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The Canadian Council for
Public-Private Partnerships



Le Conseil Canadien pour
les Partenariats Public-Privé

Measuring Public Reaction to PPP in Canada: A Four Year Report

The Canadian Council for Public-Private Partnerships

Research conducted by Environics Research Group Limited

Fall 2007

Introduction

For the past four years, The Canadian Council for Public-Private Partnerships¹ (CCPPP) has conducted an annual survey to measure and track what Canadians think about public-private partnerships (PPPs) – specifically, whether they think that governments should be actively seeking partnerships with the private sector to build public assets and provide public services.

Each year, CCPPP commissions the national research company Environics Research Group Limited to ask 2,000 adult Canadians a series of questions probing their attitudes to the infrastructure deficit, the overall concept of public-private partnerships and specific sectors where the private sector could partner with governments to build infrastructure and/or deliver services.

While there have been several significant (and many minor) variations in responses over the years, the results have been remarkably consistent in a number of important respects. Firstly, the initial CCPPP survey in 2004 found that an overwhelming majority of Canadians (86%) believed that their federal, provincial and municipal governments were not keeping pace with demand for new or improved public infrastructure and services. Four years later, that figure has edged up to 88%, actually an identical result within the survey's margin of error.

On the survey's other general question – whether it is time to involve the private sector in addressing this infrastructure and service deficit – this year's results show that a solid plurality of Canadians (64%) still support partnerships between private sector companies and governments. That figure leveled off in 2007 after increasing steadily during the previous three years.

These results are based on nationwide surveys of 2,000-plus adult Canadians conducted in September and October, 2004-2007. The results are estimated to be accurate to within plus or minus 2.2 percentage points 19 times out of 20. The margin of error is greater for results pertaining to regional or socio-demographic subgroups of the total sample.

¹ The Canadian Council for Public-Private Partnerships is a national non-partisan, non-profit organization founded on the belief that the capacity of government to meet its current and future infrastructure and service obligations can be enhanced through public-private partnerships. The Council's membership is drawn from the public and private sectors. The Council conducts research on a wide variety of subjects, sponsors events and promotes the development of public-private partnerships at all levels of government in Canada.

