrastructure Fund (CSIF)

The major achievements of the CSIF in fiscal year 2004-2005 are summarized in tables 10, 11 and 12. Over the period, nine new projects were announced for a total federal contribution of more than \$225 million. The newly announced projects included support for expansion of Ottawa's north-south light rail transit system, urban bypasses in New Brunswick, development of Saskatoon's south downtown River Landing Project, and provision of broadband service in the Northwest Territories and rural Quebec. Contribution Agreements were signed for 11 previously announced projects, including one announced during this reporting period.

Project Profile: Vancouver Conference and Exhibition Centre

The expansion of the Vancouver Conference and Exhibition Centre in Burrard Landing involves the construction of a new facility and a connector to Canada Place, where the current convention and exhibition centre is located. Total usable space for the centre will grow from 12,400 to 47,870 m², almost tripling the amount of functional exhibition space. The new building will meet the highest international standard for energy efficiency.



Vancouver Convention Centre Expansion Project

Construction started in 2004 on this \$535 million project, with completion expected in 2008. The new centre will enhance Vancouver's reputation as a desirable convention destination and will play an important role during the 2010 Olympics.

The federal contribution is \$222.5 million, matched by the provincial government and supplemented by \$90 million from Tourism Vancouver. The web site for the expansion project includes plans and artists renderings of the innovative new building, as well as a webcam, allowing viewers to chart the progress of the construction.



Nunavut Broadband Development Corporation

Since the fund was launched, 42 projects have been announced (Table 10), and Contribution Agreements, establishing the legal basis for federal payments on projects, have been signed for 22 projects.

Table 10: CSIF Program Expenditures and Announced Projects as of March 31, 2005

Jurisdiction	Total Federal Funding Allocation (\$M)	# of Announced Projects to March 31, 2005	Value of Announced Projects to March 31, 2005 (\$M)	# of Signed Project Agreements to March 31, 2005	Value of CSIF in Signed Project Agreements to March 31, 2005 (\$M)	Federal Expenditures in Previous Years (\$M)	Federal Expenditures in 2004–05 (\$M)
British Columbia	525.0	3	525.0	1	222.5	5.6	33.9
Alberta	300.0	2	150.0	–	–	–	–
Saskatchewan	120.0	4	92.7	3	79.0	5.8	22.5
Manitoba	135.0	2	93.0	1	120.0	2.3	4.6
Ontario	1,165.0	9	950.0	5	445.0	24.4	27.5
Québec	902.5	4	327.4	1	10.5	–	0.6
New Brunswick	105.0	4	105.0	3	86.5	7.2	32.0
Nova Scotia	105.5	2	90.5	1	60.0	3.1	4.6
Prince Edward Island	30.0	3	15.0	1	3.6	0.6	0.6
Newfoundland & Labrador	105.0	2	36.0	1	31.0	–	5.0
Yukon	40.0	2	26.0	1	15.0	–	4.9
Northwest Territories	40.0	1	40.0	1	40.0	4.4	12.4
Nunavut	40.0	2	40.0	–	–	–	7.7
National Priority	200.0	4	200.0	3	115.0	–	–
Subtotal	3,813.0	42	2,690.6	22	1,228.1	52.4	156.5
Federal Coordination	137.0						
Research	50.0						
Total	4,000.0						



Table 11: CSIF Projects Announced During 2004-2005

DATE	PROJECT	CATEGORY	FEDERAL CONTRIBUTION
May 11, 2004	Winnipeg Kenaston Underpass Project	Highway or rail Infrastructure	\$13,000,000
May 14, 2004	Ottawa Light Rail Transit Expansion	Local transportation Infrastructure	\$100,000,000
August 10, 2004	Station Mont Tremblant	Tourism or urban development	\$47,500,000
September 3, 2004	Broadband infrastructure for Îles-de-la-Madeleine	Advanced Telecommunications and High-Speed Broadband	\$6,900,000
October 19, 2004	Nashwaak/ Marysville and Greater Moncton/ Riverview/ Dieppe Bypasses	Local transportation Infrastructure	\$18,500,000
December 10, 2004	Saskatoon: South Downtown Redevelopment	Tourism or urban development	\$13,700,000
December 29, 2004	Nunavut Broadband	Advanced Telecommunications and High-Speed Broadband	\$7,830,000
January 12, 2005	Northwest Territories Broadband	Advanced Telecommunications and High-Speed Broadband	\$7,000,000
January 13, 2005	Yukon Community Waterfronts	Northern Infrastructure	\$11,000,000

The Department signed two memoranda of understanding (MOU) with Industry Canada regarding delivery of CSIF-funded projects in Ontario and CSIF broadband projects across Canada (Table 12). MOUs were also expected to be signed early in fiscal year 2005-2006 with the Canada Mortgage and Housing Corporation and Western Economic Diversification Canada to deliver the Nunavut Housing Infrastructure Project and CSIF in the four western provinces, respectively.

Table 12: MOUs Signed with Other Government Departments and Partners for Delivery in 2004-2005

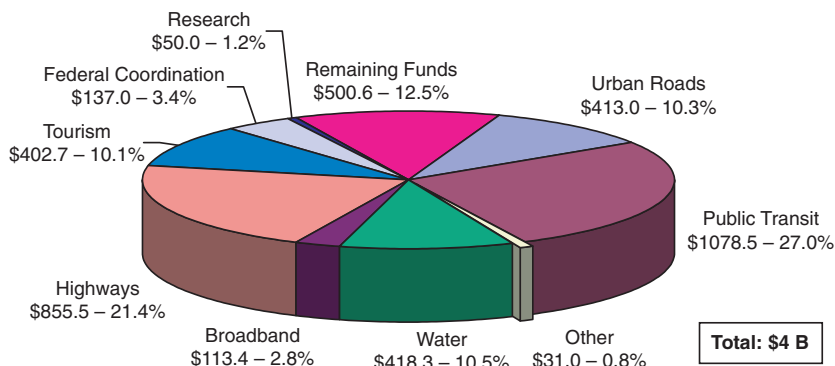
OGD	DATE	PURPOSE
Industry Canada	February 17, 2005	Deliver CSIF Broadband Projects
Industry Canada	February 22, 2005	Deliver CSIF in Ontario



Figure 2 illustrates how the CSIF projects approved to date are distributed by category.

Figure 2: CSIF Funding, by Funding Category

(as of March 31, 2005, \$M)



Border Infrastructure Fund (BIF)

The major achievements of the BIF in fiscal year 2004-2005 are summarized in Table 13.

Table 13: Border Infrastructure Fund Program Expenditures and Announced Projects as of March 31, 2005

Jurisdiction*	Total Funding Allocation (\$M)	# of Announced Projects to March 31, 2005	Funds Committed for Announced Projects to March 31, 2005 (\$M)	# of signed Project Agreements to March 31, 2005	Funds Committed for Signed Project Agreements to March 31, 2005 (\$M)	Federal Expenditures in Previous Years (\$M)	Federal Expenditures in 2004-05 (\$M)
National Allocation	600.0						
British Columbia	-	2	90.0	1	88.0	-	15.3
Alberta	-	-	-	-	-	-	-
Saskatchewan	-	1	5.0	-	-	-	-
Manitoba	-	-	-	-	-	-	-
Ontario	-	4	308.1	2	154.0	-	20.9
Québec	-	-	-	-	-	-	-
New Brunswick	-	2	45.0	1	30.0	-	2.5
Nova Scotia	-	-	-	-	-	-	-
Prince Edward Island	-	-	-	-	-	-	-
Newfoundland & Labrador	-	-	-	-	-	-	-
Yukon	-	-	-	-	-	-	-
Northwest Territories	-	-	-	-	-	-	-
Nunavut	-	-	-	-	-	-	-
National		1	3.0	-	-	-	-
Subtotal		10	451.1	4	272.0	-	38.8
Funds not yet allocated			130.9				
Federal Coordination			18.0				
Total			600.0				

(*) There is no provincial or territorial specific allocation under this program.



