Association of Canadian Port Authorities
Association des administrations portuaires canadiennes

The leading voice of Canadian ports
La voix principale des ports canadiens

Infrastructure Needs at Canada Port Authorities

Clear Seas

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Debbie Murray
Vice President, Government and Industry Affairs
Association of Canadian Port Authorities

OVERVIEW

- About ACPA and CPAs
- Port Infrastructure Needs Study

Canada Port Authorities Across Canada
ACPA Members – 17 Canada Port Authorities

- Port Authorities are mandated to provide Canada with marine infrastructure and promote and safeguard Canada's competitiveness and trade objectives.

Image credit: Transport Canada

Canada Port Authorities Across Canada

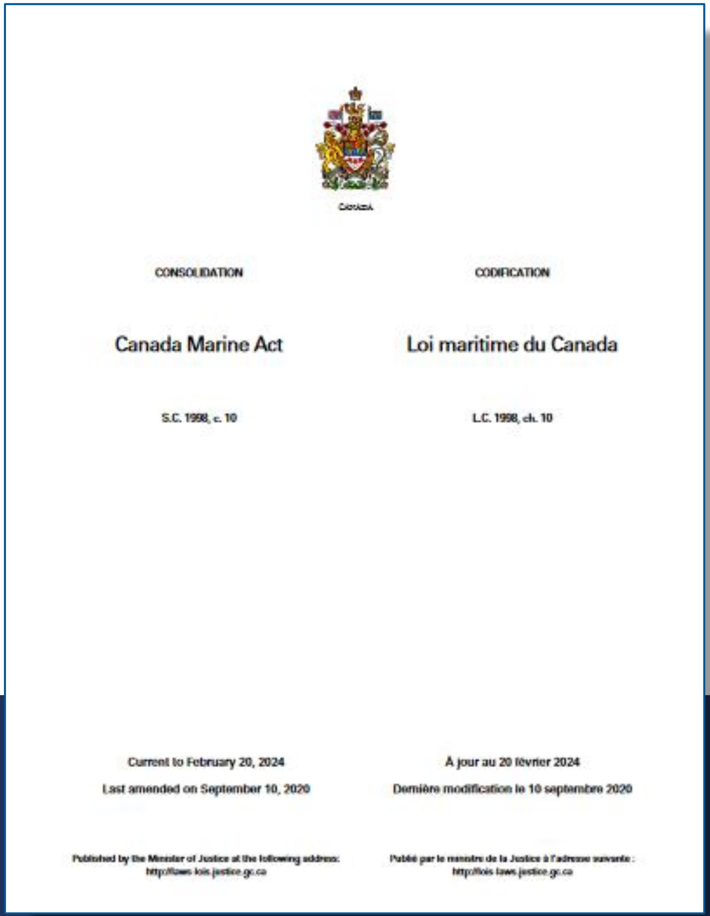
Total cargo of ACPA Ports

Port	2022 000's tonnes	2021 000's tonnes
Vancouver	141,400	146,000
Montréal	36,000	34,023
Sept-Îles	33,400	33,076
Québec	27,700	28 500
Saint John	27,400	28, 822
Prince Rupert	24,800	25,014
Hamilton-Oshawa	10,360	11,200
Thunder Bay	8,200	8,500
Windsor	5,500	4,200

Port	2022 000's tonnes	2021 000's tonnes
Halifax (HPA facilities)	5,400	8,962
Trois-Rivières	4,300	3,900
Nanaimo	4,100	4,322
Toronto	2,300	2,295
Belladune	1,900	1,837
St.John's	1,400	1,365
Saguenay	643	1,280
Port Alberni	618	770
TOTAL	345.5 million tonnes	343 million tonnes

What are Canada's Port Authorities
Mandate and Governance

- CPAs have a single shareholder – federal government
- Governed by Canada Marine Act (CMA) with Board
- Each CPA has its own Letters Patent through the CMA
- CPAs have regulatory authority (rarely used) and are regulated (e.g. Fisheries Act)