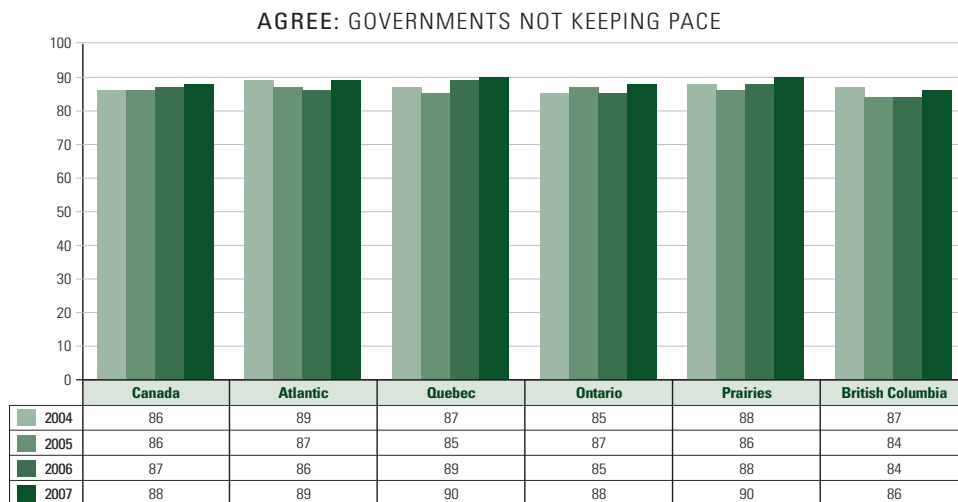
1. The Infrastructure Deficit

The Proposition

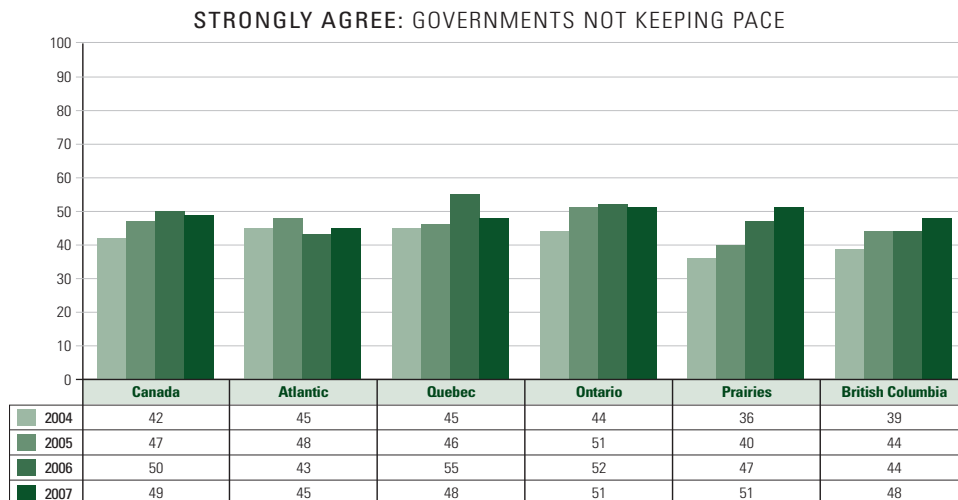
Governments are having trouble keeping pace with demands for new or improved public infrastructure or services. Do you agree or disagree?

The Result

Canadians remain firmly convinced that this country faces a deficit in government infrastructure and services. This year, almost nine out of 10 people surveyed (88%) said they agreed, strongly or somewhat, with the proposition that governments are having trouble keeping pace with the demand for new or improved roads, hospitals, schools, public transit systems, safe water systems, supplies of electricity and so on. It is the highest “agree” figure since the CCPPP surveys started. Almost every region also registered an all-time high “agree” response on this question.



The sustained prevalence of the “strongly agree” response indicates that the infrastructure gap is an issue that continues to resonate deeply across the country.



2. Public-Private Partnerships

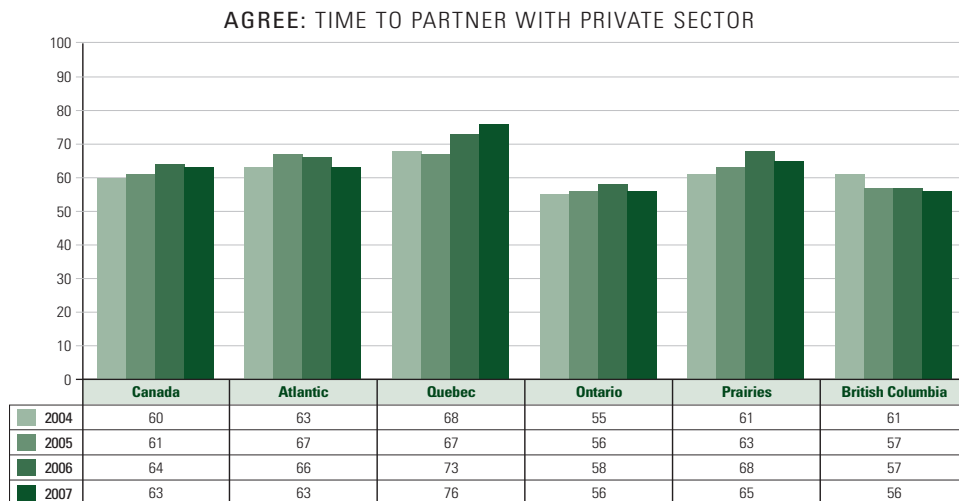
The Proposition

It is time to allow the private sector to deliver these types of services in partnerships with governments. Do you agree or disagree?

The Results

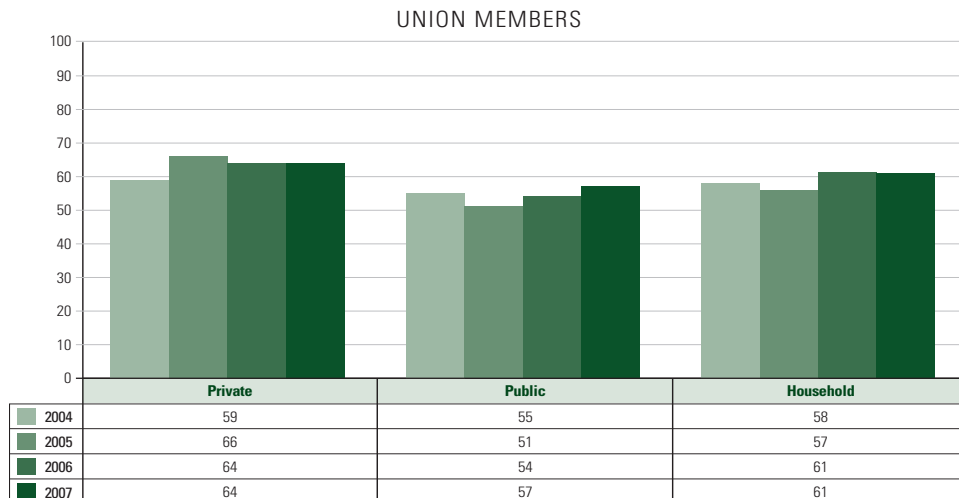
After four annual surveys, the consistently strong “agree” response to this general proposition about PPPs confirms that most Canadians now accept the idea that it’s time to put private sector capital and expertise to work closing the infrastructure gap. Nationwide, support has gone up from 60% in 2004 to 63% in this year’s poll.