Over the period, one new project was announced, with \$4 million in federal contribution, and four Contribution Agreements were signed for previously announced projects. The newly announced project involved future improvements to the Windsor Gateway to help secure the flow of goods and services between Canada and the United States.

Infrastructure Canada Program (ICP)

The major achievements of the ICP in fiscal year 2004-2005 are summarized in Table 14 and 15. Over the period, 461 new ICP projects were announced, with more than \$202 million in federal contribution (Table 15). Major project categories included water systems, cultural and recreational facilities, local transportation, and waste water systems. Figure 3 illustrates how the ICP projects approved to date are distributed by category.

Table 14: Infrastructure Canada Program Expenditures and Announced Projects as of March 31, 2005

Jurisdiction	Total Federal Funding Allocation (\$M)	# of Approved Projects to March 31, 2005	Value of Approved Projects to March 31, 2005 (\$M)	Federal Expenditures in Previous Years (\$M)	Federal Expenditures in 2004-05 (\$M)
Western Economic Diversification Canada	557.2	1,625	547.4		
British Columbia	268.5	311	264.8	25.1	61.4
Alberta	171.0	771	167.3	60.8	51.9
Saskatchewan	56.7	368	55.4	33.2	10.9
Manitoba	60.9	175	59.9	39.3	6.5
Industry Canada / Ontario	680.7	537	675.1	263.8	150.2
Quebec Economic Development / Quebec	515.5	890	481.9	122.8	85.3
Atlantic Canada Opportunities Agency	183.8	649	169.8	93.8	
New Brunswick	54.4	92	53.5	30.0	16.1
Nova Scotia	65.3	142	60.3	31.6	10.0
Prince Edward Island	12.8	75	12.4	10.5	0.7
Newfoundland & Labrador	51.2	340	43.6	21.7	5.2
Indian and Northern Affairs	38.8	123	36.8		
Yukon	2.5	9	2.4	1.2	0.0
Northwest Territories	3.0	12	3.0	2.4	0.7
Nunavut	2.1	4	1.0	2.1	0.0
First Nations	31.1	98	30.4	25.2	3.2
Subtotal	1,976.0	3 824	1,911.0	669.7	402.1
InfraGuide	12.5				
Federal Coordination	61.5				
Total	2,050.0			669.7	402.1



Table 15: Federal Commitment to ICP Projects in 2004-2005 by Investment Category

CATEGORY	Number of Projects	Federal Funds Committed (\$)	Net Eligible Costs (\$)
Cultural and Recreational Facilities	91	35,090,338	169,174,067
Energy Efficiency of Buildings	20	745,026	3,357,264
Other Eligible Municipal Infrastructure	6	884,019	2,690,676
Infrastructure Supporting Tourism	12	8,439,933	26,733,198
Local Transportation	78	27,695,139	112,960,740
Rural and Remote Telecommunications	3	574,684	1,766,052
Solid Waste Management and Recycling	6	1,835,620	5,516,124
Wastewater Systems	46	15,492,800	61,472,998
Water Management	11	657,888	2,635,208
Water Systems Potable Water	188	110,895,662	344,131,428
TOTAL (rounded in \$M)	461	\$202.3	\$730.4

Figure 3: ICP Value of Approved Projects, by Investment Category

(as of March 31, 2005, \$M)

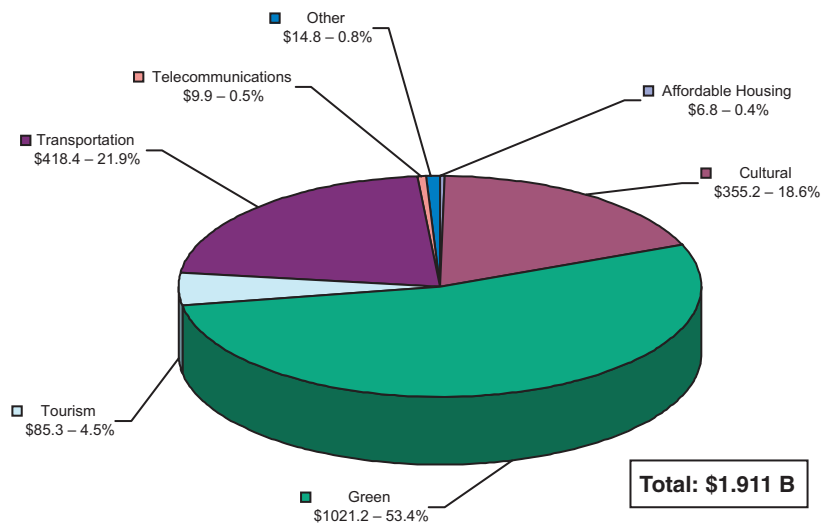


Table 16 summarizes the expected benefits of ICP projects as approved as of March 31, 2005, including the number of households being connected to a municipal water system and a municipal wastewater treatment system.

Table 16: Expected Benefits of ICP Projects (*)

Number of households to be connected to a municipal water system	64,260
Number of households that will receive higher quality potable water	2,516,672
Number of households to be connected to a municipal wastewater treatment system	70,071
Increase in solid waste diverted through recycling and composting (metric tonnes per annum)	50,437
Number of current households on municipal wastewater collection whose wastewater will be treated to a higher standard	1,299,779
Decrease in electricity used by municipal buildings and facilities (kWh per m ³ per annum)	4,497,101
Decrease in heating fuel used by municipal buildings (BTU equivalent per m ³ per annum)	1,590,479
Number of Communities to benefit from improved local transportation	569
Number of Communities to benefit from improved sports, cultural and recreational facilities	525

(*) These benefits are cumulative as of the start of the program.

Municipal Rural Infrastructure Fund (MRIF)

The major achievements of the MRIF in fiscal year 2004-2005 are summarized in Table 17. Over the period, two MRIF projects were announced, in Manitoba and New Brunswick, for a total federal contribution of \$5.4 million.

A capacity building component was established within MRIF to allow interested jurisdictions to apply up to 1% of their allocation towards projects that will help communities enhance knowledge of their existing infrastructure assets, better evaluate life-cycle costs associated with the infrastructure they own and operate, better assess the capacity of current infrastructure and identify future needs, better plan and make infrastructure funding decisions, and better train municipal staff in long-term infrastructure management. To date, all participating jurisdictions have taken advantage of the capacity building provision.

Under MRIF, the Policy Leveraging Framework served as a tool for project selection and ranking. Each agreement included a Schedule A "Project Review and Selection Framework". The framework states for each category the following: objective; sub-category; mandatory criteria; ranking criteria. In each jurisdiction, projects had to meet the mandatory criteria of their category and were then ranked against the category's ranking criteria.



Table 17: Municipal Rural Infrastructure Fund Program Expenditures as of March 31, 2005

Jurisdiction	Total Funding Allocation (\$M)	# of Announced Projects to March 31, 2005	Funds Committed for Announced Projects to March 31, 2005 (\$M)	Federal Expenditures in 2004-05 (\$M)	Federal Expenditures in Previous Years (\$M) ¹
Western Economic Diversification Canada					
British Columbia	111				
Alberta	88				
Saskatchewan*	38				
Manitoba*	41	1	5.0	–	
Industry Canada / Ontario*	298	–	–	0.4	
Quebec Economic Development / Quebec	195				
Atlantic Canada Opportunities Agency					
New Brunswick*	33	1	0.4	–	
Nova Scotia	37				
Prince Edward Island	18				
Newfoundland & Labrador	28				
Indian and Northern Affairs Canada					
Yukon*	16				
Northwest Territories*	16				
Nunavut	16				
First Nations	25				
Subtotal	960	2	5.4	0.4	
Federal Coordination	40				
Total	1,000	2	5.4	0.4	

(*) Agreement signed as of March 31, 2005

1. New program, therefore no federal expenditures in previous years.

ADM Coordination Committee

In fiscal year 2004-2005, the Department established an inter-departmental ADM Coordination Committee, comprised of the Assistant Deputy Ministers of all of Infrastructure Canada's federal delivery partners. The Committee, chaired by the Department's Assistant Deputy Minister, Program Operations, provides a forum to exchange views, concerns and lessons learned.