CANADA

CONSOLIDATION

Canada Marine Act

S.C. 1998, c. 10

Current to February 20, 2024

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Infrastructure Needs Study

Port Infrastructure Connects Canada’s Trade and Economy

- Over 2/3 of Canada’s GDP is based on trade
  - Waterborne trade – exports of commodities (grain, seafood, minerals, etc.); imports of consumer durables (cars, electronics), food, pharmaceuticals
- Ports are key to Canadian economy, quality of life and global linkages
- Trade diversification is key more than ever
- What are port infrastructure needs and status of funding and financing?

Project Objectives

- CPCS contracted to conduct study in January 2024
- Objective to provide the ACPA and interested stakeholders with **data-driven insights to support ACPA's efforts in communication and advocacy** for the importance of investing in port infrastructure

    1. What are the infrastructure needs of CPAs over the next 15 years (until 2040)? and beyond?

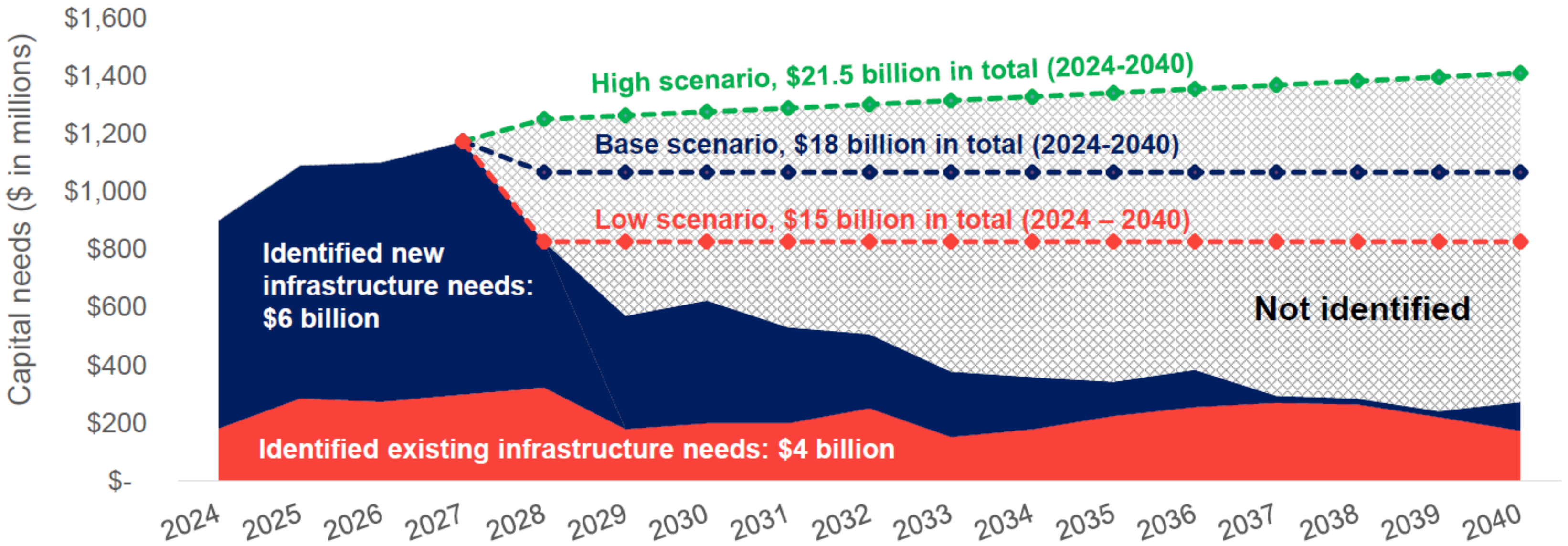
        i. What is the type of **infrastructure** needed? (e.g., maintenance, rehabilitation, lifecycle replacement of existing infrastructure or new infrastructure)

        ii. ii. What is the type of **investment** needed? 2. What best practices exist in other leading international jurisdictions in regard to sustainable investing models for port infrastructure?

