

OPINION

Time to celebrate government as single largest land owner

How government manages its real property assets is taking on more prominence today.

By JEAN-PIERRE ST-AMAND
AND DR. GORDON K. MCIVOR

Canada is the second largest country in land mass in the world, and covers an area of 10 million square kilometres. All public lands, whether federal or provincial, are referred to as Crown lands and are owned by Her Majesty. While the majority of these Crown lands are within the jurisdiction of the provinces, the federal government is the single largest land owner in the country.

The story of how the federal government manages its real property assets is taking on more prominence these days. This article presents three important points Canadians need to keep in mind when thinking about how the federal government manages its real property assets.

Essentially, the federal system has been decentralized so that departments administer real property assets. Treasury Board (TB), one of the five Cabinet committees of

the Queen's Privy Council of Canada and its administrative arm, the secretariat, ensures management consistency and the application of federal policy to the real property regime. Besides the management and policy coordination function played by TB, many other federal bodies play roles in the management of federal real property, including the Department of Justice for property law; Public Works and Government Services Canada which provides construction, real estate, property management and other services to government operations; Canadian Heritage; Environment Canada; Human Resources and Skills Development Canada; and several Crown corporations including Canada Lands Company, which handles the sale of strategic property assets no longer required for the delivery of government programs.

CLC purchases properties at fair market value and then holds and manages, or else redevelops and sells them, in order to optimize their financial and community value. There has been a changing policy framework, particularly since 1993, which in decentralizing the real property function transferred authorities to program managers at the departmental level and created new lines of authority, changing the role of Treasury Board of Canada Secretariat in the real property regime, to a policy shop over-viewing what was now a

highly decentralized system.

A specific example of change can be seen in the 2009 budget, which provides federal departments and agencies with \$250-million over two years, under a TBS process, to undertake an accelerated investment program to address deferred maintenance at federal laboratories.

There are about 200 federal laboratories and scientific facilities across Canada with activities ranging from basic research to highly specific applied work in support of the government's core responsibilities in protecting the health and safety of Canadians. Projects must be completed by March 31, 2011 and will focus on laboratories that contribute to core regulatory responsibilities such as food safety.

Prudent ownership of fixed assets, which facilitate laboratory operations and research, require cyclical investment of capital funds for recapitalization and improvement of asset or facility components. In the present context of an accelerated infrastructure investment initiative, many custodian departments are investing in updated or new real property assets to ensure an optimal delivery of their mandated program.

To come back to the specific example of scientific laboratories, the federal government invests in the order of \$10-billion annually on science and research activities in support of program mandates of over 20 departments and agencies. The distribution of labs across departments and agencies, as well as across the vast geography of our nation, is but one example of the enormity of real property investment by the Government of Canada.

The Government of Canada is increasingly moving towards a fuller recognition of the important role played by the bureaucrats, agency and Crown corporation officials who provide the Government of Canada with the vast real property network it requires to deliver on all of its program requirements. These men and women also have an umbrel-

la association which promotes the real property profession and delivers professional development training as may be required. Known as RPIC, the Real Property Institute of Canada (www.rpic-ibic.ca), this organization has always been concerned about the lack of communication and profile of real property within the federal community.

Fortunately, as it has become increasingly clear that federal real property represents one of the largest investments the Government of Canada engages in—and clearly has a major role to play in the government's new economic stimulus package—more senior level executives within government are beginning to recognize that more attention must be given to this area.

One of the roles that RPIC is playing, over and above delivering training to real property practitioners across the federal system, is attempting to bring the importance of these issues to the fore. For this reason, RPIC has created "Federal Real Property Week," which will occur in conjunction with its national November workshop in Ottawa.

In closing, we believe the time is ripe to move the issue of federal real property up on the policy agenda, so that Canada can continue to provide the world with a cutting edge example on how to operate effectively in an area as rich in economic return to taxpayers as it is in social and societal benefits to communities.

For this reason, the Canadian government should, working with RPIC, recognize the week of November 16-20, 2009, as "Federal Real Property Week."

Jean-Pierre St-Amand is the president of the Real Property Institute of Canada. Dr. Gordon K. McIvor is a vice president of Canada Lands Company and the "Assistant Deputy Minister Champion" for the Real Property Institute of Canada.

*news@hilltimes.com
The Hill Times*