Program-delivery Risk Management

A risk management function was established in January 2005 to strengthen the Department's capacity to manage risks associated with program delivery in a more systematic, knowledge-driven manner. While the process was still in its early stages by the end of the fiscal year, the foundations were in place to fully implement integrated approaches of risk management to program delivery, while bridging the process with branch strategic planning and the corporate risk management exercises.



InfraGuide: The National Guide for Sustainable Municipal Infrastructure

In October 2000, the Government of Canada, in partnership with the National Research Council Canada, agreed to contribute \$12.5 million, in two phases, to the Federation of Canadian Municipalities (FCM) for the development of a *National Guide for Sustainable Municipal Infrastructure* (known as the InfraGuide). The InfraGuide identifies and disseminates best practices and encourages innovation to support sustainable municipal infrastructure decisions and actions.

In Phase I, the InfraGuide implemented the project's management structure, published 30 best practices, recruited 13 interns and developed a website. Phase II ended in March 2005

In fiscal year 2004-2005, the InfraGuide project achieved most of its Phase II deliverables. It developed an additional 20 best practices covering the infrastructure priorities areas of local roads, environmental protocols, municipal decision-making and investment planning, potable water, storm and wastewater. As well, an education strategy was implemented and the first learning product based on asset management best practices was developed. The InfraGuide also completed various marketing and communication activities.

The Department committed to assist the FCM in maintaining the momentum of the InfraGuide project for another year, reflecting the project's important contribution to date in improving the quality of Canada's infrastructure and supporting the goals of environmental sustainability and municipal capacity building.

Nearly 80 municipalities and 23 municipal associations across Canada have officially endorsed the InfraGuide.

More information is provided at www.infraguide.ca.



2.1.3 Research

Description

Infrastructure Canada's research activities support the Department's role as a focal point for infrastructure and communities issues. The Department is committed to developing a more rigorous, comprehensive and integrated knowledge base that can lend support to evidence-based policy and decision making on infrastructure and communities, at Infrastructure Canada, within the federal government and in other sectors.

The Department has established six research priorities in support of its strategic outcome:

- communities, cities and public infrastructure;
- the state of infrastructure in Canada's communities;
- the economic, social, cultural and environmental impacts of public infrastructure on communities;
- financing mechanisms for public infrastructure;
- technology, innovation and transformative infrastructure; and
- governance issues related to public infrastructure and communities.

The cornerstone of the Department's research activities is the *Infrastructure Canada Research Strategy*, which focuses on three objectives:

- *Knowledge generation* – Building new knowledge that responds directly to priority gaps in the understanding of public infrastructure issues in Canadian communities that are key for policy purposes;
- *Community-building* – Fostering the development of a stronger, better-networked, multi-disciplinary community of researchers and other experts committed to meeting the needs of policy and decision makers; and
- *Knowledge dissemination and transfer* – Developing innovative, effective ways to disseminate and communicate knowledge about infrastructure and communities to policy and decision makers, researchers, practitioners, non-governmental organizations, professional associations and the general public.

The Department supports the Research Strategy through:

- in-house research in Infrastructure Canada's research priority areas;



- an internal Research Advisory Committee with representation from across the Department;
- an Assistant Deputy Minister-level network on Infrastructure Research that oversees the Horizontal Research Roundtable on Infrastructure to share and collaborate on research;
- project-based collaborations with research institutes, university-based researchers and international organizations in the priority areas;
- publication of its Research Notes, Research Précis and Research Studies, as well as a series of short narratives highlighting Canada's infrastructure heritage;
- the Register of Research, a compendium of federal government research on infrastructure, cities and communities;
- the Research Gateway, the Department's web-based portal to infrastructure and communities research and researchers (www.infrastructure.gc.ca/research and www.infrastructure.gc.ca/recherche);
- the Research, Knowledge and Outreach funding initiative; and
- a formalized research partnership with Statistics Canada;

Expected Results and Performance Measurement

The expected result under this sub-activity is the creation and dissemination of knowledge important to the sustainability of infrastructures and communities. The Department seeks to connect partners and stakeholders with a view to promoting effective policy and decision making.

Infrastructure Canada closely monitors progress under the three areas of the Research Strategy. The indicators that are monitored are both quantitative and qualitative, including the number of new Infrastructure Canada research publications, the uptake of Infrastructure Canada research results and other research findings in key policy and decision documents, the level of use of the Research Gateway, the extent to which Infrastructure Canada research expertise is sought and used by external sources and the perceived quality of internal and external knowledge exchange.

Achievements in 2004-2005

Over fiscal year 2004-2005, Infrastructure Canada made significant progress on the program sub-activity element of research in support of its strategic outcome.



Knowledge generation

The Department developed 23 research studies in fiscal year 2004-2005. These products contributed to knowledge generation in all six research priority areas, and were prepared in a variety of formats, including research notes and studies, articles, and workshop reports.

Infrastructure Canada formalized a research partnership with Statistics Canada. The partnership agreement covers three research projects beginning in fiscal year 2004-2005.

The Department also undertook a leading role in a new major international study looking at the future of infrastructure.

Infrastructure Canada Contributions to Major Study of Global Infrastructure Needs

Infrastructure Canada has taken a leading role in a new two-year research project looking at the future of infrastructure, “Global Infrastructure Needs: Prospects and Implications for Public and Private Actors”. Coordinated by the International Futures Programme of the Organization for Economic Cooperation and Development (OECD), the project is examining the opportunities and challenges facing the infrastructure sector worldwide over the next 30 years, with the aim of developing policy recommendations for OECD governments to enhance the contribution of infrastructure to economic and social development.

The Department is one of the funders of the research project, and is part of the international steering group directing the work.

The study is looking at four sectors: transport; electricity; communication (including information infrastructure); and water. Results of the work will be reported through a series of technical reports and working papers, leading to a final synthesis report issued by the Secretary General of the OECD.

The benefits of the work are expected to include:

- a comprehensive and integrated policy-focused assessment of the prospects and issues facing the development of infrastructures worldwide;
- improved understanding of the approaches that could be adopted for the development of promising economic and business models, including innovative financial tools;
- formulation of possible solutions that governments may find useful in addressing some of the main problems facing the sector; and
- strengthened international co-operation among the governments of OECD countries and other nations in matters pertaining to infrastructure development.



Community Building

Throughout fiscal year 2004-2005, the Department continued to involve partners and potential partners within and beyond the federal family in initiatives to address the Department’s research priorities with respect to infrastructure and cities and communities.

The Department continued to chair and provide leadership for the federal government’s first Assistant Deputy Minister-level Network on Infrastructure Research, as well as its Horizontal Research Roundtable on Infrastructure (HRRRI). The latter group is a collaboration of about 140 representatives from 24 federal government organizations with interests in infrastructure and communities research.

Six working groups, each addressing a research priority identified by the ADM-level network, were established under the HRRRI to develop and pursue research action plans. The HRRRI working groups are comprised of members from across the federal family, and are co-chaired by the Department and another federal department or agency. The working groups are intended to build and support broad, efficient government-wide approaches to addressing research needs and promote the effective transfer of knowledge within the research and policy communities.



Infrastructure Canada

Building, connecting and sharing knowledge.



In March of 2005, the Department conducted a workshop entitled “Building, Connecting and Sharing Knowledge: A Dialogue on Linkages Between Communities.” This workshop brought together governmental and non-governmental experts to focus on how research and subsequent policy development might foster economic, social, cultural, environmental and geographic linkages among communities. Participants also examined how communities relate to one another through governance structures.

Infrastructure Canada also continued to utilize its research expertise external to the federal family to assist the Government in exploring community building options, including the Federation of Canadian Municipalities, the Canada West Foundation, and academia.

Knowledge Transfer

The Research Gateway is the primary web-based tool of the Department for sharing and promoting research on infrastructure and communities. In 2004-2005, the Research Gateway was strengthened to allow for:

- easier use and improved responsiveness to the requirements of departmental partners;
- improved linkages to reports and publications by other organizations;
- provision of proceedings from key conferences related to infrastructure and communities; and
- linkages to results from the HRRI Working Groups.

