

Provincial Infrastructure

A Review of the Province's Infrastructure and
an Assessment of the State of Repair



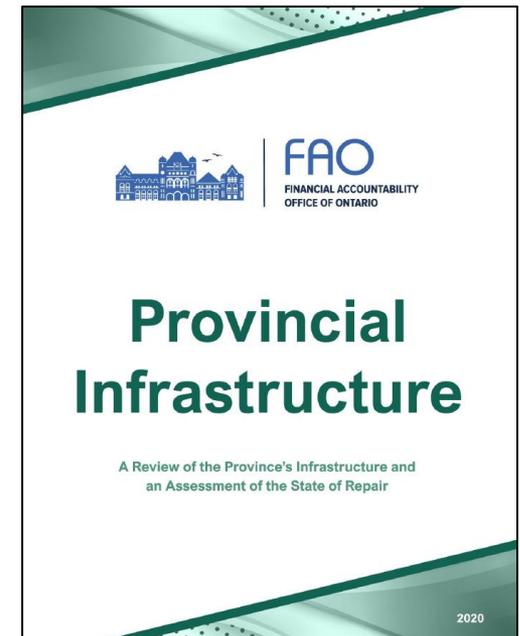
FAO

**FINANCIAL ACCOUNTABILITY
OFFICE OF ONTARIO**

Overview

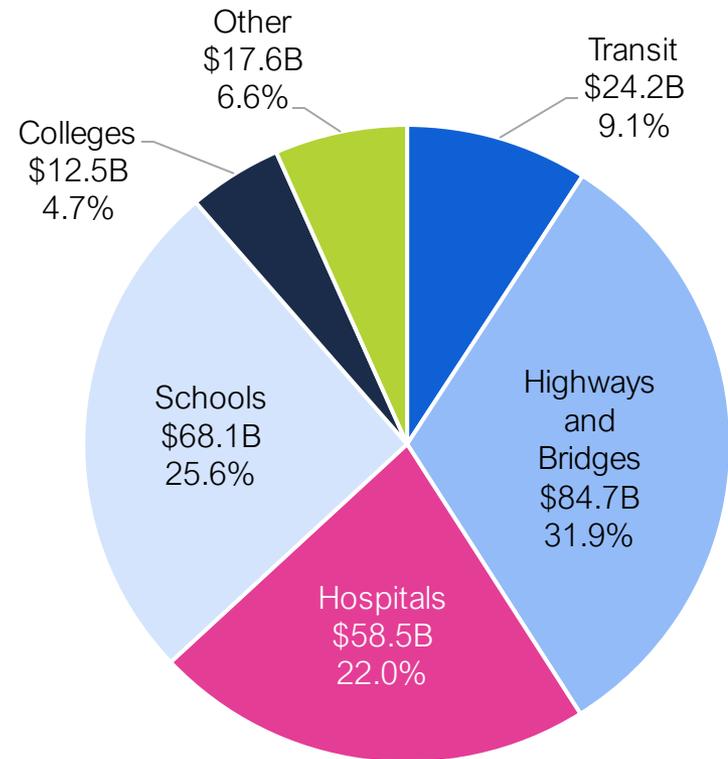
The report reviews the infrastructure assets owned by the Province and provides estimates of:

- The current replacement value of the Province's assets
- The state of repair of those assets in 2020-21
- The cost to bring the assets into a state of good repair (i.e., infrastructure backlog) this year
- The cost to eliminate the infrastructure backlog and keep the assets in a state of good repair over the next ten years
- A comparison of the investment needed to eliminate the infrastructure backlog against the Province's 10-year capital plan from the 2019 Ontario Budget



