

October 28, 2015 - by David Kennedy

Ontario can expect a ‘massive’ return on its \$130B infrastructure investment, report says

CANCEA study shows for every \$1B invested, province will reap \$1.7B return



Artist rendering of Toronto's Eglinton Crosstown, one of the major ongoing Ontario infrastructure projects.

PHOTO: CNW Group/Canadian Council for Public-Private Partnerships

TORONTO— The 2015 Ontario budget confirmed \$130 billion in provincial spending on infrastructure. With such a significant investment, power systems, roads, transit and a diverse range of other public projects will be allowed to move forward. In addition to upgrading the province's aging infrastructure, the 10-year investment will generate a “massive” return for the Ontario government as well as the overall economy, according to a new Canadian Centre for Economic Analysis report,

“We always knew that strategic investment in bridges, roads and hospitals was a good idea, but now we know just how much tax revenue these investments generate for governments and how they enable the broader economy to grow much more strongly and for far longer,” Sean Strickland, CEO of the Ontario Construction Secretariat said.

The report, commissioned by the **Residential and Civil Construction Alliance of Ontario**, with support from the OCS, used unique agent-based modelling to determine that for each \$1 billion invested in infrastructure, the province will reap \$1.7 billion in additional provincial tax revenue, while supporting thousands of jobs.

“This modelling shows us that a \$1-billion investment in public infrastructure supports 85,000 job-years in Ontario over the next 30 years,” Andy Manahan, executive director of the RCCAO, said.

With the election of Prime Minister-designate, Justin Trudeau, and the Federal Liberals, there are also strong indications the province will receive further federal funding as well.

“Ontario is making the largest investment in public infrastructure in the history of the province, and the new federal government’s commitment to infrastructure investment means we will be able to work together to do more, faster,” Trudeau and Ontario Premier, Kathleen Wynne, said in a joint statement.

Both government are likely to announcement investments or detail infrastructure priorities in the coming months.