In addition, an on-line Register of Research was introduced as a searchable database through the Research Gateway. Currently, the Register holds information on about 250 research activities in more than 25 federal departments and agencies.

The Department also maintains a comprehensive database of contacts both inside and outside the federal government to allow for effective communication among those possessing similar research interests. Other tools for promoting knowledge sharing include publishing an electronic Research and Analysis Newsletter, and developing short narratives describing Canadian infrastructure and communities heritage.



Knowledge, Outreach and Awareness Funding Program

In support of the three components of the Research Strategy, a new five-year, \$25-million Knowledge, Outreach and Awareness funding program was initiated in fiscal year 2004-2005. The program is designed to strengthen implementation of the Research Strategy in support of the departmental objective pertaining to knowledge, communication and outreach. The program consists of three components: peer reviewed research studies; financial and technical feasibility studies; and knowledge-building, awareness and outreach activities.

Treasury Board approval of terms and conditions for the Knowledge, Outreach and Awareness funding initiative was provided in May 2004. The first call for proposals was launched in December 2004, and resulted in the Department receiving 165 proposals requesting more than \$43 million.

In addition, the awarding of merit-based funding under the Peer Reviewed Research Studies Program is now being executed by the Social Sciences and Humanities Research Council of Canada (SSHRC) with the assistance of Natural Sciences and Engineering Research Council of Canada (NSERC). SSHRC will administer the consequent contribution agreements on Infrastructure Canada's behalf.



2.2 Crown Corporations Portfolio Management

Description

Crown corporations are commercial entities that operate at arm's length from government, but with specific public policy mandates and objectives. They are wholly owned by the Crown and, pursuant to the *Financial Administration Act* and their enabling legislation, are held accountable to Parliament through the responsible Minister.

The Infrastructure and Communities Portfolio includes four Crown corporations – the Canada Lands Company Limited, the Old Port of Montréal Corporation Inc., Parc Downsview Park Inc., and Queens Quay West Land Corporation. Canada Lands Company CLC Limited, a subsidiary of Canada Lands Company Limited, operates nationally with a mandate to provide for the orderly disposal of strategic surplus federal properties. The activities of the other three corporations in the portfolio relate to three sites in Toronto and Montréal for which the federal government has specific policy objectives.

The Department's Crown Corporation Secretariat provides the Minister and Deputy Minister with administrative, policy, communications and logistical advice and support on all matters pertaining to these Crown corporations. A key area of activity is the support provided to the Minister on governance and accountability issues with respect to Crown corporation operations. The Department serves as a link between the Crown corporations and the Government in helping the corporations fulfill their planning and reporting requirements, and ensuring that the objectives of the corporations are in keeping with broader departmental and governmental goals.

Expected Results and Performance Measurement

The Department is not accountable for the results achieved by the Crown corporations in the Infrastructure and Communities Portfolio. Rather, each Crown corporation sets its own objectives, under the strategic direction provided by the Minister, and reports to Parliament, through the responsible Minister, on the financial and operational results it achieves. The quality of the planning and reporting documents produced by the corporations, and the compliance of these organizations with governance directives (particularly in the area of Governor-in-Council appointments) nevertheless can serve as an indirect indicator of the Department's effectiveness in playing its support and oversight role.



Achievements in 2004-2005

Table 18: Financial and Human Resource Requirements, Crown Corporations Portfolio Management, 2004-2005

(\$ thousands)

Main Estimates	Planned Spending	Total Authorities	Actual Spending	FTEs Actual
\$0	\$0	\$21,444	\$21,444	12

The Department, through the Crown Corporation Secretariat, continued to provide timely support and advice to the Minister in his responsibilities for the Crown corporations in his portfolio. Also, during the reporting period, progress was made on several policy matters relating to the Corporations, both individually and collectively. In addition to the preparation of policy documents for Cabinet consideration, a governance action plan, for example, was developed to respond to the observations of the Office of the Auditor General (see Section III for details) and to the Treasury Board Secretariat’s review of the governance framework for Canada’s Crown Corporations. Implementation of the action plan by the Department began in fiscal year 2004-2005, in cooperation with its portfolio partners. In addition, the Department continued to participate in pilot projects on governance-related matters.

While the Department is not accountable for the results achieved by its portfolio Crown Corporations (due to the ‘arms length’ nature of the relationship between these entities and the Government), several accomplishments of the corporations related to the Department’s strategic outcome can be noted:



Old Port of Montréal Corporation Inc.

Old Port of Montréal Corporation Inc.

The Old Port of Montréal Corporation Inc. is dedicated to the conservation and maintenance of the Old Port of Montréal. Approximately 7 million visitors go to the Old Port every year. In May 2000, the corporation inaugurated Montréal’s Science Centre in the Old Port of Montréal as a unique museum dedicated to the promotion of science in the province of Québec. Since its opening, the Science Centre has welcomed an average of 500,000 visitors a year. In December 2004, the Centre launched a unique project in North America: the *Lab UQAM*. This project, the result of a partnership between the Science Centre and l’Université du Québec à Montréal, promotes the teaching and learning of science and technology.



Canada Lands Company (CLC) Limited

The mandate of Canada Lands Company Limited is to dispose of the federal government's strategic surplus properties in a manner that provides the best results and value for Canadians. Over the past few years, the company has redeveloped decommissioned Canadian Forces Bases in several provinces. In all of these projects, it has focused on developing sustainable, family-friendly communities, while remaining mindful of the history of the properties. As part of these continuing efforts, the company unveiled, in 2004, the Wall of Honour, bearing the names of Canadian peacekeepers killed on United Nations assignments, and The Peacekeeper statue in Garrison Woods, Calgary. In addition, a statue of Janet Griesbach, who supported military families during the First World War, was erected in Griesbach, Edmonton, another community in which CLC played a major redevelopment role.

Parc Downsview Park Inc.

Parc Downsview Park Inc. is the Crown corporation mandated to create the first national urban park on the Downsview lands in Toronto. In 2004, the corporation enlisted the participation of National Defence staff still working on the site to organize the annual Children's Remembrance Day, commemorating the military history of the site. Hundreds of children from local public schools attended the event, along with Canadian soldiers and veterans.



Parc Downsview Park Inc.



More information on the activities and achievements of the Crown corporations in the portfolio can be found in their annual reports:

- Old Port of Montréal Corporation Inc:
<http://www.oldportofmontreal.com/rapports/index.asp>
- Canada Lands Company:
<http://www.clc.ca/en/default.php>
- Parc Downsview Park Inc.:
http://www.pdp.ca/Annual_Report_2003-2004.621.0.html

No annual report is available for the Queens Quay West Land Corporation. This corporation is scheduled to be dissolved after its remaining properties have been disposed of and any outstanding issues resolved.

As the work of the Crown Corporation Secretariat consists primarily of providing advice and support to the Deputy Minister and the Minister of State, an important success measure for the Secretariat involves feedback from these individuals and their offices. To that end, preliminary work was undertaken to solicit comments and opinions from a variety of stakeholder organizations and interests. This information will help the Secretariat identify gaps and specific needs, and tailor its advice and support functions more closely to clearly identified requirements. It also will provide the opportunity to obtain information about the quality of advice it provides. This study will be completed in fiscal year 2005-2006.

Governance Framework

A challenge remains for Infrastructure Canada with respect to the need to ensure that a strong governance framework is in place for the four Crown corporations under the Department's portfolio. Specific concerns include the need for transparency in the appointments process for the corporations, and the fact that while the corporations have been given public policy objectives, they also must operate in a commercial environment at arm's length from the Minister. Without a governance framework, the Minister and the Department cannot be certain that the services and programs for which the corporations are responsible respond to the needs and interests of Canadians, and that the corporations continue to meet public standards and expectations for transparency, accountability, ethical conduct and sound management. As noted above, the Department developed a governance action plan to respond to the observations of the Office of the Auditor General with respect to Parc Downsview Park Inc. Additional efforts to strengthen governance within the Department will address capacity building in the Crown Corporations Secretariat to enhance knowledge and analytical ability, strengthening governance tools (such as manuals of procedural guidance and best practices), and developing effective mechanisms to allow the Minister to provide appropriate feedback to the Boards of Directors of the corporations.