Once again the strongest regional result came from Quebec, where support has surged to 76% this year, an increase of 8% since 2004. The support figure has also gone up in Ontario and the Prairie provinces in that period.



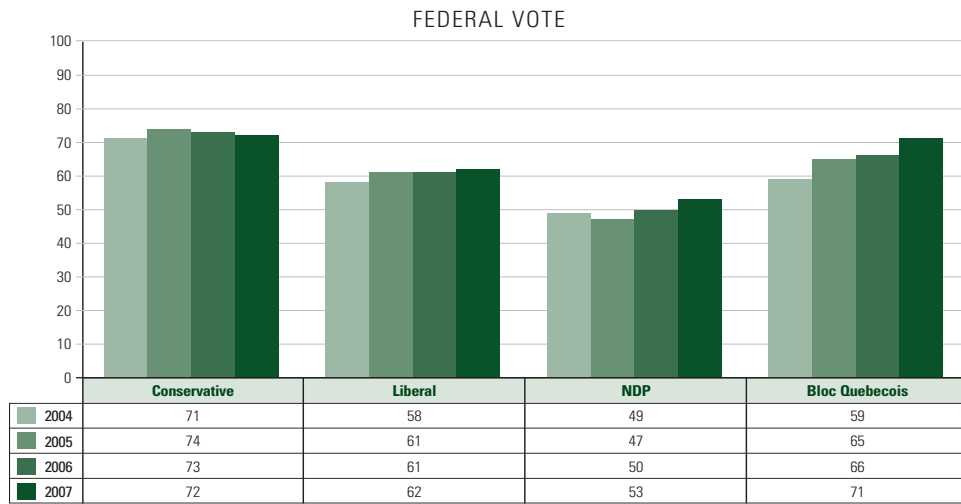
Unions

A majority of public and private sector union members, as well as respondents whose households contain a union member, continue to support PPPs. As usual, support is stronger among members of private sector unions.



Voters

Conservative and Bloc voters are significantly more likely to support PPPs than Liberal and NDP supporters.



3. Delivering Services with PPPs

The Proposition

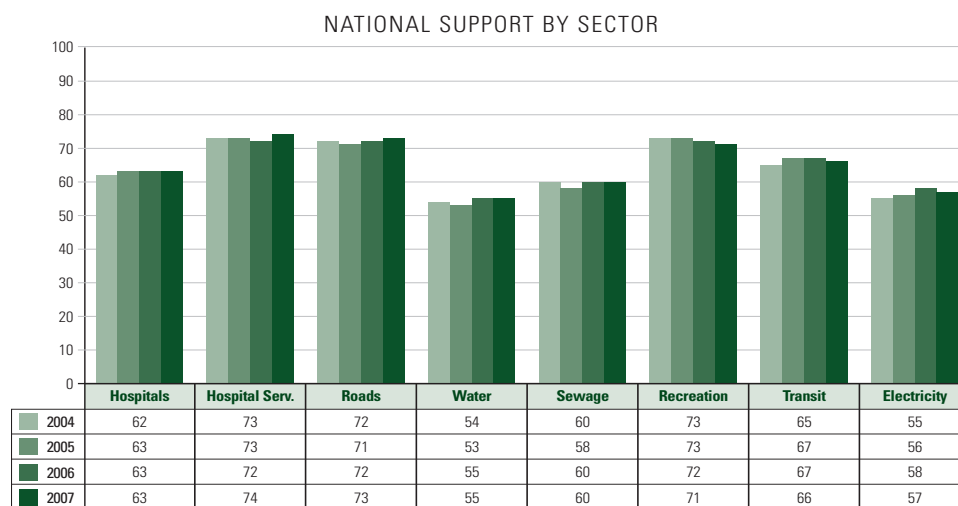
If your access to services remained the same, if the quality of services was the same or better and if the cost to you was no more than if the government was providing the service, would you support or oppose private sector involvement in the following areas:

