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Construction cautious on 2013 Ontario budget

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The Ontario government's plan to make a significant investment toward public infrastructure has left industry leaders cautiously positive.

"There's a lot of intention expressed here, but the devil is in the details and we're waiting for the details," said the [Ontario General Contractors Association's](#) (OGCA) director of government relations, David Frame.

Infrastructure spending is one of the cornerstones of the 2013 Ontario budget, which was tabled by finance minister Charles Sousa at Queen's Park last week.

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The government is planning to set aside \$35 billion over the next three years for "critical areas" including transit, roads and highways and various municipal project such as hospitals and education buildings. Almost \$13.5 billion will be spent in 2013-2014 to address the province's infrastructure deficit.

The budget has received some mixed reactions from the industry due to the lack of detail on how the money will be spent and how to assure that projects will be delivered. But, it's widely-agreed that \$13.5 billion toward infrastructure is a step in the right direction.

"We're very pleased to see the ongoing commitment to infrastructure," said Andy Manahan, executive director of the **Residential and Civil Construction Alliance of Ontario** (RCCAO).

"That gives us a sense of confidence that the commitments that have been made in previous budgets and other announcements, through the Ministry of Infrastructure, are going to be ongoing."

Frame also supports the figures, but he'll be taking a wait-and-see approach to see if the government sticks to their plan.

"It's the type of investment that Ontario needs to start getting out from underneath the infrastructure deficit that we have," he added.

"But are you really going to deliver it?"

According to documents from the 2012 Ontario budget, the government proposed \$12.9 billion in infrastructure investment for 2012-2013. According to this year's budget, they fell short by just over a billion dollars of that target.

"We're very concerned with a failure to deliver," said Frame. "Our focus is more on what government is doing in terms of getting the projects out there. How much are they really investing in infrastructure as opposed to

does the budget allow them to invest?”

Frame says that he will be in close contact with the Ministry of Infrastructure to address the problem.

The [Council of Ontario Construction Associations](#) (COCA) is also on board with the 2013 infrastructure plan, but believes more needs to be done.

“We’d like to see further commitment beyond the four years,” said COCA’s director of government relations, Ashley De Souza.

“We do need to address the deficit, we do need to see consistent long-term infrastructure funding over the long haul.”

De Souza also added that the budget requires more clarification regarding the specifics of where the money will be going and how the projects will be delivered.

“Are they existing projects that they’re rolling into this plan? Or is it new money as well?”

Another feature of the budget that is receiving hesitant praise from industry leaders is the Youth Jobs Strategy plan which will inject \$295 million over two years to “promote employment opportunities, entrepreneurship and innovation for youth in Ontario.”

Part of the strategy is a two-year, \$195-million Youth Employment Fund which will create 25,000 job opportunities for young people in Ontario, according to budget documents. Employers will be provided with an incentive to hire youth.

“There’s no details around it. We have no idea of how we’d access it or how it’s going to roll,” said Frame. “We’re simply going to wait and see what the details on that are.”

The 2013 budget is part of the government’s plan to eliminate its currently projected \$11.7 billion deficit by 2017-2018.