



cutting through complexity

Public-Industry Partnership Program

Funding Rural Resource Road Development

An Overview

SARM Midterm Convention

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Introductions



**Stephen
Prendiville**

KPMG Global Infrastructure Advisory Practice



Agenda

1. The Economic Imperative
2. The Challenge
3. The Need
4. A Public-Industry Partnership Program (PIPP)
5. The New Building Canada Fund
6. The Survey
7. PIPP - So what?
8. PIPP - So how?

The Economic Imperative

- Saskatchewan is:
 - Leading exporter of agricultural products in Canada
 - 2nd largest oil producer in Canada
 - Largest potash producer in the world
 - Global leader in uranium production
 - Canada's third largest exporter

The Challenge

- It all happens across a land mass the size of 588,239 km²
- Transportation of product to markets is key
- On 165,000 km of municipal roads
- “Owned” by 296 RMs
- With average population densities of 3.7 people per km²

The Challenge



The Need



Industry needs access to primary weights for 12 months a year



Delaying investment limits growth and results in higher long-term costs



Roads were not built to sustain continuous movement of heavy industry traffic

PIPP Overview

- A Proposed Funding Application Program
- For Joint RM and Industry Partner Application
- For Rural Resource Road Projects
- To access the New Building Canada Fund

PIPP Overview

- SARM is developing the investment case for PIPP
- For presentation to the Province in Spring 2016

PIPP Overview

- Equal Share Proposition:
- Industry + RM + Province + Federal
- Alignment to New Building Canada Fund Objectives

The New Building Canada Fund

- Announced in 2014
- \$14 billion allocation
- \$4 B for “National” infra component
- \$10 B for “Provinces/Territories” infra component
 - \$1 B for “small communities” fund (under 100,000 residents)

The New Building Canada Fund

- Population allocation methodology (base of \$250 million per province)
- Highways, roads, rail, water, waste, transit, green, innovation, broadband, airports

New Building Canada Fund - SK

- \$436.7M over 10 years
 - 90% for National/Regional Projects (\$393m)
 - 10% through the Small Community Fund (\$43.7m)

The Survey

A quick overview

PIPP - So What?

- A Program for Rural Resource Road Projects
- Priority for Eligible Project Costs > \$5 million
- With joint participation of Industry & RMs
- Max government funding per project the lessor of:
 - 50% of Eligible Project Costs; or
 - \$10 million.

PIPP - So What?

- SARM will seek funding dedication to the Program
- SARM is expecting to present the business case to the province in Spring 2016

PIPP - So How?

- SARM to administer the Program
- Advancement decision to New Building Canada Fund
made by management committee of SARM and Province
- If approved, first intake deadline of November 2016
(projects for funding in 2017/2018)
- May free up MREP funds also

PIPP - So How?

- Initially a “simple” application to SARM meeting
- eligibility criteria:
- Demonstrates positive economic impact
 - With industry partner at the table for at least 25%
 - Seeking right funding amounts and has high dedication levels from all parties

PIPP - So How?

- Then if pass eligibility test – rated criteria applied:
 - Ability to meet/exceed federal business case expectations and other PIPP rated criteria
 - Support economic growth
 - Support a clean environment
 - Support stronger communities

PIPP - So How?

- Rated criteria to assess project:
 - Economic Advantages & Broader Public Benefit
 - Reduced pressure on existing provincial infrastructure
 - Enhanced primary weight road network
 - Safer, more reliable roadways (Reduced traffic on at risk roadways)

PIPP - So How?

- Rated criteria to assess project:
 - Readiness of Project
 - Funding Leverage Levels

PIPP - So How?

- Ratings of Projects will be presented to joint SARM/Province management committee
- Higher ranked projects more likely to be advanced (higher probability of success) because:
 - Next step is Building Canada Fund Initial Review Application + ultimately the Business Case

Next Steps

Next Steps



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Our Team Today



**Stephen
Prendiville**



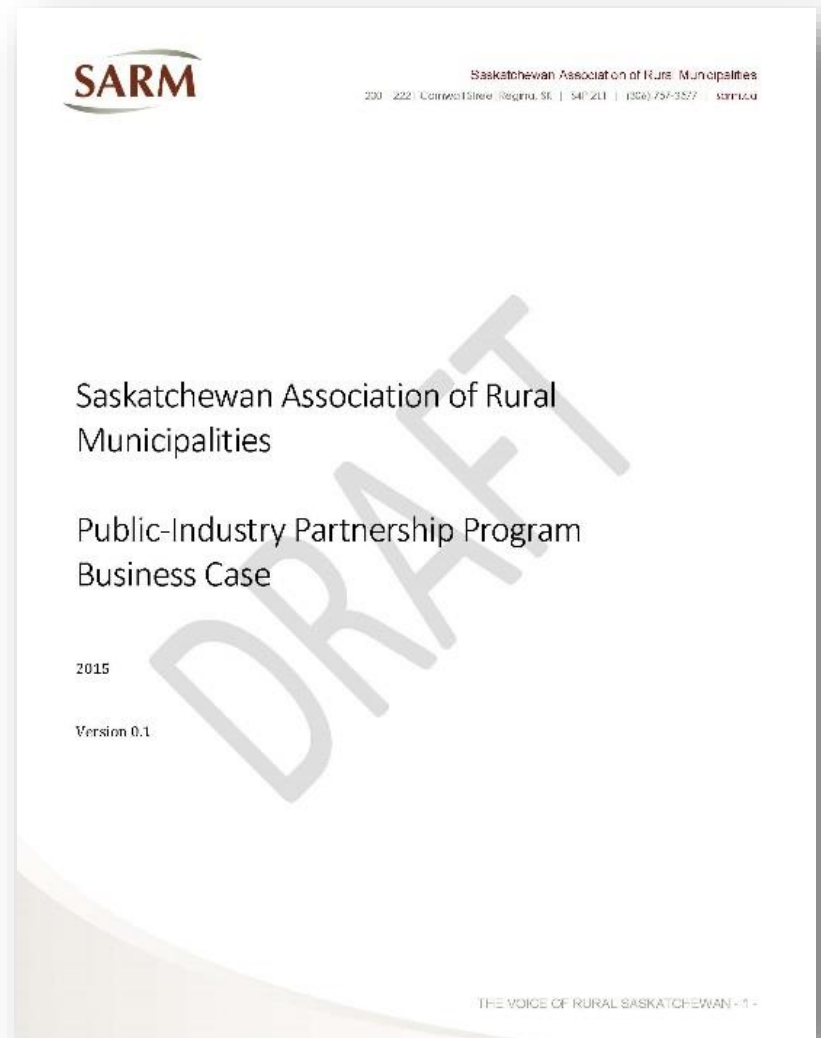
**Clark
Savolaine**



**Kaytlyn
Barber**

Next Steps

- Development of Business Case to request funding from Provincial and Federal government for PIPP
- Program contingent on funding support from Federal and Provincial government



Questions?

Thank You

Questions, Comments,
Additional Feedback

Please Contact

Stephen Prendiville

Senior Manager, KPMG

stephenprendiville@kpmg.ca

Kaytlyn Barber

Senior Consultant, KPMG

klbarber@kpmg.ca