The Value of the Province's Infrastructure

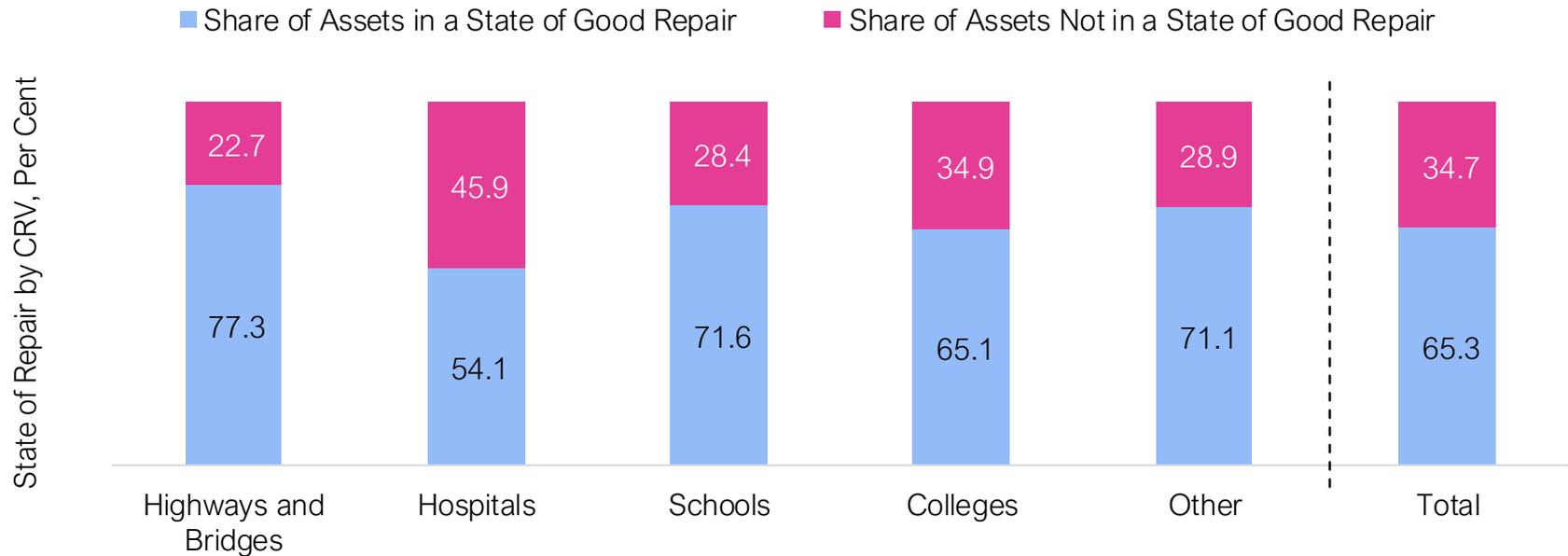
- This report focuses on assets owned or controlled by the Province.
 - That is, assets consolidated on the Province's financial statements.
- The FAO estimates that the current replacement value (CRV) of the Province's infrastructure was \$265.6 billion as of March 31, 2020.



Source: FAO analysis of information provided by the Ministry of Infrastructure and several other ministries.

The State of Repair of the Province's Infrastructure

- Keeping assets in a *state of good repair* ensures these assets are operating in a condition that is considered acceptable from both an engineering and cost management perspective.
- Based on the FAO's review, 65.3 per cent of Provincial assets are currently in a state of good repair. The remaining 34.7 per cent of the Province's assets are not in a state of good repair.