- The financing and construction of public hospitals
- The operation of non-health related services in public hospitals, such as cleaning and cafeterias
- The construction and maintenance of roads
- The operation of public water treatment facilities
- The operation of public sewage treatment facilities
- The construction of public recreation facilities, such as public pools and ice rinks
- The operation of public transit systems
- The generation of electricity and delivery to your home or business
- The financing, construction and facility maintenance of public schools (a new category this year)

The Results

One thing is immediately obvious when national support for PPPs is broken down by sector, as illustrated in the chart below. Year by year, there has been no significant change in people’s preferences for the kind of public projects and services in which the private sector should play a part. While the figures vary according to the sector, clear majorities support PPPs across the board. Since 2004, those majorities have not changed by more than the statistical error in any sector.

In the four years that this survey has been conducted, non-health hospital services, roads and recreation facilities have been the most favoured sectors for private sector involvement followed by transit, hospital financing and construction, sewage, electricity and water. Public school financing, construction and maintenance – a new category in this year’s survey – falls into the latter group between hospitals and sewage.



Perhaps more significant than the consistency of the results within sectors is the fact that they continue to show substantial variation among sectors. This demonstrates that people are not approaching the PPP issue as a simple yes-no proposition but are seriously considering the model as a practical solution to specific service requirements.

4. Regional support for PPPs in specific sectors

Not surprisingly, each region's support for private sector involvement in delivering specific services closely mirrors its overall support for PPP. Residents of Quebec, by far the strongest supporters of PPP in general, also emerge as top supporters of private involvement in roads (80%), hospitals (74%), schools (74%) and water treatment facilities (64%).

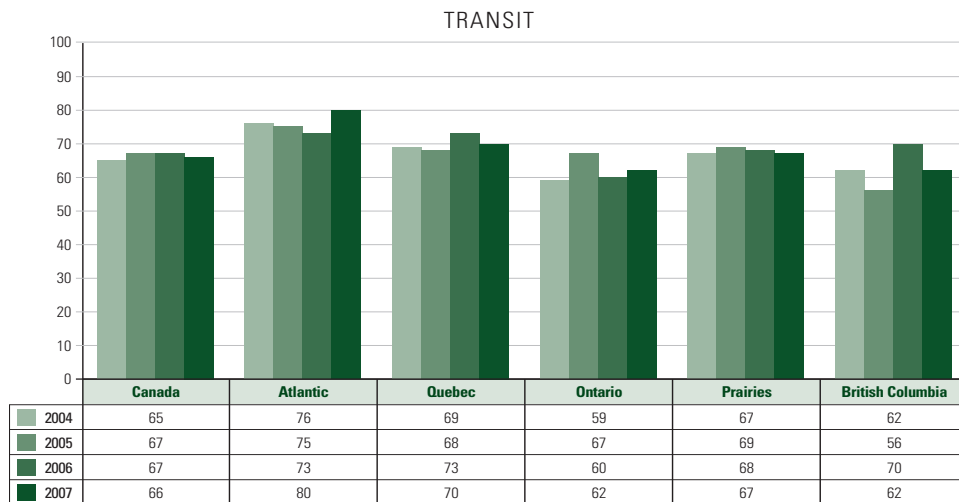
From Atlantic Canada, there have been strong four-year increases in support for private sector investment in roads (79%, up 12% since 2004), hospitals (65%, up 7%), sewage treatment (72%, up 6%) and electricity generation and delivery (72%, up 8%).

Even in Ontario, which traditionally lags behind other regions in the overall figure, there have been strong increases over the past four years in support for private participation in electricity generation and delivery (up 9% since 2004), water treatment (6%) and sewage treatment (5%).

