

## **RCCAO seeks assurances on Trillium Trust spending**

by Don Wall Mar 1, 2017

Comments made by Ontario Progressive Conservative Leader Patrick Brown earlier this month have sparked inquiries regarding the integrity and timing of infrastructure spending from the province's Trillium Trust fund.



Brown, speaking at the Ontario Road Builders' Association conference in Toronto Feb. 6, seemed to suggest that moneys from the trust, which was created in 2015 with the express purpose of funding infrastructure projects and funded from sales of government assets, might go towards deficit reduction in the upcoming provincial budget.

**Andy Manahan, executive director of the Residential and Civil Construction Alliance of Ontario (RCCAO)**, was prompted to make inquiries to the Ontario Ministry of Finance after hearing Brown's comments. Manahan said it is essential that dedicated funds such as the Trillium Trust, that are earmarked for specific projects like infrastructure, not be used in ways that betray the public trust.

The 2017 provincial infrastructure update released in January indicated that the trust balance was more than \$4.75 billion as of Nov. 30, 2016. Included are proceeds from the sale of Hydro One, some LCBO lands and shares of General Motors.

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**Andy Manahan**  
RCCAO

"I heard him (Brown) say that moneys that are in the Trillium Trust fund that are intended for infrastructure had been moved to general purpose funds and from our perspective that was problematic because we had supported the asset optimization and recycling initiative of the province with the proviso that those moneys would be used for infrastructure purposes — good infrastructure, not something that was going to be willy nilly, something strategic with a good return on investment," said Manahan.

A policy spokesperson from Brown's office, who did not want to be named, said the focus of Brown's comments was to warn that the governing Liberals, aiming to declare a surplus for the 2017—2018 budget year, might treat unspent assets sitting in the trust as revenue.

"We are saying, we've got all these infrastructure projects around the province, Hamilton LRT and others, and construction hasn't started, and we've got three-some-odd billion dollars in our pocket (in the Trillium Trust). We say, spend the money, build the infrastructure, get the people working, do the things we need to do, like you promised. Don't just sit on it so you have a nice budget balance for political reasons," said the PC staffer.

Manahan has corresponded with Ministry of Finance and Ministry of Infrastructure officials and received some information relating to Trillium Trust accounting and infrastructure plans. He was told the government has made a commitment to begin drawing down from the Trillium Trust starting in the current fiscal year (2016-17).

The withdrawal will align with expenses associated with projects within the Moving Ontario Forward infrastructure envelope over several years, he was told.

A request for further comment from a Ministry of Finance policy analyst was referred to a finance communications officer. Emails were not returned.

Manahan said his source with the Ministry of Finance indicated the government was still deciding on the exact formula for allocating funds on projects from the trust. The indication was that money would be spent 50:50, half on major transit projects in the Greater Toronto and Hamilton Area (GTHA) and half on other infrastructure projects such as roads outside the GTHA.

"From that perspective it seemed that the money had not been allocated yet, they were still looking at it," said Manahan. "I guess there has to be some trust but we have to monitor carefully how the province draws down on the Trillium Trust."

Manahan added, "If you are not spending those funds on good projects, there will likely be less public support for those revenue streams. So it is critical for our long-term infrastructure program that we be doing this carefully and with an eye to projects that really make sense."

The recent provincial infrastructure update said the Trillium Trust currently includes \$3.2 billion in net revenues from the first sale of Hydro One shares, with the total from that source expected to reach \$4 billion; \$246 million from the sale of LCBO head office lands; and \$1.35 billion in proceeds from the sale of GM shares.