



HOUSING AND INFRASTRUCTURE: REVIEW OF INDIGENOUS SERVICES CANADA'S OPERATIONS AND MAINTENANCE POLICY

OVERVIEW

The current funding formulas and cost indices as identified in Indigenous Services Canada's (ISC) Operations and Maintenance (O&M) Policy are outdated, inadequate and do not provide sufficient funding for First Nations to protect and prolong the life of their community assets. The federal government only funds a portion of the estimated costs for the O&M of on-reserve community infrastructure such as water and wastewater systems, community buildings, roads and bridges.

Assembly of First Nations (AFN) Resolution 80/2017, *Support for Review of Canada's Operations & Maintenance Policy*, supports the co-development of a new O&M Policy Framework with full involvement of First Nations, the AFN and the Chiefs Committee on Housing and Infrastructure (CCoHI) and other organizations. AFN Resolution 80/2017, *Support for Review of Canada's Operations and Maintenance Policy*, further directs the AFN to jointly develop a Draft Joint Work Plan with ISC.

A Joint O&M Policy Work Plan has been co-developed which includes identifying options for the co-development of a new O&M Policy Framework and formula that will reflect new infrastructure technologies as well as economic and environmental factors that will contribute to addressing the socio-economic gap in First Nations.

The AFN conducted a face-to-face meeting of O&M experts on March 27 and 28, 2018, in Ottawa, to review and discuss all aspects of O&M including:

- Policy gaps and opportunities for improvements.
- Identification of reporting requirements to ensure proper oversight of O&M infrastructure, while minimizing reporting burden on First Nations.
- Options for funding levels for all assets.
- Cost estimates to operate and maintain assets.
- Cost indices which reflect remoteness factor.

The meeting identified the challenges faced by First Nations in maintaining and operating their assets under the current policy funding restrictions. There was consensus that an asset management based approach be recommended as the new way of identifying the funding needs. It was also recommended that pilot projects be carried out in each region to further understand how an asset-based management approach can be adopted for the future and support a change in the O&M funding policy. A Draft Summary Report was shared with all participants identifying key findings and recommendations.

UPDATE

- The AFN has received funding to conduct pilot projects to determine best practices for implementation of an asset management approach on-reserve.
- The objective of the pilot projects is to demonstrate how an asset management approach would work with the new funding regime which is fully costed maintenance plans. This will also include identification of future upgrades, repairs and renovation work required to maintain and prolong the life of the asset.
- This information will assist with identifying the types of assets that should be funded and the required commitment from the federal government to provide the necessary allocated funding.
- The AFN will be developing Terms of Reference for each region to submit proposals to conduct the pilots which will include a fully costed out asset management plan for each First Nation.
- The results of these pilots will be compared to the existing funding provided to get an appreciation of the difference in funding requirement now and for the future.
- The AFN has also engaged a consultant to assist the AFN in developing a draft revised O&M Policy. A working group is being established to provide input and advice on what the new O&M policy should contain. The AFN will be working with ISC on the development of this new policy.
- Once a new draft policy has been developed, regional engagement sessions will be held to seek input from regional technicians and practitioners who are familiar with O&M needs. Regional AFN offices have been provided with funds to facilitate these engagement sessions.

NEXT STEPS

- A draft report will be developed identifying concerns, challenges, recommendations and next steps on the development of a new O&M Policy Framework.
- The AFN will be establishing a Working Group with technical representatives from the Chiefs Committee on Housing and Infrastructure and other invited representatives who have expertise in O&M.
- After the pilots are completed, and a draft policy has been developed for comments, the AFN will collaborate with AFN regions to conduct engagement sessions with O&M technical experts from Tribal Councils, regional organizations and First Nations to ensure the development of a new policy framework meets First Nations' needs.
- The Working Group will put forward a Draft O&M Policy Framework for consideration by ISC. This will include funding considerations and what is required to adequately fund First Nations to maintain, operate and protect the government's investment in the assets.