Other noteworthy regional results include:

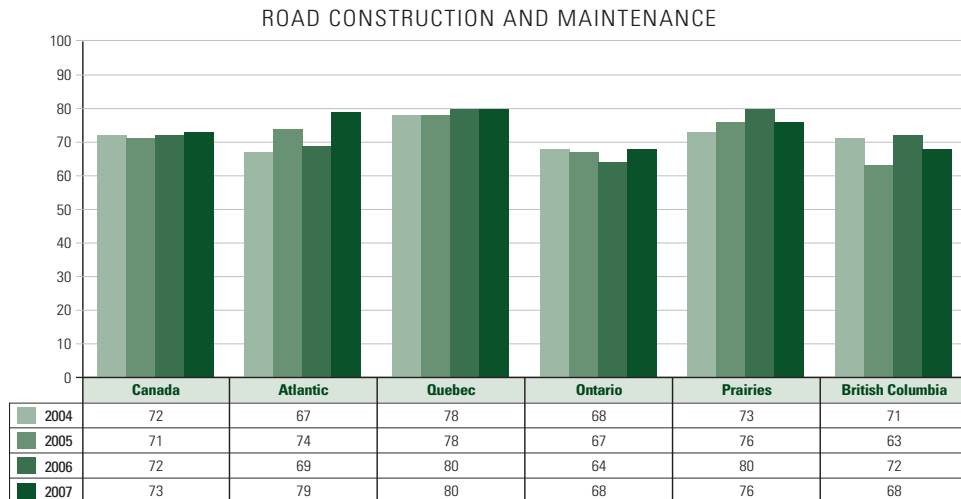
Transit

In Atlantic Canada this year, support for private participation in public transit jumped 7% to 80% for a four-year increase of 4%.

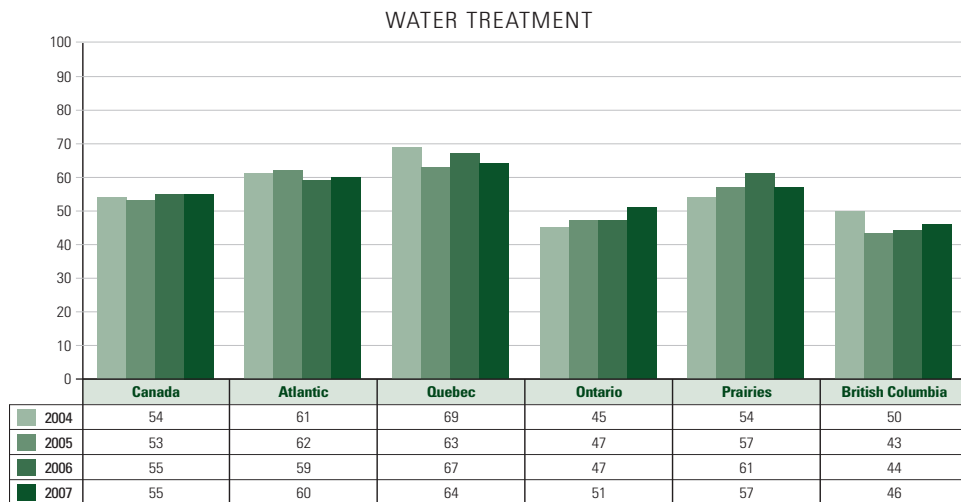


Roads

East of the Great Lakes, there is growing support for private sector involvement in road building and maintenance. This is particularly evident in the Atlantic region's 10% jump to 79% (for a four-year increase of 12%). The Ontario figure also went up 4% this year while Quebec's held firm at a strong 80%.



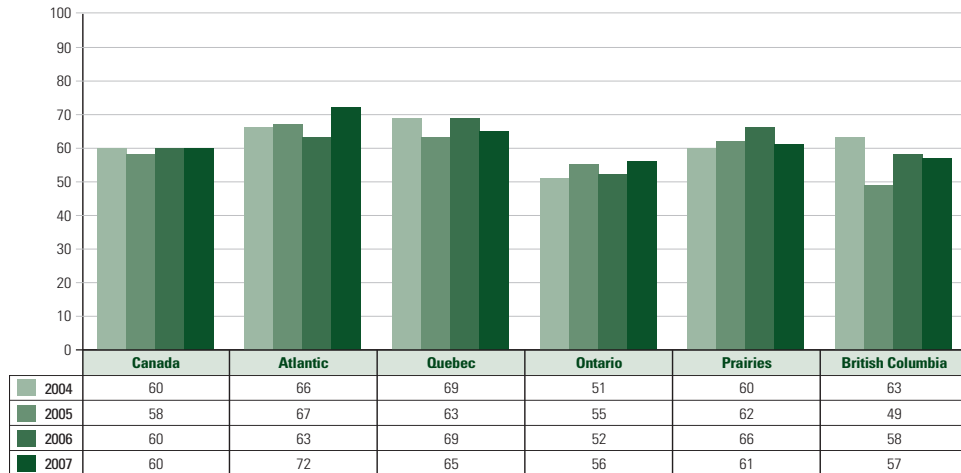
Water and Sewage Treatment



In the water/wastewater sector, the national picture has remained virtually static despite significant regional changes.