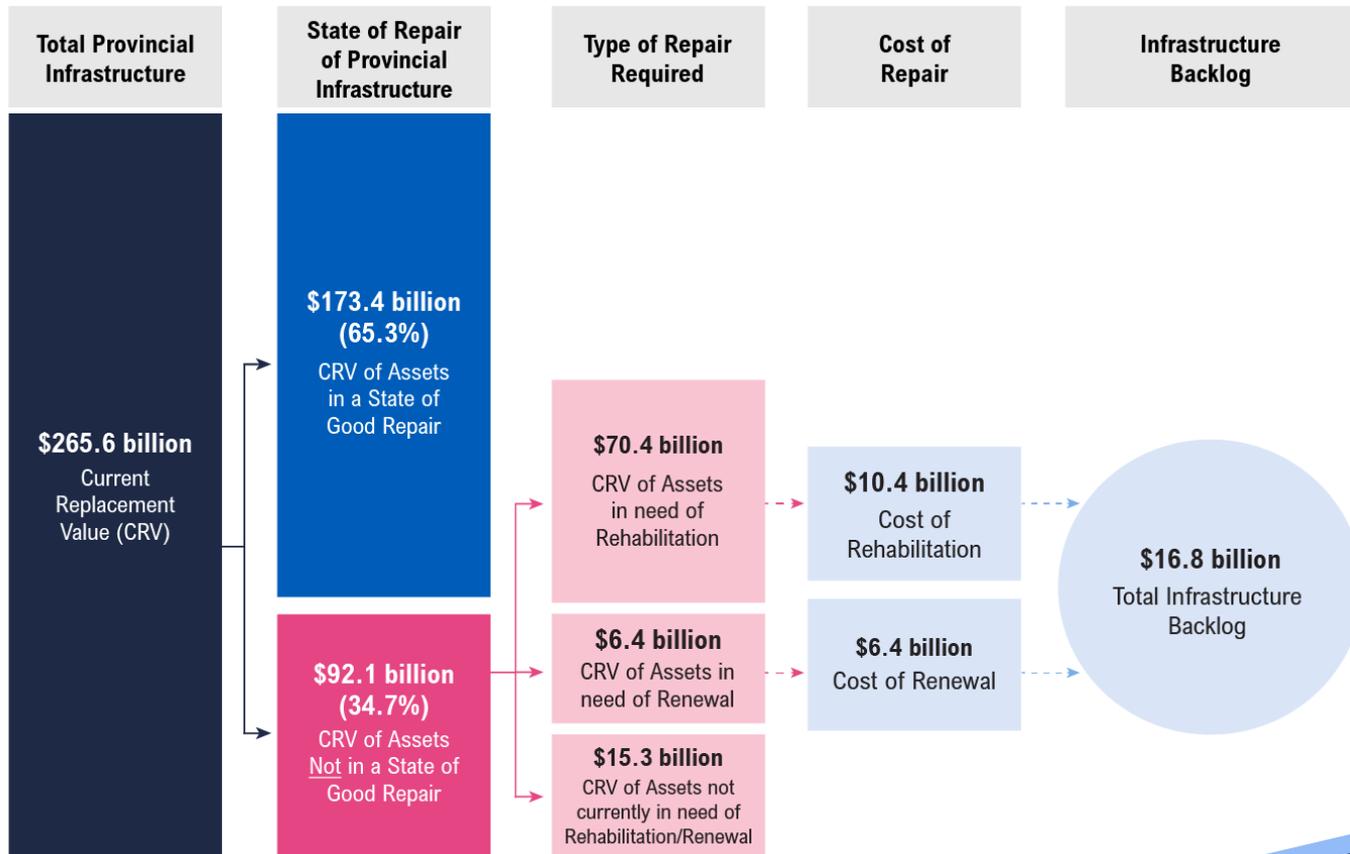


Note: Transit sector assets are not presented separately in this chart as Metrolinx and ONTC were unable to provide the FAO with asset-level condition information.

Source: FAO analysis of information provided by the Ministry of Infrastructure and several other ministries.

Understanding Ontario's Infrastructure Backlog

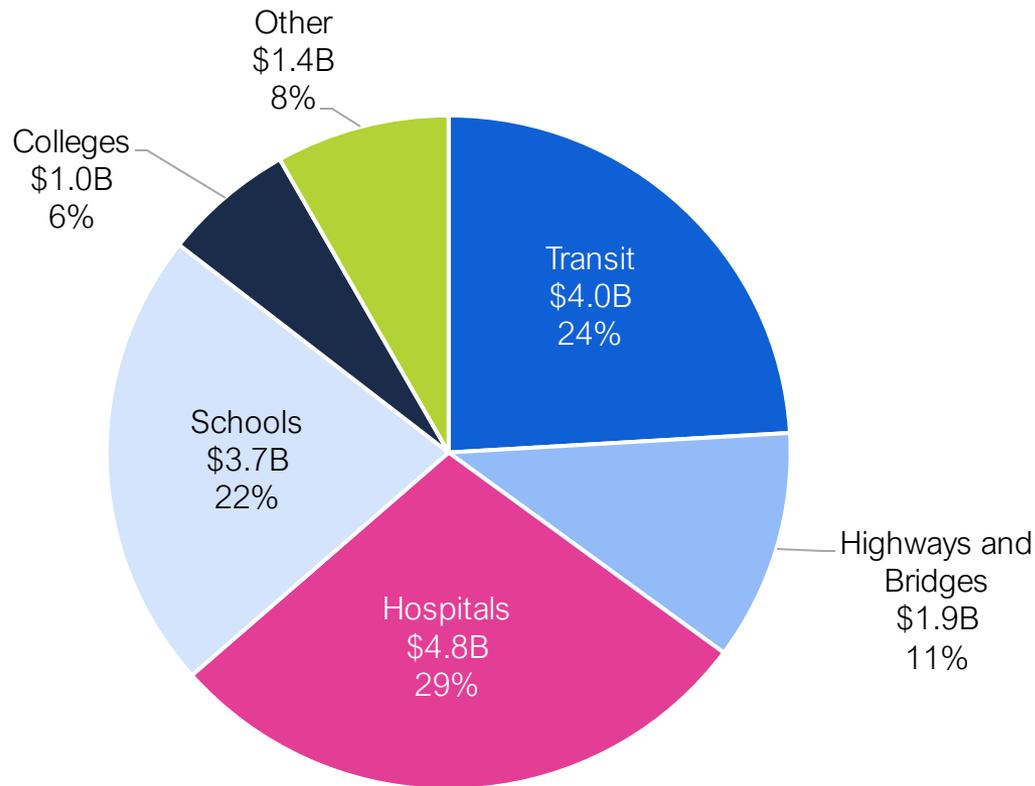
- The capital spending required to bring eligible assets up to a state of good repair is defined in this report as the infrastructure backlog.



