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Ontario stimulus results renew long-term funding call

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The Auditor General's review of 2009 infrastructure stimulus spending programs points to the need for continued long-term planning say construction industry leaders.

"While short-term stimulus funding helps create a boost for the economy, it does create distortions in the system and that's why COCA strongly believes in predictable funding that is sustainable in the long term," said Ashley De Souza, vice-president policy and government relations for the [Council of Ontario Construction Associations](#) (COCA).

In his 2012 annual report, Auditor General of Ontario Jim McCarter followed up on the 2010 annual report on infrastructure stimulus spending.

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The 2010 audit focused on three infrastructure stimulus programs: Infrastructure Stimulus Fund (ISF); Building Canada Fund – Communities Component Top-Up (BCF-CC); and Recreational Infrastructure Canada Program in Ontario and Ontario Recreation Program (RINC). These programs accounted for about \$3.9 billion of the total \$6.9 billion federal-provincial short-term infrastructure commitment.

The programs were unveiled in the spring of 2009 and the substantial completion date was set for March 31, 2011. However, at the end of the first year of the two-year programs, less than \$510 million, about 16 per cent, of the total \$3.1 billion commitment by the governments had actually been spent. The deadline was then pushed back to Oct. 31, 2011 to accommodate the projects that would not be complete by the original deadline.

One recommendation in the audit was that the Ministry of Infrastructure should follow a more risk-based approach to designing and implementing future capital-grant programs and consider all important factors affecting program delivery, including project sustainability, reasonableness of timelines and the capacity of and demand on ministry resources.

Since the 2010 audit, the province has not initiated similar infrastructure projects and infrastructure minister Bob Chiarelli has indicated that the province will continue with more long-term planning, like its current 10-year infrastructure plan.

The [Construction and Design Alliance of Ontario](#) (CDAO) has pushed for recognition that infrastructure is an investment, not a cost.

"The Alliance works closely with the ministry. We see willingness on the part of the Ministry and [IO \(Infrastructure Ontario\)](#) to always be willing to adjust the plan so extending it out further will be a natural result of this consultation. We want to see this excellent consultation and collaboration continue which will allow us to effectively address the infrastructure deficit," said [Ontario General Contractors Association](#)

(OGCA) president Clive Thurston.

In response to recommendations such as ensuring a fair and transparent project selection process and to better enable the public and legislators to evaluate the stimulus programs, the website Revitalizing Ontario's Infrastructure was launched shortly after the 2010 audit.

[Residential and Civil Construction Alliance of Ontario \(RCCAO\)](#) executive director Andy Manahan said the website would be more beneficial to construction and municipalities if it had more detailed information.

“You don't need to put engineering reports on a website, but I think more detailed information in terms of what it's going to cost and what might it cost if the asset isn't looked after correctly. Just adding a little bit more value to the website would really help.”

One recommendation said the ministries of infrastructure, tourism and culture and agriculture, food and rural affairs should work with recipients experiencing significant delays.

In its follow up, the Auditor General said the provincial ministries and the federal government collaborated to assess options and identify solutions. This included working with funding recipients to identify options such as changing the scope of their projects so they could be completed by the funding deadline.

Another recommendation to ensure that funds are spent wisely and for the purpose intended said the Ministry of Infrastructure should work with the Internal Audit Division to develop appropriate monitoring and audit coverage to fund recipients according to assessed risk.

The Ministry of Infrastructure indicated the government will continue to use the risk-assessment model to determine if projects warrant an audit upon completion.

Manahan would have liked to have seen the impacts the stimulus programs had on job creation numbers.

“What they did show was that some of the jobs didn't have as big of an impact on the employment side as we would have hoped for.”

He said major transportation projects, such as rapid transit systems would have had a much more significant impact on the economy, in terms of jobs and long-term economic growth.

“Some of the projects were quite simple because they were fast projects,” he said.

“Those types of projects, would probably have been done anyway, maybe not within the stimulus time period, but they probably would have been done within five years.”

Thurston said the report provides “excellent” commentary and said they are currently working on many of these issues with Infrastructure Ontario.

“The strength of an effective and successful infrastructure plan is: recognizing it is an investment not a cost; involving knowledgeable industry stakeholders in the decision and planning process, and following industry practice; remove the political agenda from the decision process when determining priority of projects; and maintaining a separate ministry and delivery body that can be a voice and champion at the cabinet table,” he said.