Methodology

- Over 6-month period January – June 2024:
  I. Administered **survey** of 17 CPAs and conducted one-on-one **interviews** with CPAs
  II. Conducted **interviews with key stakeholders** from industry
  III. Conducted jurisdictional review of U.S., NL., and Aus ports
- June – October 2024 Analysis
- Final report presented December 2024
- Report release February 2025

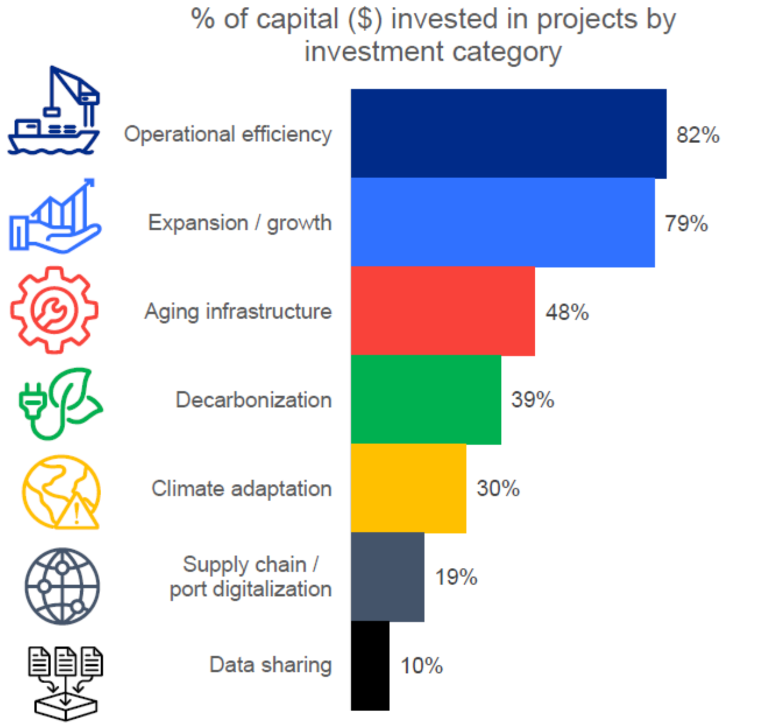
Short Term vs Long Term Infrastructure Needs



Investment needs identified via survey (2024 – 2040)		
Existing infrastructure	New infrastructure	Total
$4 billion	$6 billion	$10 billion