Source: FAO analysis of information provided by the Ministry of Infrastructure and several other ministries.

Ontario's Infrastructure Backlog by Sector

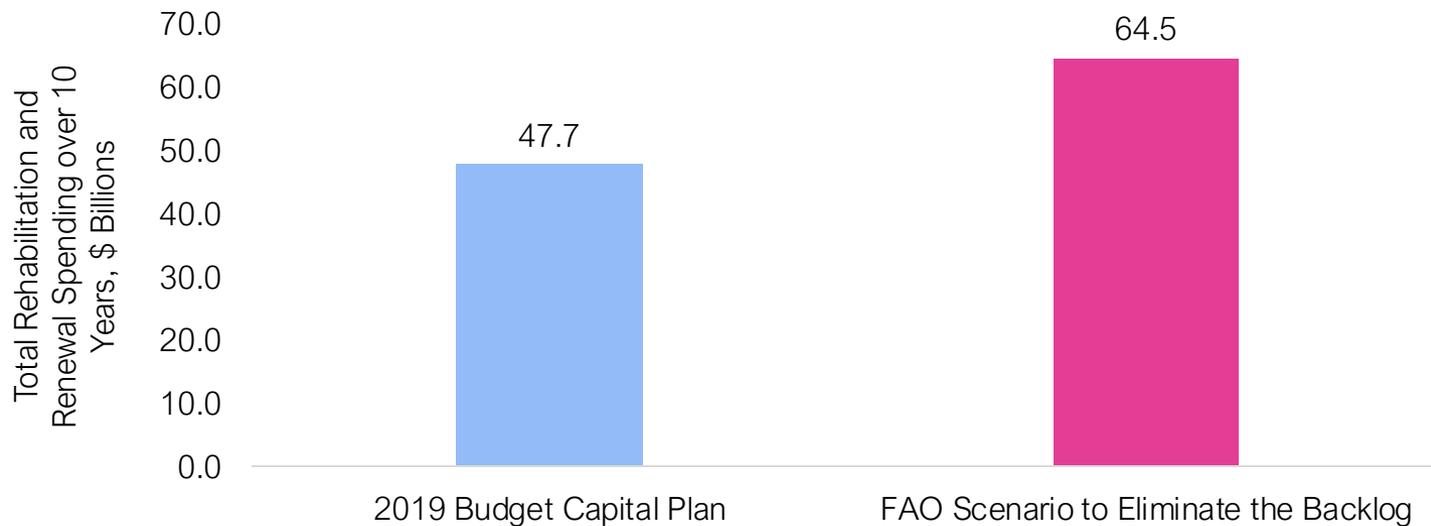
- The FAO estimates that the current infrastructure backlog totals \$16.8 billion.



Source: FAO analysis of information provided by the Ministry of Infrastructure and several other ministries.

