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Ontario construction industry welcomes \$6.2-billion commitment to infrastructure

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A \$6.2-billion investment in Ontario's infrastructure through a federal-provincial agreement means plenty of work will be on deck for the construction industry, say industry officials.

"Every aspect of the program implies construction work," says David Surplis, acting president of the Council of Ontario Construction Associations.

"From the roadwork to the telecom work identified, it is all work that requires construction."

The \$6.2 billion will flow thanks to the federal and Ontario governments signing their infrastructure framework agreement under the \$33 billion Building Canada plan.

Initial projects the two governments will work together on, under Building Canada, are improvements to Highway 11/17 in northwestern Ontario, expanding rural broadband coverage in southern and eastern Ontario and rapid transit in the Waterloo region. The funding arrangement runs until 2014.

"It is good news that they signed this framework and that this money can start flowing to Ontario infrastructure projects," says Michael Atkinson, president of the Canadian Construction Association.

"We hope to see the three provincial governments (Alberta, Manitoba and Quebec) which have not signed with the federal government follow suit with their own agreements."

Framework negotiations between Ottawa and Queen's Park had taken longer than expected, leaving both the construction industry and municipalities concerned that too many construction seasons were being jeopardized.

"A great sense of urgency would have been better to see," says Andy Manahan, executive director of the Residential and Civil Construction Alliance of Ontario.

“There were important projects put on hold and now we have to see when the money will flow.”

Rob Bradford, executive director of the Ontario Road Builders' Association says it was “great to see” both levels of government settle their differences because it will help municipalities plan for future work.

Under the newly minted agreement, approximately \$3.1 billion from the Building Canada Fund will go towards infrastructure initiatives in Ontario through two components:

(1) \$2.73 billion for larger-scale projects; and

(2) \$362 million under the Communities Component for partnership investments in communities with populations less than 100,000 people.

Ontario will match the federal funding.

“This announcement should help bolster all the work we have going on now,” says Clive Thurston, president of the Ontario General Contractors Association.

Accompanying this announcement, Ontario committed its portion of up to \$50 million to HELP (Huron Elgin London Project) Clean Water. The federal government has already pledged its \$50 million.

Included in the Building Canada plan will be \$25 million in base funding annually for Ontario from the federal government for core infrastructure priorities.

A further \$2.98 billion will flow to Ontario municipalities through the extension of the federal Gas Tax Fund agreement from 2010 to 2014.