Section III: Supplementary Information

3.1 Organizational Information

Infrastructure Canada was established in August 2002 to lead the Government of Canada's effort to address the infrastructure challenges of Canadian cities and communities, through research, policies and funding programs. Since then, the Department has evolved to become a centre of expertise for infrastructure management and the federal focal point for cities and communities issues.

A key element of the Department's mandate is to manage and coordinate funding programs that support public infrastructure initiatives and to provide strategic advice and policy direction on related matters. The Department also leads the Government of Canada's New Deal for Cities and Communities, which is focused on establishing a long term vision for Canada's communities, building new relationships among all orders of government and with other partners, providing predictable and stable long-term funding, and improving the coherence among federal programs that benefit cities and communities.

Another key aspect of the Department's mandate is policy development and research. Infrastructure Canada works closely with its federal partners, as well as other stakeholders, to apply and transfer knowledge to promote innovative approaches that respond to the needs of regions and individual communities.

Infrastructure Canada and the four Crown corporations report to the Minister of State (Infrastructure and Communities). As a relatively new department, Infrastructure Canada continues to evolve to reflect the expanding mandate associated with its portfolio.

Departmental Organization

The Department is headed by André Juneau, the Deputy Minister, and is supported by Guy McKenzie, the Associate Deputy Minister, and four Assistant Deputy Ministers: the Senior Assistant Deputy Minister, Policy and Communications Branch; the Assistant Deputy Minister, Program Operations Branch; the Assistant Deputy Minister, Cities and Communities Branch; and the Assistant Deputy Minister, Regional Integration.



The department's organizational structure is presented in Figure 4. Further organization information is available at: http://www.infrastructure.gc.ca/info/chart_text_e.shtml.

Figure 4: Infrastructure Canada Organization Chart

Minister of State (Infrastructure and Communities)			
Deputy Minister Associate Deputy Minister			
Senior Assistant Deputy Minister Policy & Communications <ul style="list-style-type: none"> • Policy & Priorities • Research & Analysis • Communications and Promotion • Crown Corporation Secretariat • Corporate Services 	Assistant Deputy Minister Cities and Communities <ul style="list-style-type: none"> • Operations • Policy and Research 	Assistant Deputy Minister Program Operations <ul style="list-style-type: none"> • Intergovernmental Operations • Issues Management • Chief Information Officer 	Assistant Deputy Minister Regional Integration <ul style="list-style-type: none"> • Integration of federal infrastructure initiatives with New Deal • Regional Development Agency partnerships • Federal Council relationships

Departmental Partners

Infrastructure Canada collaborates with other federal departments and agencies to affect the delivery of infrastructure programs. For example, the Department works closely with Indian and Northern Affairs Canada in respect to projects in the North and those that involve First Nations. It also works closely with the regional development agencies of Industry Canada — the Atlantic Canada Opportunities Agency, Western Economic Diversification Canada, Canada Economic Development for the Quebec Region and the Federal Economic Development Initiative for Northern Ontario. Other major federal partners include Transport Canada, Environment Canada, Industry Canada and Public Works and Government Services Canada. These departments and agencies share their knowledge of local needs and priorities, as well as their technical expertise, resources and governance structures and are critical to the Department's ability to fulfill its mandate.



In addition to federal partners, Infrastructure Canada collaborates with provincial, territorial and municipal governments, as well as universities, research institutes, civil society organizations, the private sector and other experts. This collaboration is intended to:

- generate new, horizontal insights into infrastructure issues;
- develop a stronger, more multi-disciplinary research community that can provide support for policy and decision makers in the multiple sectors involved in addressing Canada's infrastructure needs; and
- disseminate and communicate knowledge about infrastructure to key partners.

3.2 Financial Tables

This section contains a summary of Infrastructure Canada's financial performance for the fiscal year 2004-2005. The financial tables presented in this section provide information using the following main headings:

- comparison of planned to actual spending;
- use of resources by program activities;
- voted and statutory items;
- net cost of the Department;
- details on transfer payments programs;
- response to Parliamentary committees, audits and evaluations;
- horizontal initiatives; and
- travel policies.



Table 19: Comparison of Planned to Actual Spending

(\$ thousands)	Actual 2002-03	Actual 2003-04	2004-2005			
			Main Estimates	Planned Spending	Total Authorities	Actual
Infrastructure and Communities		67,738	418,298	587,715	500,022	217,913
Crown Corporations Portfolio Management		0	0	0	21,444	21,444
Departmental Administration		6,145	5,807	5,807	12,347	11,012
Total	11,793	73,883	424,105	593,522	533,813	250,368
Plus: Cost of services received without charge				1,473	2,795	2,795
Net cost of Department	11,793	73,883	424,105	594,995	536,608	253,163
Full Time Equivalents	35	92				179



Table 20: Use of Resources by Program Activities

2004–2005			
Program Activity – PA	Budgetary		
	Operating	Grants and Contributions	Total
Infrastructure and Communities			
Main Estimates	11,340	406,958	418,298
<i>Planned Spending</i>	11,340	576,375	587,715
Total Authorities	19,228	480,794	500,022
<i>Actual Spending</i>	18,508	199,405	217,913
Crown Corporations Portfolio Management			
Main Estimates	0	0	0
<i>Planned Spending</i>	0	0	0
Total Authorities	21,444	0	21,444
<i>Actual Spending</i>	21,444	0	21,444
Departmental Administration			
Main Estimates	5,807	0	5,807
<i>Planned Spending</i>	5,807	0	5,807
Total Authorities	12,347	0	12,347
<i>Actual Spending</i>	11,012	0	11,012
Total Department			
Main Estimates	17,147	406,958	424,105
<i>Planned Spending</i>	17,147	576,375	593,522
Total Authorities	53,019	480,794	533,813
<i>Actual Spending</i>	50,963	199,405	250,368



Table 21: Voted and Statutory Items

(\$ thousands)

2004-2005					
Vote or Statutory Item	Truncated Vote or Statutory Wording	Budgetary			
		Main Estimates	Planned Spending	Total Authorities	Actual
2	Operating expenditures	15,702	15,702	30,923	28,867
7	Contributions	406,958	576,375	480,794	199,405
12	Payments to Old Port of Montreal Corporation Inc.	0	0	16,100	16,100
14	Payments to Queens Quay West Land Corporation	0	0	4,000	4,000
(S)	Contribution to Employee Benefit Plans	1,445	1,445	1,996	1,996
	Total Department	424,105	593,522	533,813	250,368

Table 22: Net Cost of Department

(\$ thousands)	2004-2005
Total Actual Spending	250,368
<i>Plus: Services Received without Charge</i>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	1,524
Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS (excluding revolving funds)	938
Worker's compensation coverage provided by Social Development Canada	0
Salary and associated expenditures of legal services provided by Justice Canada	333
2004-2005 Net cost of Department	253,163



Table 23: Details on Transfer Payments Programs (TPPs)

<p>1) Name of Transfer Payment Program: Canada Strategic Infrastructure Fund</p> <p>2) Start Date: 2003-2004 3) End Date: 2013-2014 4) Total Funding: \$208.9 Million</p> <p>5) Description of Transfer Payment Program: Directed to projects of major federal and regional significance in areas that are vital to sustaining economic growth and enhancing the quality of life of Canadians.</p> <p>6) Objective(s), expected result(s) and outcomes: Safer and improved water quality in major communities; safer and faster movement of people and goods on Canada's major land transportation routes; reduced production of greenhouse gases and airborne pollutants; more-effective urban development; increased economic activity including tourism.</p> <p>7) Achieved results or progress made:</p> <ul style="list-style-type: none"> • 11 signed project agreements in fiscal year 2004-2005 • 9 new projects announced, with federal contributions of more than \$225 million • \$156.5 million in federal expenditures • 2 MOUs with Industry Canada on delivery of projects 						
(\$ thousands)	8) Actual Spending 2002-2003	9) Actual Spending 2003-2004	10) Planned Spending 2004-2005	11) Total Authorities 2004-2005	12) Actual Spending 2004-2005	13) Variance(s) between 10 and 12
14) Program Activity: Infrastructure – Total Contributions	–	52,375	376,436	376,612	156,454	219,982
15) Total for Program Activity	–	52,375	376,436	376,612	156,454	219,982
16) Total Transfer Payment Program	–	52,375	376,436	376,612	156,454	219,982
<p>17) Comments on Variances: Due to complexities inherent in the management of large scale infrastructure projects, Treasury Board has recognized that re-profiling of contributions may be required due to delays related to project startups and negotiations of agreements with proposed recipients.</p> <p>18) Due date for next evaluation: March 31, 2008.</p>						