Addressing the Infrastructure Backlog

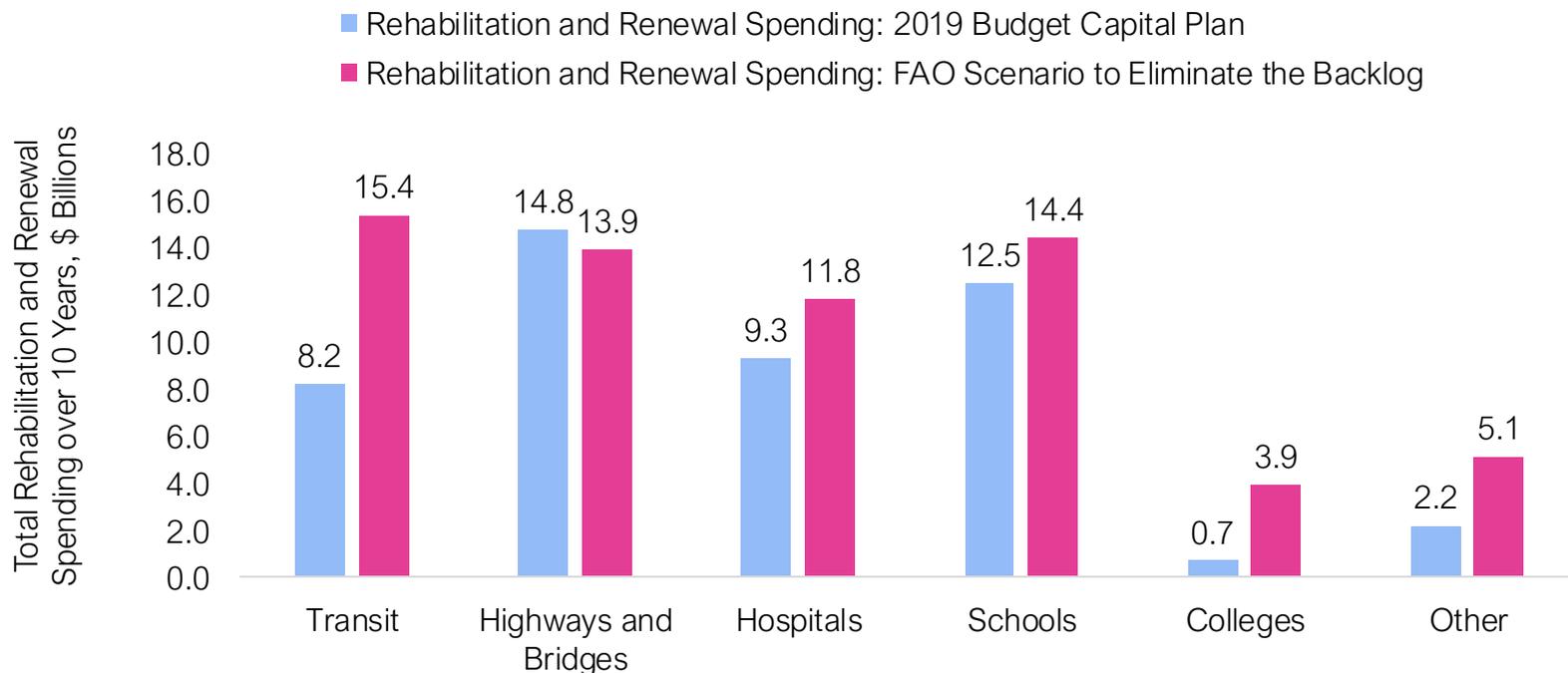
- The FAO estimates that the cost to eliminate the infrastructure backlog and maintain the Province's assets in a state of good repair over 10 years is \$64.5 billion.
- In comparison, the FAO estimates that the 10-year capital plan in the 2019 budget only earmarked \$47.7 billion in spending to address the infrastructure backlog.



Source: FAO analysis of information provided by Treasury Board Secretariat and several other ministries.