The block of columns on the left of these two charts (national result) has remained almost flat over the four years of the PPP survey. The same cannot be said for the regional results. In the water sector, there has been significant movement in

SEWAGE TREATMENT

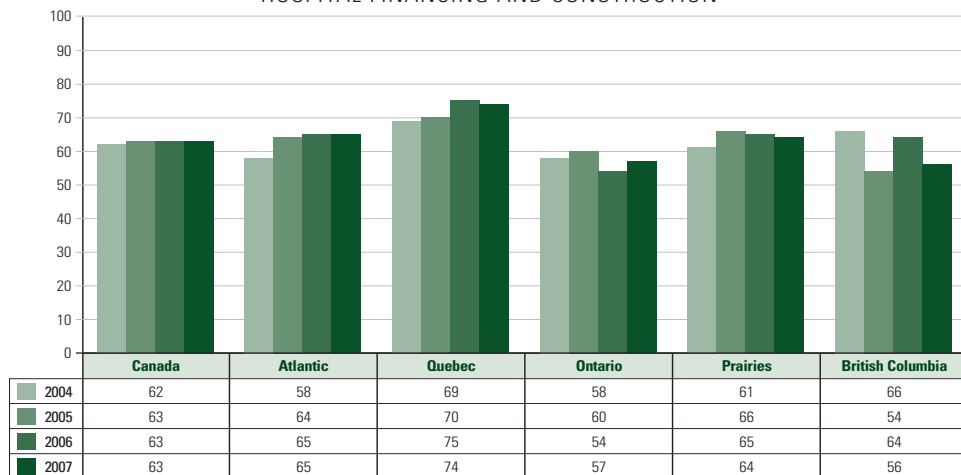


Quebec, the Prairies, B.C and Ontario, where support this year topped 50% for the first time. Apart from relatively stable results in the Prairie provinces, the same is true for sewage.

Hospitals

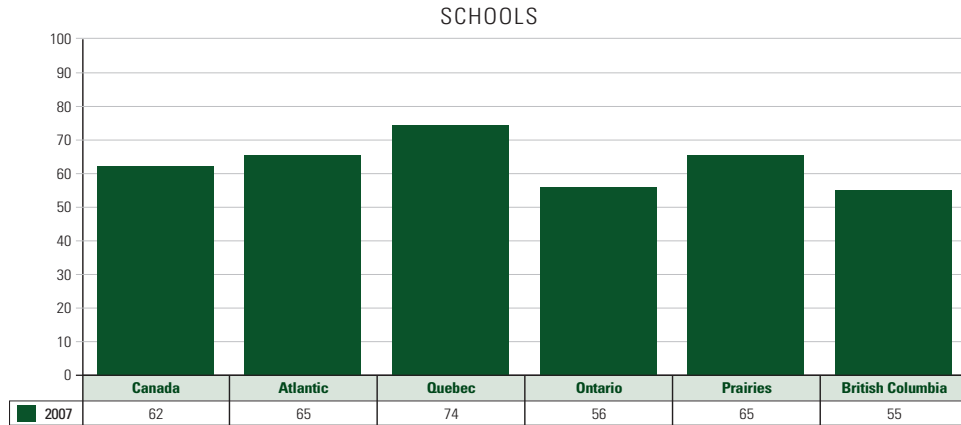
While national support for PPP hospitals has hardly moved since 2004, big increases in the Atlantic region (up 7%) and