Table 23: Details on Transfer Payments Programs (TPPs) (continued)

<p>1) Name of Transfer Payment Program: Border Infrastructure Fund</p> <p>2) Start Date: 2003-2004 3) End Date: 2013-2014 4) Total Funding: \$38.7 Million</p> <p>5) Description of Transfer Payment Program: Targets Canada-United States border crossing points and provides funding for investments in physical infrastructure, intelligent transportation system infrastructure and improved analytical capacity.</p> <p>6) Objective(s), expected result(s) and outcomes: A reduction in border bottlenecks; greater uptake of border fast tracking programs by frequent users; expansion or improvement in border/system capacity.</p> <p>7) Achieved results or progress made:</p> <ul style="list-style-type: none"> • 1 new project announced in 2004-2005, with federal contribution of \$4 million • \$38.8 million in federal expenditures on 4 projects 						
(\$ thousands)	8) Actual Spending 2002-2003	9) Actual Spending 2003-2004	10) Planned Spending 2004-2005	11) Total Authorities 2004-2005	12) Actual Spending 2004-2005	13) Variance(s) between 10 and 12
14) Program Activity: Infrastructure						
– Total Contributions	–	–	72,714	76,711	38,760	33,954
15) Total for Program Activity	–	–	72,714	76,711	38,760	33,954
16) Total Transfer Payment Program	–	–	72,714	76,711	38,760	33,954
<p>17) Comments on Variances: Due to complexities inherent in the management of large scale infrastructure projects, Treasury Board has recognized that re-profiling of contributions may be required due to delays related to project startups and negotiations of agreements with proposed recipients.</p> <p>18) Due date for next evaluation: March 31, 2008.</p>						



Table 23: Details on Transfer Payments Programs (TPPs) (continued)

<p>1) Name of Transfer Payment Program: Municipal Rural Infrastructure Fund</p> <p>2) Start Date: 2004-2005 3) End Date: 2010-2011 4) Total Funding: \$0.42 Million</p> <p>5) Description of Transfer Payment Program: To support smaller scale municipal infrastructure projects that improve the quality of life, sustainable development and economic opportunities, particularly of smaller communities.</p> <p>6) Objective(s), expected result(s) and outcomes: Improved and increased stock of core public infrastructure in areas such as water, wastewater, cultural and recreation; improved quality of life and economic opportunities for smaller communities and First Nations.</p> <p>7) Achieved results or progress made:</p> <ul style="list-style-type: none"> • 2 new projects announced in 2004-2005, with federal contribution of \$5.4 million • 6 agreements signed with provinces and territories • Capacity building component established 						
(\$ thousands)	8) Actual Spending 2002-2003	9) Actual Spending 2003-2004	10) Planned Spending 2004-2005	11) Total Authorities 2004-2005	12) Actual Spending 2004-2005	13) Variance(s) between 10 and 12
14) Program Activity: Infrastructure – Total Contributions	–	–	125,000	23,000	418	124,582
15) Total for Program Activity	–	–	125,000	23,000	418	124,582
16) Total Transfer Payment Program	–	–	125,000	23,000	418	124,582
<p>17) Comments on Variances: This is a new program. Negotiations with provinces and territories led to the signing of 6 contribution agreements by March 31, 2005, and the announcement of 2 projects. The remainder of the planned spending is available to be used by Infrastructure Canada in future years.</p> <p>18) Due date for next evaluation: March 31, 2007.</p>						



Table 23: Details on Transfer Payments Programs (TPPs) (continued)

<p>1) Name of Transfer Payment Program: Research, Knowledge and Outreach Program</p> <p>2) Start Date: 2004-2005 3) End Date: 2008-2009 4) Total Funding: \$0.05 Million</p> <p>5) Description of Transfer Payment Program: To enhance implementation of Infrastructure Canada's Research Strategy, which focuses on the three components of knowledge generation, community-building, and knowledge transfer.</p> <p>6) Objective(s), expected result(s) and outcomes: Greater understanding of the role and significance of infrastructure and infrastructure issues; more informed policy and decision making; increased knowledge of infrastructure, including infrastructure development, governance arrangements, best practices, intergovernmental experiences and emerging challenges and opportunities.</p> <p>7) Achieved results or progress made:</p> <ul style="list-style-type: none"> • Terms and conditions approved by Treasury Board in May 2004 • First call for submissions in December 2004 resulting in the Department receiving 165 proposals for the Knowledge, Outreach and Awareness Program component. • Awarding of merit-based funding under the Peer Reviewed Research Studies Program component 						
(\$ thousands)	8) Actual Spending 2002-2003	9) Actual Spending 2003-2004	10) Planned Spending 2004-2005	11) Total Authorities 2004-2005	12) Actual Spending 2004-2005	13) Variance(s) between 10 and 12
14) Program Activity: Infrastructure – Total Contributions	–	–	300	300	54	247
15) Total for Program Activity	–	–	300	300	54	247
16) Total Transfer Payment Program	–	–	300	300	54	247
<p>17) Comments on Variances: Use of the funds was delayed by a slow startup of this new program. The funding profile was developed based on the Department's best estimates of requirements at the time of the original Treasury Board submission requesting funding.</p> <p>18) Due date for next evaluation: March 31, 2009.</p>						



Response to Parliamentary Committees, Audits and Evaluations for Fiscal Year 2004-2005

Response to Parliamentary Committees

No reports or recommendations were provided by Parliamentary committees in fiscal year 2004-2005.

Response to the Auditor General

In a November 2004 report, the Auditor General identified an issue under the Department's Crown corporations portfolio management (in *Chapter 8 – Other Audit Observations*). The objective of the audit was to determine the progress the Government had made in addressing the remaining concerns of the Office of the Auditor General about the transfer of Downsview lands and the future funding of Parc Downsview Park Inc.

The report indicated that the transfer of Downsview lands from National Defence to Parc Downsview Park Inc. and the financing of the organization's future operations are issues that need to be resolved if the corporation is to fulfill its mandate to create and operate an urban park on a self-financing basis.

In responding to the findings, Infrastructure Canada stated that departmental officials would continue to work with central agencies, officials at Parc Downsview Park Inc., and National Defence to find a mechanism to enable the transfer of Downsview lands from National Defence to the Crown corporation. The transfer of the lands is a necessary first step to ensuring that the corporation can finance the future development of the park.

For more information on the report, see <http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20041108ce.html#ch8hd3c>

External Audits and Evaluations

No external audits or evaluations were conducted in Infrastructure Canada during fiscal year 2004-2005.

Internal Audits and Evaluations

Three internal audits/evaluations were conducted in Infrastructure Canada during fiscal year 2004-2005:



1. Compliance Audit of Travel, Hospitality, and Acquisition Cards Expenses

This audit was carried out in 2004-2005 and covered the 19-month period from April 1, 2003 to October 31, 2004. The purpose of this audit was to provide the Department's senior management with reasonable assurance concerning the adequacy of internal control mechanisms, and compliance with the standards relating to the eligibility of travel and hospitality expenses and acquisition card transactions, and with the requirements for proactive disclosure of travel and hospitality expenses on the departmental web site.

