

# DAILY COMMERCIAL NEWS

---

## AND CONSTRUCTION RECORD

### LATEST NEWS

Mar. 17, 2008

#### Investing in Ontario Act

Ontario infrastructure funding legislation lacks certainty, RCCAO says

#### VINCE VERSACE

staff writer

The issue of predictable municipal infrastructure funding will not be addressed by Ontario's proposed Investing in Ontario Act, says the Residential and Civil Construction Alliance of Ontario.

The legislation, slated for introduction this week, would direct a portion of Ontario's budget surpluses to infrastructure needs such as improving roads, bridges, expanding transit and upgrading social housing.

"Municipalities have said in the past that predictable and long-term funding is fundamental to addressing infrastructure needs," said Andy Manahan, executive director of RCCAO. "This [legislation] lends itself more to unpredictable funding."

This new policy would replace the current policy, which requires any surplus to be used to pay down Ontario's debt, which now stands at more than \$160 billion.

"Investing in municipal infrastructure not only addresses the capital needs of our communities, but it also creates more jobs in the short term and prosperity in the long run," said Dwight Duncan, Finance Minister of Ontario, during a Queen's Park news conference.

Under the new policy, municipalities would receive a share of unexpected surpluses of \$800-million or more. A surplus of \$800 million would result in a minimum of \$200 million going to infrastructure and the remaining \$600 million would go to paying down the debt.

The proposed Ontario legislation parallels recent legislation proposed by Liberal leader Stéphane Dion. The Liberal leader pledged to spend any budgetary surplus beyond \$3-billion

on crumbling infrastructure if he were in power. Dion made the pledge at Federation of Canadian Municipalities' conference in February.

Manahan added that as with the Dion pledge, Ontario's plan fails to help municipalities if there's a small surplus or a deficit.

For example, the province has forecast a surplus of \$750-million for the end of this fiscal year on March 31.

If that estimate is realized, when the government closes its books, there would be no infrastructure money for municipalities in the fall.