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Ontario infrastructure spending created 74,000 construction jobs: Conference Board report

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Ontario's public infrastructure spending of nearly \$57 billion over the last four years has resulted in approximately 74,000 new construction jobs, a Conference Board of Canada report says.

The Economic Impact of Public Infrastructure in Ontario looked at the economic contribution of ReNew Ontario, the province's infrastructure investment program launched in 2005. The report's economic impact analysis explored how infrastructure investment impacted employment and output associated with the construction phases of ReNew projects and investments.

The report estimated that Ontario's infrastructure spending supported 182,897 jobs in 2009, climbing to 223,268 jobs in 2010.

"Just under half of the new jobs are estimated to be created in the services sector, while 33 per cent (73,590) are in the construction industry," the report says. "The manufacturing and the primary sectors generate roughly 12 per cent and seven per cent (respectively) of the new jobs."

The \$53.6 billion in public infrastructure spending by the province generated a total of \$59.3 billion in real GDP from 2006 to 2010. This cumulative spending meant that "each dollar of real public infrastructure spending generates \$1.11 in real GDP," according to the report.

During the same four year period, starting in 2006, 822,335 person-years of employment were created in the province, with annual job creation expected to peak in 2010 with over 223,000 new jobs.

"If it had not been for this infrastructure investment, we would not have seen this significant number of jobs created," said Andy Manahan, executive director of the Residential and Civil Construction Alliance of Ontario.

Also, with Infrastructure Ontario expanding its footprint of project work, the reach of public infrastructure dollars is being extended, added Manahan.

"Infrastructure Ontario's growth into civil projects has helped and the service stations work along 400 series of highways, which may not be a big project, are getting their feet wet further," he said.

The report also looked at the benefits additional public infrastructure spending provided Ontario during the recession. The level of infrastructure investment increased by \$5 billion in 2009 and another \$3.6 billion in 2010, lifting real GDP growth by 0.9 percentage points in 2009 and a further 0.4 percentage points in 2010.

"If not for the stimulative impact of this added boost to infrastructure spending, Ontario's economy would have lost an additional 70,000 jobs in 2009," the report concludes. "In 2010, when infrastructure spending peaks, another 40,000 jobs will be added to the payrolls in the province."