



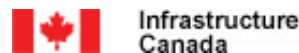
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Speech



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Address by

The Honourable Amarjeet Sohi,
Minister of Infrastructure
and Communities

January 21, 2016

(CHECK AGAINST DELIVERY)

Introduction

Many thanks, Jan, for that kind introduction.

I'm very pleased to be here at the Toronto Region Board of Trade. Today we are opening a dialogue that will, I hope, lead to many productive conversations.

It is fitting that I give this speech at the Toronto Region Board of Trade. The Board has been a tireless and vocal advocate for building infrastructure to make this region continue to prosper. I thank the Board for their leadership, and for convening this amazing group of leaders from across this region.

Friends, in today's difficult economic climate, and more particularly in my home province of Alberta, we see more than ever the need to act to improve our economy. So I am here today to discuss how infrastructure can and will play a big role in addressing the short-term

challenges, while laying the foundation for long-term, sustained prosperity.

More specifically, I want to talk about three things:

1. Why investing in public infrastructure is the smart thing to do
2. How we will do it
3. Short term action and long-term thinking

1. Why investing in infrastructure is the smart thing to do

Three months ago we concluded a very long election campaign where Canadians voted to see real change in Ottawa. They voted on a clear promise to help the middle class and invest in our country to create economic growth and good jobs.

Canadians said it was time for a new plan, a new direction for our economy. They said it was time to invest in people and in our communities across the country. Time to invest in things that make a difference in their everyday lives. Transit, roads, clean energy, housing, child care. The crucial infrastructure our economy needs to grow and that will allow us to get ahead and prosper.

As you may know, infrastructure is so much more than the structures themselves – it's more than concrete and water pipes, or roads and bridges, or buses and train tracks.

Infrastructure is really about people. It is what connects Canadians to their communities and allows them to be active participants, both socially and economically.

Infrastructure is about a parent sleeping in peace knowing that their children will have clean and safe water to drink.

It's about a safe haven and a shelter for a woman fleeing domestic violence. Or clean and safe housing for someone who has no other options.

It's about Canadians having decent, well-paying jobs that allow them to raise their families and give them a high quality of life. Infrastructure can do that. And I have experienced this firsthand.

When I first came to Canada at the age of 18, being part of a community was key to my future success and happiness. Public transit is what allowed me to get to the library and school to learn English. Community centres are the places where I played sports and made friends that support me to this day.

I realized this reality even more when I worked as a bus driver for Edmonton Transit. I saw how people relied on public transit to get to work, make a living and raise their families. As a city councillor for eight years, I was able to work with various stakeholders to see our LRT (Light Rail Transit) project in Edmonton become a reality.

Everyone in this room knows the huge economic benefits of public infrastructure investment – both in the short and long-term. But we also know the power of infrastructure to shape communities, and to provide places we want to live, work and play.

You would also know there is a huge cost of standing still or waiting to make these investments. Let me give you a couple of examples:

- According to a report published by the C.D. Howe Institute in 2013, the cost of congestion is \$7.5B to \$11B in Toronto alone.
- The Department of Justice estimated that the total economic cost of domestic violence in 2009 was \$7.4 billion.
- And according to the FCM (Federation of Canadian Municipalities), homelessness costs Canadians an estimated \$7 billion annually.

We all know the economic challenges we are facing today, but investing in infrastructure in a strategic way can stimulate the economy and help build strong sustainable and inclusive communities.

We need to act, and we need to act now.

2. How we will do it

I will get to what we plan to do in a minute. But first, let me tell you how we will do it. Unlike in the past, our approach to infrastructure will not be top heavy.

My years as a city councillor taught me how much partnership and trust between governments are important to reach our goals.

Since the 1950s, the federal government's share of public infrastructure has declined and now represents less than 2% of total public assets. Municipalities now own more than 60 percent of these assets – but they collect less than 10 cents of every tax dollar. Something does not add up, and we have seen how our infrastructure has deteriorated as a result of consistent underinvestment.

This is why our government is committed to working closely with our local partners and trust their expertise in terms of setting priorities for their own communities. To build the infrastructure this country needs, collaboration will be key to our success.

But we also know trust can't exist without transparency. We will be more transparent in how we manage infrastructure investments. We will make program criteria clearer and easier to understand. We will speed up project approvals. And our partners will know how and why their projects were approved or not approved.

In my first few months I have had extensive discussions with my provincial, territorial and municipal partners. We have met numerous times with the Federation of Canadian Municipalities. I have met with Mayors from across the country. Just this morning I participated in a roundtable with the Mayors from the Greater Toronto and Hamilton Area to listen and to get their advice.

I plan to spend this afternoon meeting with private sector leaders to learn how we can best incorporate their ideas into our strategy.