The main findings of the audit indicated that control mechanisms designed to offset the risks associated with travel expense hospitality and acquisition card transactions appear, on the whole, to be adequate and to have been generally applied in an acceptable manner during the audit period. The audit also concluded that there is some room for improvement with respect to pre-authorization. A summary of this audit is expected to be made available on Infrastructure Canada's web site in fiscal year 2005-2006.

2. Evaluation of the InfraGuide project

In 2000, the Department entered into a \$12.5 million contribution agreement with the Federation of Canadian Municipalities (FCM) for a project entitled the *National Guide for Sustainable Municipal Infrastructure: Innovations and Best Practices* (known as the InfraGuide project). The FCM also signed a collaboration agreement with the National Research Council Canada to jointly deliver the InfraGuide.

The InfraGuide project identifies and disseminates best practices and encourages innovation to support sustainable municipal infrastructure decisions and actions.

A mid-term evaluation of Phase I of the project in 2003 focused on design and delivery issues. It also identified some early results and explored aspects of cost-effectiveness. That evaluation provided the basis for signing an agreement for Phase II on March 19, 2004. Concerns have been expressed that the FCM must develop a more sustainable funding model for the project.

A summative evaluation of Phase II was initiated to provide the basis for decisions regarding future funding for the project, as well as recommendations to better position the InfraGuide to achieve its objectives. The broad evaluation areas to be addressed include rationale design and delivery, success in achieving intended outcomes, and cost-effectiveness. The final report of the summative evaluation of Phase II of the InfraGuide project is expected to be completed in September 2005.

(For more information, see the highlight box under section 2.1.2.)



3. Mid-term evaluation of the Infrastructure Canada Program

The four broad program evaluation areas included in the mid-term evaluation of the Infrastructure Canada Program are: rationale, design/delivery, success and cost-effectiveness. Information continued to be collected during the reporting period through a review of project files, a survey of municipalities and First Nation communities, an analysis of the cost-effectiveness of program administration and project results, on-going document reviews, and additional interviews. A final report of the mid-term evaluation of the Program was expected to be completed in September 2005.

Horizontal Initiatives

The objective of reporting on horizontal initiatives is to provide Parliamentarians, the public and others with an overall picture of public expenditures, plans, priorities and achievements for all major horizontal initiatives.

A horizontal initiative is an initiative in which partners from two or more organizations have agreed under a formal funding agreement to work towards the achievement of shared outcomes. Over the last year, Infrastructure Canada led in the following four horizontal initiatives:

- Canada Strategic Infrastructure Fund
- Border Infrastructure Fund
- Infrastructure Canada Program
- Municipal Rural Infrastructure Fund.

For further information on the above-mentioned horizontal initiatives see <http://www.tbs-sct.gc.ca/est-pre/estime.asp>

Travel Policies

Comparison to the Treasury Board Secretariat Special Travel Authorities

Infrastructure Canada follows the Treasury Board Secretariat Special Travel Authorities.

Comparison to the Treasury Board Secretariat Travel Directive, Rates and Allowances

Infrastructure Canada follows the Treasury Board Secretariat Travel Directive, Rates and Allowances.





Section IV: Other Items of Interest

4.1 Departmental Administration

Description

Departmental administration forms the third activity of the Department. It comprises the following sub-activities:

- Office of the Minister of State;
- Office of the Deputy Minister (including the Associate Deputy Minister);
- Corporate Services;
- Information management/information technology; and
- Legal Services.

The Corporate Services sub-activity is further divided into: Finance; Administration; Human Resources; and Planning, Audit and Evaluation.

The Minister of State (Infrastructure and Communities), supported by the Deputy Minister, is responsible for ensuring that Government priorities are pursued through the Infrastructure and Communities Portfolio. This portfolio includes responsibilities for:

- leading the Government's efforts to advance the New Deal for Cities and Communities;
- planning and implementing infrastructure programming and cross-cutting support functions such as policy and communications, research and analysis, information management and program operations; and
- supporting the Minister in his responsibilities for four Crown corporations – the Canada Lands Company Limited, the Old Port of Montréal Corporation Inc., Parc Downsview Park Inc., and Queens Quay West Land Corporation.

Infrastructure Canada is well-positioned to support the Government of Canada's vision for sustainable communities. Success requires all parts of the Department to recognize the complementary roles they play within the Portfolio, and their respective roles in supporting the Minister in his responsibilities toward Parliament and Canadians.

Effective portfolio management is imperative to maintain an organization that is properly positioned not only to deliver on the Department's priorities, but also to help the Government achieve its overall strategic objectives.



Achievements

The Department focused on effectively managing the new Infrastructure and Communities Portfolio in fiscal year 2004-2005, as two new activity areas were added: the sub-activity area of Cities and Communities, and the program activity area of Crown Corporations Portfolio Management.

Table 24: Financial and Human Resource Requirements, Departmental Administration, 2004-2005

(\$ thousands)

Main Estimates	Planned Spending	Total Authorities	Actual Spending	FTEs Actual
\$5,807	\$5,807	\$12,344	\$11,012	52

In addition, several management initiatives were undertaken to support organizational delivery. An Operational Review was initiated to ensure the Department’s delivery model was appropriate and to determine whether it is structured and resourced optimally to meet its present and future operational challenges. A Corporate Risk Profile was completed to better understand the strategic organizational context within which risk must be managed to achieve results, and to determine coordinated measures to mitigate key corporate level strategic risks. Also, SIMSI (Shared Information Management System for Infrastructure), the department’s on-line information management tool, was adapted to provide the technology for the e-management of all departmental infrastructure programs.

The changes in the Department over the last fiscal year, combined with its relative newness, have resulted in a period of continuing change and transition for the organization, and created additional requirements for building an effective organization. Many of the required management processes and structures have been put in place but further work is required. To report its achievements to date, the Department is using the Management Accountability Framework (MAF), introduced by Treasury Board Secretariat to provide an explicit and coherent model for high organizational performance (Table 25). The MAF brings together the principal elements of frameworks, including those on Modern Comptrollership, Human Resources Modernization, Service Improvement and Government On-Line. (Further information on the MAF can be found at http://publiservice.tbs-sct.gc.ca/maf-crg/index_e.asp.) This framework comprises a list of ten essential elements of sound management, reflective of the management initiatives currently underway and of the vision of modern Public Service management. Treasury Board Secretariat has developed a short list of indicators for each expectation.



Table 25: Departmental Administration Achievements against Management Accountability Framework Expectations, 2004-2005

Management Accountability Framework Expectations	Management Accountability Framework Indicators	Infrastructure Canada Achievements in Fiscal Year 2004-2005
<p>1. Governance & Strategic Directions</p> <p>The essential conditions – internal coherence, corporate discipline and alignment to outcomes – are in place for providing effective strategic direction, support to the Minister and Parliament, and the delivery of results</p>	<p>Support to Minister, Cabinet and Parliament.</p> <p>Management framework aligned to strategic outcomes</p> <p>The right executive team</p> <p>Results-focused, corporate priorities</p> <p>Strategic resource allocation/ reallocation based on performance</p> <p>Integrated agenda for management excellence</p> <p>Horizontal collaboration</p> <p>Environmental scanning</p>	<p>Established strong relationships and collaborated with various orders of government (provinces and territories, First Nations, municipalities) for cost-sharing of infrastructure programs and projects, via contribution agreements, the establishment of joint oversight committees, the promulgation of program guidelines and announcement of partnership investments</p> <p>Significant interaction with industry, professional and municipal organizations with infrastructure focus</p> <p>Treasury Board Secretariat-mandated Operational Review launched in 2004-05 to ensure Infrastructure Canada’s organizational model and management framework are aligned to achieve its strategic outcomes</p> <p>Interdepartmental ADM Coordination Committee, comprised of the Assistant Deputy Ministers of all of Infrastructure Canada’s federal delivery partners, established to serve as a forum to exchange views, concerns and lessons learned</p> <p>Supported the Horizontal Committee on Infrastructure Research</p>
<p>2. Stewardship</p> <p>The departmental control regime (assets, money, people, services, etc.) is integrated and effective, and its underlying principles are clear to all staff</p>	<p>Management systems provide relevant information and early warning on resources, results and controls</p> <p>Rigorous audit/ evaluation function</p> <p>Functional specialists as ‘partners’</p> <p>Compliance with policies, regulations, and legislation</p>	<p>Continued work on sound and sustainable audit and evaluation functions, using a risk-based approach to planning and conducting audits and ensuring the design and maintenance of program and operational control systems are adequate</p> <p>Enhanced the Shared Information Management System for Infrastructure (SIMSI) to support CSIF, BIF and MRIF, and enhance the federal infrastructure knowledge base to create better operations’ management and investment decision-making tools</p>