HOSPITAL FINANCING AND CONSTRUCTION



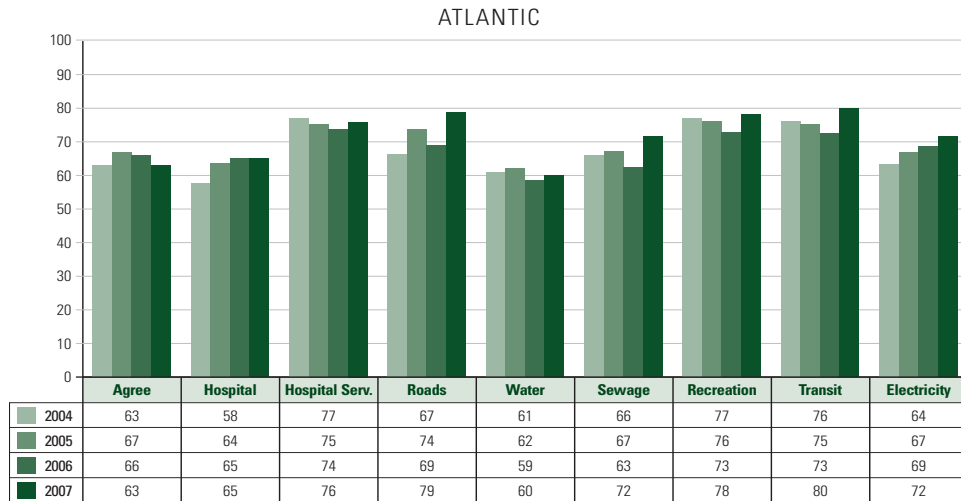
Schools

This year, for the first time, respondents were asked whether they favour private sector participation in the financing, construction and facility maintenance of public schools.

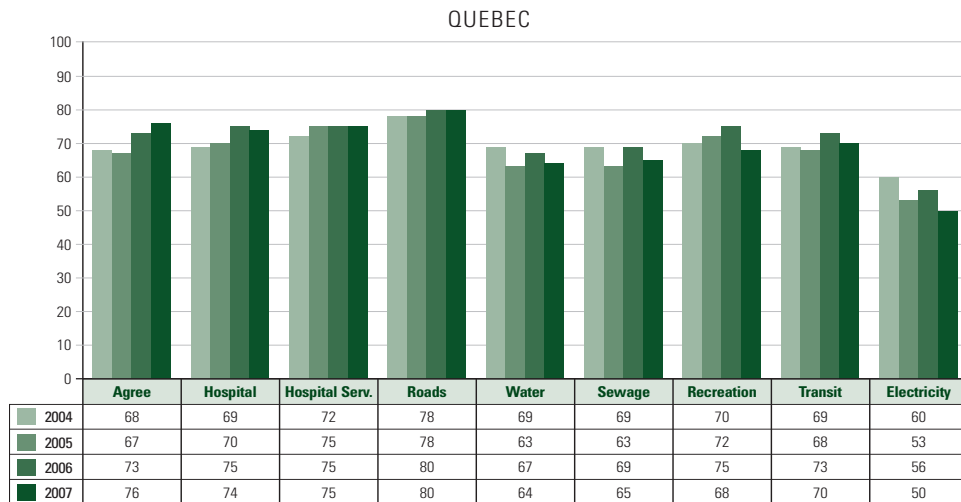


Quebec (5%) and the erratic results from British Columbia – a 12% drop in 2005, followed a 10% gain in 2006 topped off by this year’s 8% drop (for a four-year decrease of 10%) – have been among the interesting features of the four surveys.

5. A different look at variations within regions

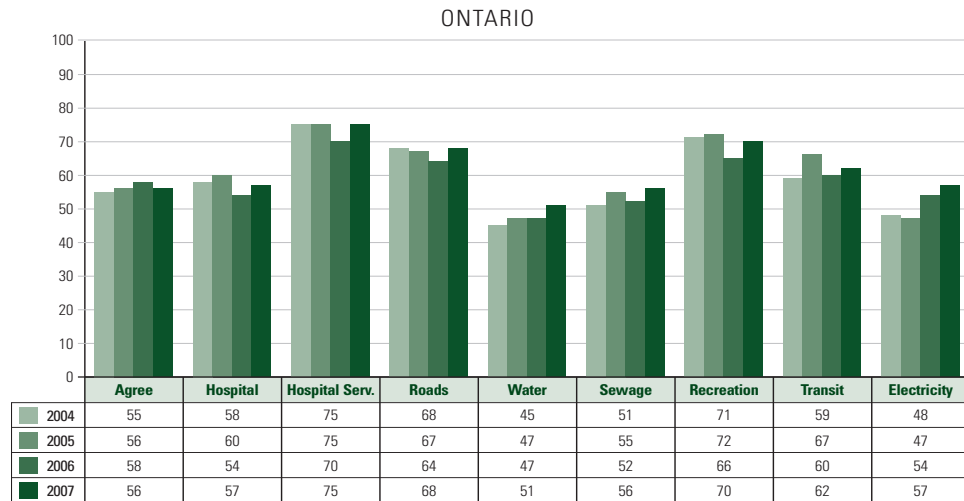


The tables in this section plot four-year trends in regional support by sector against the overall “agree” figure to illustrate how regional attitudes to private involvement in the various sectors have changed since 2004.