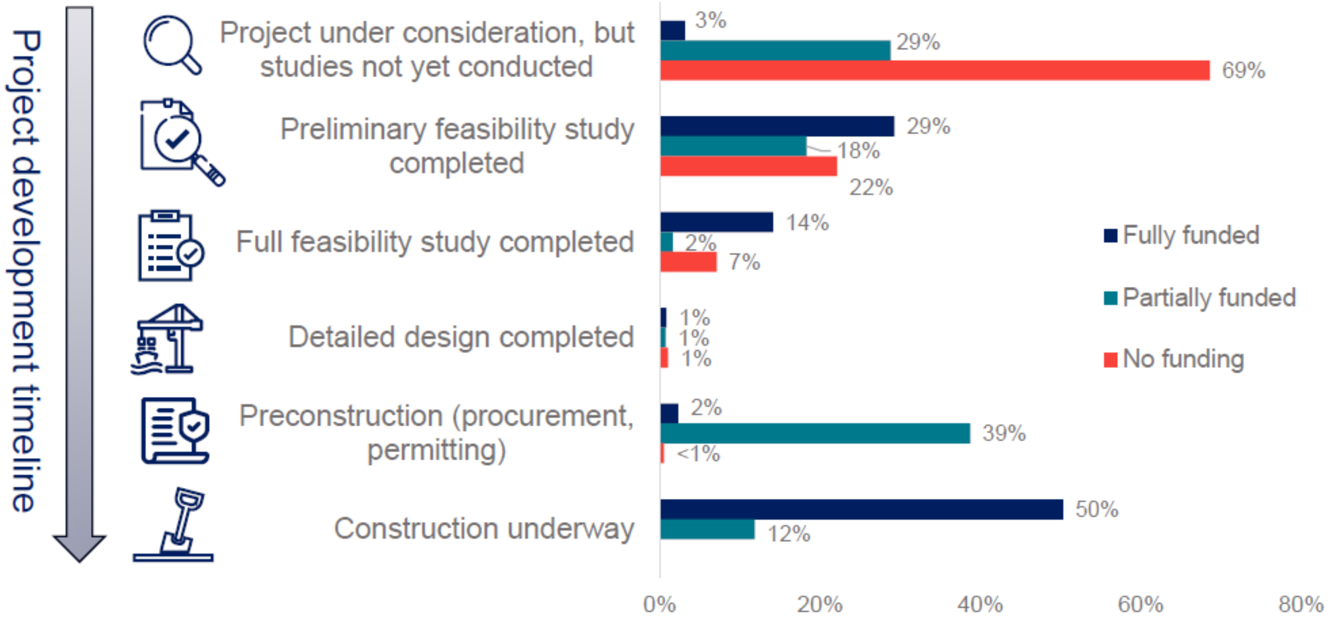
Project Investment Categories and Drivers

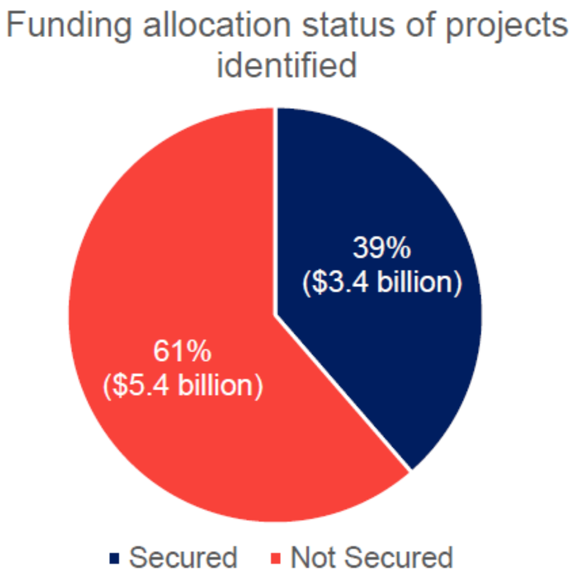
- **Operational efficiencies and expansion / growth are the two main factors driving capital investment**
  - Ability to generate increased revenue provides cash to support rehabilitation of existing infrastructure
  - Projects under these themes include dry ports and intermodal facilities to reduce berth dwell times and expedite cargo clearance.
- **Aging infrastructure (including climate adaptation) is a prominent concern**
  - Climate adaptation needs were identified by all CPAs
  - A concern for smaller and mid-sized CPAs with deferred rehabilitations, with less focus on expansionary investments



*Projects may address multiple objectives; therefore the total does not add to 100%