**Table 25: Departmental Administration
Achievements against Management Accountability
Framework Expectations, 2004-2005 (continued)**

Management Accountability Framework Expectations	Management Accountability Framework Indicators	Infrastructure Canada Achievements in Fiscal Year 2004-2005
<p>3. Accountability</p> <p>Accountabilities for results are clearly assigned and consistent with resources, and delegations are appropriate to capabilities</p>	<p>Clear accountabilities and responsibilities for due process and results</p> <p>Delegations appropriate to capabilities</p> <p>Cascading commitments in Performance Management Agreements of Executives</p>	<p>Performance management agreements continued for executives based on Deputy Minister and ADM commitments</p> <p>Delegation of financial and contracting authority reviewed and updated</p>
<p>4. Public Service Values</p> <p>By their actions, departmental leaders continually reinforce the importance of PS Values and Ethics in the delivery of results to Canadians (e.g.: democratic, professional, ethical and people values)</p>	<p>Exemplary conduct.</p> <p>PS values tailored to realities/culture of department</p> <p>Values-based management practices</p>	<p>Mandatory training provided for new managers on staffing values and principles</p> <p>Fact sheets prepared on the new Values and Ethics Code, requirements for conflict of interest, and name of Senior Officer/Champion posted on departmental intranet</p> <p>Established a Senior Advisor on Wrongdoing in the Workplace and a Champion of Values and Ethics supported the Deputy Minister</p> <p>Second annual report on Staffing Accountability Accord received a positive assessment in terms of the Staffing Management and Accountability expectations</p> <p>An exit interview process established for departing staff</p> <p>First departmental employee survey conducted to measure employee satisfaction and create a baseline for future surveys; employee focus groups created to followup on the survey's findings and recommendations</p> <p>Harassment prevention sessions organized for both managers and employees</p>



Table 25: Departmental Administration Achievements against Management Accountability Framework Expectations, 2004-2005 (continued)

Management Accountability Framework Expectations	Management Accountability Framework Indicators	Infrastructure Canada Achievements in Fiscal Year 2004-2005
<p>5. People</p> <p>The Department has the people, work environment and focus on building capacity and leadership to assure its success and a confident future for the Public Service of Canada</p>	<p>Reflective of Canada</p> <p>Respectful of official language requirements</p> <p>Renewed/sustained capacity</p> <p>Supportive workplace</p> <p>Integrity of the classification system</p> <p>Employee engagement</p> <p>Opportunities to grow</p> <p>Leadership continuum</p> <p>Recognition, rewards and sanctions</p>	<p>Continued development of the management framework required to implement the various measures of <i>Public Service Labour Relations Act</i></p> <p>Applied the HR Planning Framework and related directives to support the <i>Public Service Employment Act's</i> new approach to staffing</p> <p>Second annual report on Employment Equity indicated representation for women, persons with disabilities and visible minorities above the public service average</p> <p>Second annual report on Official Languages submitted, indicating that Department's overall bilingualism capacity is very strong</p> <p>Established a Champion for Official Languages and a Champion for Employment Equity to support the Deputy Minister</p> <p>An in-house language training program continued to be available for all staff</p> <p>Career counselling services and Employee Assistance Program Services available to all staff</p> <p>Deputy Minister continued to hold weekly all staff meetings for information sharing</p> <p>An integrated training and development framework developed</p> <p>Analysis initiated on the use of alternative work arrangements in the Department</p> <p>Performance Management Program resulted in a high level of completed appraisals and professional learning plans</p> <p>During National Public Service Week, the Deputy Minister recognized employee achievements and long service at the Annual Awards Ceremony</p> <p><i>Public Service Modernization Act</i> implementation plan established, and key policies and processes such as Informal Conflict Resolution and labour-management consultation developed</p>



Table 25: Departmental Administration Achievements against Management Accountability Framework Expectations, 2004-2005 (continued)

Management Accountability Framework Expectations	Management Accountability Framework Indicators	Infrastructure Canada Achievements in Fiscal Year 2004-2005
<p>6. Citizen-focused Service Services are citizen-centred, policies and programs are developed from the 'outside in', and partnerships are encouraged and effectively managed</p>	<p>Monitored, continuously, improved service quality Technology options fully exploited Empowered front-line deliverers Effective relationships</p>	<p>Partner Satisfaction Survey conducted in summer 2004 Ongoing user training was carried out on the Shared Information Management System for Infrastructure (SIMSI) Departmental employees developed and disseminated information to the public and to research publications</p>
<p>7. Policy and Programs Departmental research and analytic capacity is developed and sustained to assure high quality policy options, program design and advice to Ministers</p>	<p>Sustained analytic capacity and culture of consultation, review and challenge Results focused policy and program agendas linked to Government's horizontal priorities Citizen engagement Confidence of the Minister and the centre</p>	<p>Provided ongoing policy support to the Minister and Cabinet on Crown corporations, infrastructure programs and investments</p>
<p>8. Learning, Innovation and Change Management The Department manages through continuous innovation and transformation, promotes organizational learning, values corporate knowledge, and learns from its performance</p>	<p>Strategic organizational learning, a capacity to anticipate and adjust to change, and a disposition to transformation A culture of innovation Performance as a guide to change Delegations as an instrument of empowerment Corporate knowledge and corporate memory captured and managed as strategic resources</p>	<p>A Champion of Continuous Learning and Development supported the Deputy Minister An Integrated Training and Development Policy was developed and communicated to all employees Central budgets in each branch were established for employee participation at work-related conferences and workshops In-house courses and brown-bag sessions were offered in a variety of areas and topics</p>
<p>9. Risk Management The executive team clearly defines the corporate context and practices for managing organizational and strategic risks proactively</p>	<p>Key risks identified and managed Risk lens in decision making Risk-smart culture Capacity to communicate and manage risk in public context</p>	<p>Corporate Risk Profile developed to understand better the strategic organizational context within which the organization must manage risk to achieve results, and to determine coordinated measures to mitigate key corporate level strategic risks Training and workshops provided to staff on grants and contribution management, risk-based audit frameworks, security of information, Public-Private Partnerships (P3) project processes, and contracting</p>



**Table 25: Departmental Administration
Achievements against Management Accountability
Framework Expectations, 2004-2005 (continued)**

Management Accountability Framework Expectations	Management Accountability Framework Indicators	Infrastructure Canada Achievements in Fiscal Year 2004-2005
<p>10. Results and Performance</p> <p>Relevant information on results (internal, service and program) is gathered and used to make departmental decisions, and public reporting is balanced, transparent, and easy to understand</p>	<p>Corporate monitoring and reporting of program, service and internal results</p> <p>Integrated financial and non-financial performance information used in corporate decision making</p> <p>Departmental reporting based on measurable outcomes</p> <p>Benchmark against the best</p> <p>Transparent, timely and accessible communications with citizens and Parliament</p>	<p>Report on Plans and Priorities and Departmental Performance Reports approved by Deputy Minister and Minister and tabled in Parliament</p> <p>Worked with federal delivery partners on horizontal templates for results reporting on ICP, MRIF, CSIF and BIF</p> <p>SIMSI database captured ICP data on infrastructure project benefits and results for reporting purposes</p> <p>Provided communications support to the Minister and the Department by developing speeches, messages and articles for publications</p> <p>Organized, jointly with partners, media events for funding announcements and developed news releases and provided media relations support for these events and other Infrastructure Canada issues</p>



4.2 Contacts

For more information on Infrastructure Canada, see www.infrastructure.gc.ca or contact the Department at:

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