Building bridges to prosperity

Using innovation and programmatic thinking to drive infrastructure progress for Indigenous communities in Canada.

By Ross Homeniuk
Director, Advisory Services Infrastructure
KPMG in Canada

It is time to revisit our approach to First Nations, Inuit and Métis housing and infrastructure in Canada. In spite of the fact that Indigenous issues are a stated federal government priority, and some progress has been made, many communities still struggle to provide the critical resources, capacities and infrastructure required not only to sustain themselves but also to help them adapt to current and future needs.

To be sure, we can do something about this. With innovative new thinking and evidence-based approaches, we can more effectively focus our collective efforts to align community infrastructure assets with local needs and priorities, address key issues and challenges, and capitalize on new opportunities to the benefit of community members.

According to the Canadian Council for Public-Private Partnerships, the infrastructure deficit across Canada’s Indigenous communities has been estimated at between $25 and $30 billion, and almost $9 billion of that gap resides in Ontario alone. Indeed, this is a growing concern and must be addressed. Encouragingly, the federal government has announced that it plans to relax the annual “use-it-or-lose-it” constraints on First Nations, Inuit and Métis community infrastructure funding. But while the challenges associated with the infrastructure deficit are too significant to be addressed with much ease or haste, this policy move is nevertheless an open door to innovation and the kind of multi-year, programmatic thinking that we believe can help Indigenous communities more fully rise to the overall challenge.

Starting line
Not that it should be a race, but we need to act fast to stop the continued erosion of services and address the chronic infrastructure issues facing First Nations, Inuit and Métis communities. We need to prepare, however, for the fact that this won’t be a sprint, but rather, a marathon – one that will take many years to complete. Innovation and new thinking on four key areas – planning, financing, construction and maintenance – can help us in tackling the course and setting a path to long-term prosperity and success.
Infrastructure doesn’t exist to be infrastructure; it is meant to be a tool for service delivery within the community. Value is created and sustained by understanding and managing the trade-offs between service, risk and cost over an infrastructure asset’s lifecycle. Innovation in planning, then, beginning with an understanding of those very factors, can help communities:

- Align infrastructure and its supported service outcomes with current and future needs and objectives of its membership;
- Effectively and sustainably meet these requirements by understanding and managing the risk to service and the community; and
- Optimize the staging and investment in asset creation, operation & maintenance and disposal to address priorities, while also minimizing the total cost of infrastructure ownership.

On the financing side, sound and effective infrastructure costs money, and many Indigenous communities have traditionally struggled with archaic funding programs and challenges in generating revenue. While progress has been made, additional and ongoing effort is needed to look beyond traditional models and capitalize on new and innovative funding options, such as public-private partnerships, the Canada Infrastructure Bank, or private equity funds that can help in accessing new capital, supporting systematic improvement and delivering economies of scale to the community. In broad strategic terms, accessing these new options requires openness to new thinking:

- Effective infrastructure plans and strategies begin with a clear understanding of short-, medium- and long-term needs and priorities within the community;
- Openness to partnership and collaboration in finding and implementing innovative and sustainable solutions that help maximize local benefit; and
- Commitment to stewardship and transparent and objective management to demonstrate return and value for the community and investors.

Meanwhile, advances in construction practice, materials and technology are constantly changing the ways in which community infrastructure is being built. Indeed, capitalizing on innovation will involve thinking beyond the status quo, as well as embracing new solutions and techniques:

- Inclusive and culturally appropriate design practices to help ensure that amenities, assets and facilities reflect community needs and values;
- Modular building and construction practices to help reduce build time and improve the quality and longevity of assets produced; and
- Advanced building materials and technologies to reduce the community’s environmental footprint and local demand for power and resources.

Finally, more vigilance and stewardship in operations and maintenance are needed to ensure asset longevity and effectiveness. Delivering successful lifecycle strategies requires:

- A clear understanding of preventive maintenance requirements for housing and infrastructure;
– Access to capable and proficient people able to do the work and who have a stake in success; and
– An ability to prioritize, coordinate, track and manage the effort over a broad portfolio to help support resource sharing and cost effective delivery.

In addition to sustaining acceptable service in housing and infrastructure, getting this right supports employment and capacity building within and across communities, higher value from internal and external service contracts, and ultimately more responsive and connected infrastructure that meets community needs.

**Hurdles in the way**

Infrastructure, of course, is not an end unto itself; it exists to serve a practical purpose, namely the social and economic well-being of the community. It is high time that attention to Indigenous infrastructure focus on front line community needs and outcomes, and not on the assets themselves. When done effectively, asset management helps align community infrastructure, as well as its needs and investments, with a community’s strategic goals and priorities. In order to keep the focus where it belongs, a clear understanding of the relationships between community priorities, service requirements and physical assets is needed to better target investment at creating sustainable and effective community outcomes.

These improvements, meanwhile, can’t be made in isolation. To be effective, change must consider the interrelationships between policy, governance, people, process, data and technology, including how they will work together to support evolving community needs. An integrated Indigenous Infrastructure strategy will be needed to ensure that required investment not only renews physical assets, but also creates associated community improvements and supports capable of enhancing current and future levels of service, as well as opportunities for success.

Then there is the danger of trying to control everything. Pushing change from the top is difficult and often results in conflict between stakeholders, which can all too easily lead to resistance and people “doing their own thing” after the initial push has subsided. But this can be avoided. How? By balancing overarching control with local autonomy, empowerment and tailoring change strategies and support to each community, demonstrating and aligning structure around common needs and priorities while respecting local culture and objectives.

It would be a mistake, however, to limit engagement. Indeed, the active participation of all stakeholders – within the federal government, amongst Indigenous leaders and membership, and the private sector – is important to achieving buy-in and support for a strengthened initiative both nationally and within individual local communities. To help maximize this participation, it is important to identify stakeholders and dependencies early on, keeping engagement, negotiation and change management at the forefront of all work activities. Once the right people are ‘at the table’ it is then vital to work collaboratively and flexibly, employing proven facilitation and consensus building techniques to maximize input and contribution. Finally, establishing milestones, measures and targets are needed maintain transparency throughout the process – from ideation and planning, to development and operation – and track and communicate progress and outcomes across the group. After all, nothing builds support like success.
Eyes on the road
A federal government commitment to multi-year funding will better enable First Nations, Inuit and Métis communities to establish and follow through on long-term plans for the betterment of their communities. However, capitalizing on the opportunity will take foresight and preparation. If we are to reach the new horizon together, we will have to:

- Embrace the view of infrastructure as a holistic system that is intimately tied to servicing the community;
- Engage members, elders and stakeholders in identifying current and future needs and priorities, and determining how they will be addressed; and
- Build rigour and transparency into planning and decision making to streamline negotiation with current and potential funding and delivery partners.

When all of this is combined with innovative approaches to planning, financing, constructing and maintaining assets, Indigenous communities and the nation at large will be that much better prepared to succeed and grow, both today and tomorrow.

Contact us
Ross Homeniuk
Director, Advisory Services Infrastructure
204-957-2284
rhomeniuk@kpmg.ca