Our new approach to infrastructure will be designed in collaboration with our partners. And we will provide the long-term, dedicated and predictable funding that will help build cities for the 21st century.

3. Short-term action and long-term thinking

Now let me talk about our plans.

During the campaign, we put forward an ambitious agenda. We committed to doubling federal infrastructure investment over the coming decade. This will equal \$60 billion of new investment over the next 10 years, including an additional \$10 billion over the next two years.

We committed to invest this new money in three areas: public transit, green infrastructure and **social infrastructure**.

We want to support economic growth that is clean and inclusive. And our government believes that economic growth, social inclusion and a solid climate change agenda do not compete – they complement each other. Let me give you a few examples from here in Toronto.

Waterfront (green infrastructure)

One of my responsibilities as Minister is the Toronto Waterfront. I toured the Waterfront in December with their new CEO (Chief Executive Officer) Will Fleissig – who is here today. I was impressed by the vision of the waterfront as a complete and inclusive community.

The next phase of the Waterfront plan, the Portlands, sits in the Don River's flood plain – preventing its development. So Waterfront Toronto has proposed to revitalize the area by building a flood barrier, which would open up a huge new area for development, while creating jobs in the process.

Our \$20 billion investment in green infrastructure could make projects like this a reality.

Housing (social infrastructure)

Affordable housing is another area where our three objectives come together. Without affordable housing, our employers can't house the employees that drive their businesses, and our families can't afford to live where they want. The lack of affordable housing hurts our economy and our communities.

Later this afternoon Mayor John Tory will take me on a tour of Regent Park. I am looking forward to seeing this project – a great example of building affordable housing in partnership with the private sector and not-for profits – helping build not just new housing, but a new community.

Our \$20 billion investment in social infrastructure over the next ten years could make projects like Regent Park possible in cities across the country.

Transit

Of course, I would be remiss if I didn't mention public transit. For many years I have been a passionate advocate for public transit in my home city and across the country.

As Canada's largest city, it's critical that the people of Toronto have access to affordable, reliable and efficient public transit. Over the past ten years, Toronto has used the Federal Gas Tax Fund to leverage more than \$2.8 billion of investments in public transit. But together we need to invest more, and that's why transit infrastructure is one of our major priorities.

During the campaign we committed to provide funding to the Smart Track plan as well as Metrolinx's Regional Express Rail. And we will deliver on those commitments and many others across the country by investing an additional \$20 billion in transit infrastructure over the next 10 years.

A two phased-approach

Now let me tell you how we plan to deliver on these commitments.

We are faced with two challenges – getting infrastructure investments into our economy, while ensuring we act in a long-term and strategic way. We are considering a two-phased approach: an initial two-year phase that will lay the foundation for our 10-year strategy.

But how do we invest in the short-term in a way that still meets our longer-term objectives? It's not enough to be shovel-ready – projects need to be shovel-worthy as well.

As I consulted with partners I realized how little the federal government had paid attention to one critical aspect of our infrastructure – **recapitalization** and repairs.

We know infrastructure across the country is suffering from a deferred maintenance backlog.

In a new report released on Monday by the FCM (Federation of Canadian Municipalities), they focused on this very issue, noting that:

- 1/3 of municipal infrastructure is between fair and very poor condition
- Rates of reinvestment in these assets are lower than recommended
- At current reinvestment rates this infrastructure will continue to deteriorate

But what does it really mean to have aging infrastructure we don't repair properly? It means young families who live in social housing won't have a decent home to raise their children.

Commuters facing further delays after a long day at work because of system failures, or broken buses and streetcars. Water and wastewater systems that keep being patched only to cost more down the road.

If we adopt this two phased approach, we can support the repair of our social housing. We can help rebuild our water and wastewater systems. We can upgrade our aging bus fleets. We can fix what we have **now** instead of delaying and paying more later.

While we explore helping our partners rebuild their infrastructure, we will also spend the next year working with them to deliver our 10-year plan focused on our three priority areas: public transit, social infrastructure, and green infrastructure. The plan we develop will provide predictable, dedicated and transparent funding where it is needed.

To effectively design this long-term plan, we also need better data. So in our first phase we also propose to make investments to enhance municipal planning, asset management, and data collection capacity. This will help us make evidence-based decisions and put us on a more sustainable path.

Conclusion

We have a bold and ambitious plan to start building and rebuilding the infrastructure of the 21st century. But we need all of our partners, and everyone in this room, to help. We cannot do it alone, nor should we.

Together we will create economic growth and jobs and build resilient and inclusive communities in which Canadians desire to live.

It won't always be easy – there will be skirmishes and bumps and mistakes made along the way – but we aim to do this right, and we aim to do this together.

That is what infrastructure means to me. This is why we need to build it now. And this is why we will build it together.

Thank you very much.

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