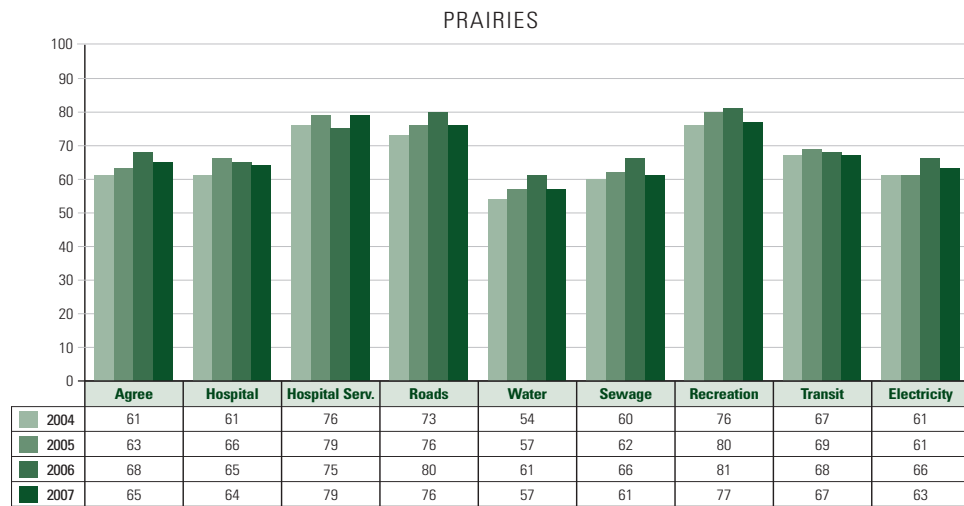
In Atlantic Canada, the general “agree” figure is unchanged since 2004, despite stronger support for private involvement in hospitals, roads, sewage, transit and electricity.

With a 76% “agree” result (an 8% increase since 2004), Quebec remains the country’s most pro-PPP province even though



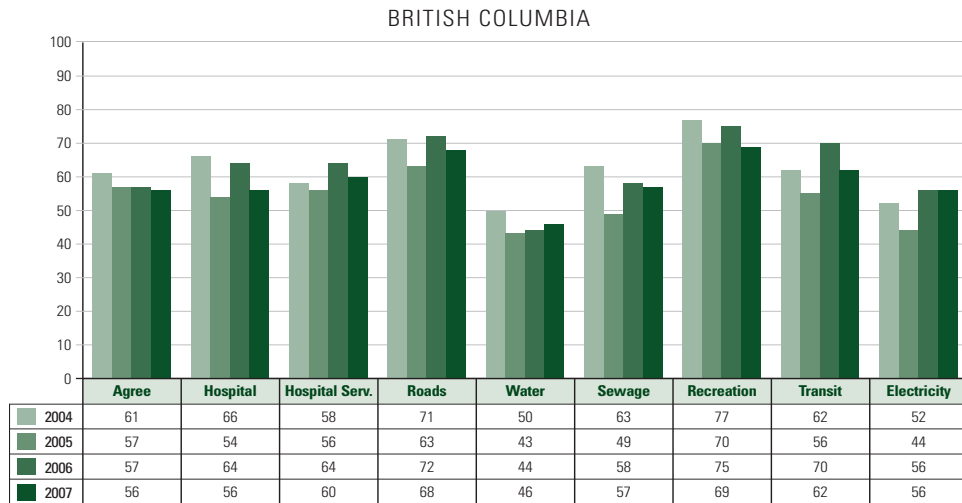
support in the water, sewage and electricity sectors has softened.

Notwithstanding Ontario's traditional place at or near the bottom in overall support for PPPs, the province's results show



significant increases in some sectors (water and sewage treatment, transit and electricity generation) since 2004 while others (roads, recreation facilities, hospitals and hospital services) have remained steady.

The overall "agree" result in the Prairie provinces is up 4% since 2004, fuelled by stronger support figures in almost every



sector, most notably 3% increases in hospitals (64%), roads (76%) and water treatment (57%).

In British Columbia, the “agree” figure has slipped 5% since 2004 with declining support in the hospitals, roads, water, sewage and recreational facilities sectors.



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The Canadian Council for Public-Private Partnerships

Telephone: 416.861.0500

E-mail: partners@pppcouncil.ca

Website: www.pppcouncil.ca