Significant Funding Gaps Persist Over Project Timelines

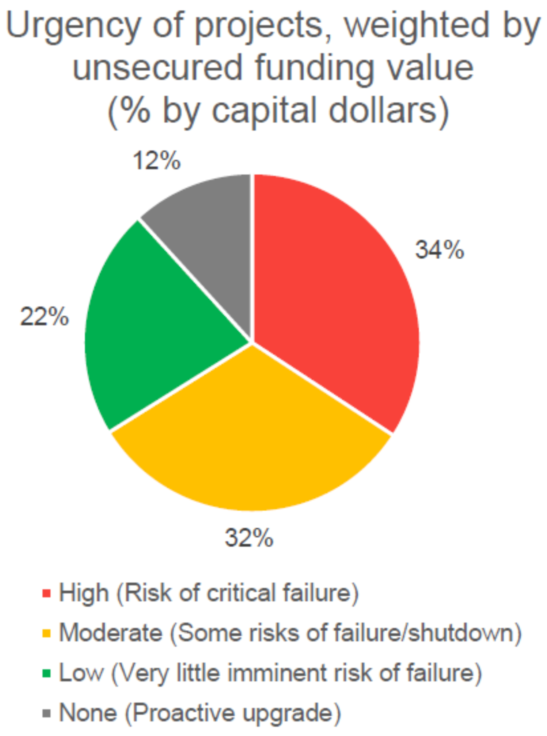




- Majority of projects with unsecured funding are projects "under consideration" (69%) or in "preliminary feasibility" (22%)
- Partially funded projects are concentrated in "preconstruction (permitting / approvals)" stage (39%)
- Projects with fully secured funds are largely in the "construction" stage (50%)

Project Urgency Due to Risk of Critical Failure

- **66%** of capital projects were identified as having a **high or moderate level of urgency** (weighted by their amount of unsecured funds)
- **Aging infrastructure, climate change and deferred rehabilitation** (due to limited capital funds) are causing assets to approach or be extended beyond their useful lives
- **Risks of operational disruptions** to Canada's ports and marine sector (e.g., reduced trade, fluidity of supply chains)
- CPAs with limited capital funds are challenged with the balancing:
  - **Investing in new infrastructure** (to increase revenue generation, future capital funds) or
  - **Rehabilitating existing infrastructure** which may not have a direct revenue generating ability, yet is still important to safety, security and port operations



Key Takeaways

$10 Billion	CPAs reported nearly $10 billion in capital investment for identified projects between 2024 and 2040
$5 Billion	Over the next five years (2024–2028), CPAs plan to spend around $5 billion in capital infrastructure investment. The total infrastructure funding gap in this period is $1.24 billion.
61% of capital dollars are unsecured	Funding gaps are significant, 61% of identified capital spending through 2040 lacks funding, however many identified projects are still in early stage of development.
66% of unsecured capital is medium / high risk	Projects rated by CPAs as “High” or “Medium” urgency account for 66% of all unsecured capital dollars, highlighting the substantial funding required for projects with elevated risk levels.
73% of near-term investment focused on new projects	New infrastructure investment is vital for future growth, with 73% of near-term capital investment (2024 to 2028) focused on new projects, particularly in landside and waterside infrastructure.
27% of near-term investment focused on rehabilitation	Aging infrastructure poses challenges, with 27% of capital investment needs (2024 to 2028) directed toward rehabilitating critical assets like piers, docks, and breakwaters that are decades old and at risk of failure.
Most investment geared toward efficiency and growth	The largest investment themes are operational efficiency and expansion or growth, with 82% of dollars targeting operational efficiency and 79% focusing on expansion/growth (projects can have multiple themes).

Alternative Port Infrastructure Investment Models x Jurisdiction

- Australia, Netherlands, United States (Virginia Port Authority; Georgia Port Authority) have more flexible funding, operational and governance models
- CPAs are more limited in terms of their activities and financing options, with different governance
- Funding (who pays, taxpayer vs. private) vs. Financing (mechanism, debt bond, cash for equity ownership, cash revenue) – Canada Port Authorities limited for both vs. other jurisdictions

Key Takeaways

- CPAs face pressure to build the port infrastructure Canada needs to compete
- $10 Billion identified by 2028 and up to $21.5 B projected by 2040
- Challenge of balancing and securing funding for optimization, growth and maintenance
- Funding and Financing needs are growing more urgent given short term and long-term needs, project timelines, securing financing
- Public Funding will not fill gap and financial flexibility should be considered
- Other jurisdictions offer models and practices that can be replicated here.

Thank You!

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Debbie Murray
Vice President, Government and Industry Affairs

ACPA

dmurray@acpa-aapc.ca

www.acpa-aapc.ca