Infrastructure Funding Gaps by Sector

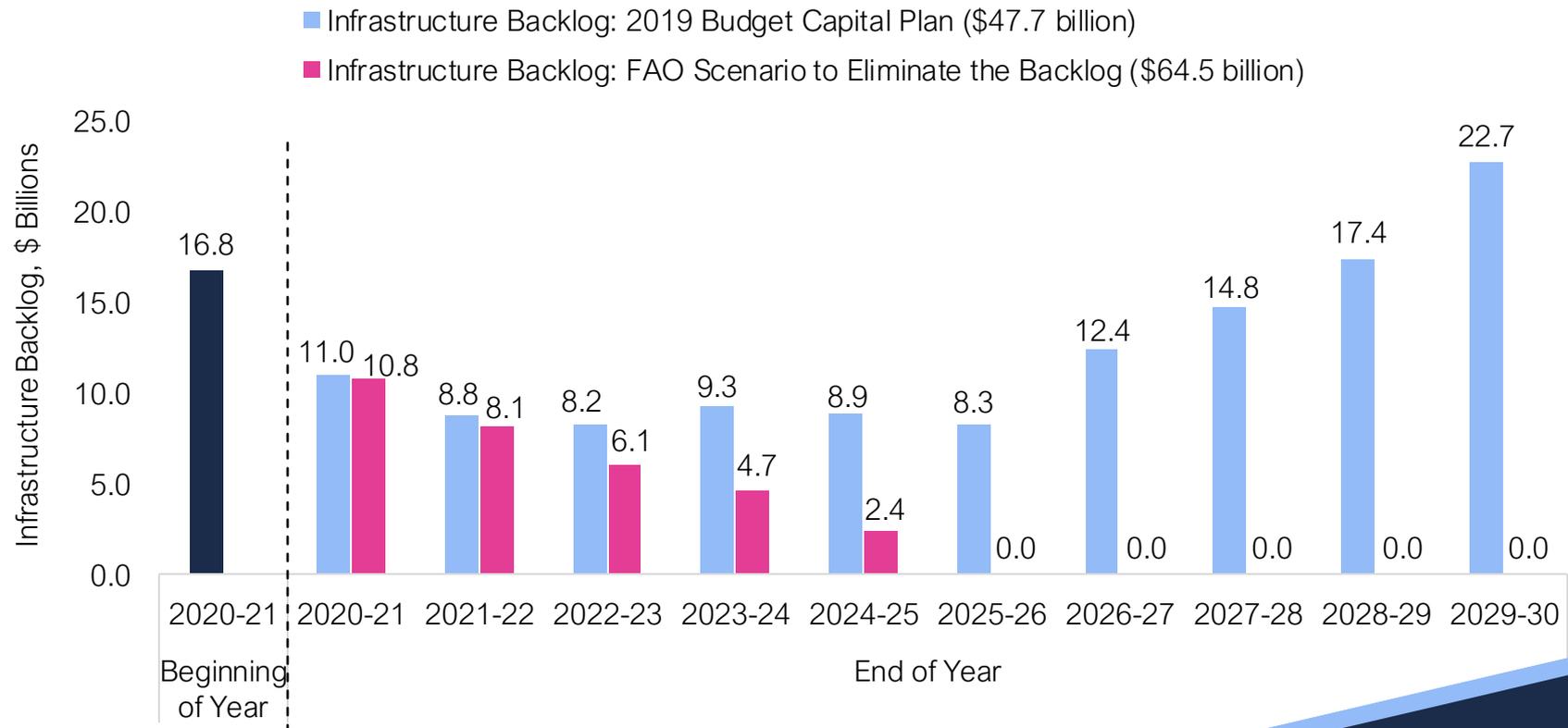
- In the 2019 budget, only the highways and bridges sector was allocated sufficient funds over 10 years to eliminate the infrastructure backlog.
- The largest funding gap was in the transit sector (\$7.2 billion shortfall).



Source: FAO analysis of information provided by Treasury Board Secretariat and several other ministries.

Projecting the Infrastructure Backlog over 10 Years

- Based on the 2019 budget's capital plan, the Province's infrastructure backlog is projected to increase from its current value of \$16.8 billion to \$22.7 billion by 2029-30



Source: FAO analysis of information provided by Treasury Board Secretariat and several other ministries.

Share of Assets in a State of Good Repair by Region

- Windsor-Sarnia has the lowest share of assets in a state of good repair, followed by Toronto and Hamilton.

Economic Region	Share of Assets in a State of Good Repair (% CRV)
Kitchener-Waterloo-Barrie	81.4%
Ottawa	77.0%
Muskoka-Kawarthas	75.2%
Northwest	74.7%
Stratford-Bruce Peninsula	74.2%
Kingston-Pembroke	70.9%
Northeast	70.3%
London	70.3%
Hamilton-Niagara Peninsula	69.5%
Toronto	67.6%
Windsor-Sarnia	65.7%

Note: The assets presented in this table include only those for which geographic information was available (82.1 per cent of the Province's assets) and include all highways and bridges sector assets as well as all buildings in the hospitals, schools, colleges and 'other' sectors.

Source: Statistics Canada and FAO analysis of information provided by the Ministry of Infrastructure and several other ministries.

Thank You



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