

# DAILY COMMERCIAL NEWS

## AND CONSTRUCTION RECORD

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Federal stimulus was a winner, auditor general says

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The federal government's recession-fighting economic action strategy, including a \$4-billion infrastructure stimulus rollout was well managed, according to Canada's auditor general.

"Departments and central agencies worked hard to accelerate their selection and approval processes and put in place the appropriate controls," federal auditor general Sheila Fraser said in a statement.

"The Economic Action Plan is a huge undertaking, involving some \$47 billion in federal money and a further \$14 billion from the provinces and territories, within a two-year time frame."

The federal budget tabled in January 2009 was designed as Canada's response to a global economic downturn by stimulating the economy. Over 35 federal entities helped deliver almost 90 programs in support of the action plan.

Programs such as the Infrastructure Stimulus Program received 7,244 funding applications, resulting in 4,015 applications approved. The federal Knowledge Infrastructure Program received 944 funding applications and 536 were approved.

All stimulus projects had to be "shovel-ready" and have substantial completion by March 31, 2011.

"We found that, based on the information in applications, all of the projects we audited were in compliance with eligibility criteria as set out in the program terms and conditions," the auditor general reported.

"However, we noted that some projects started late, and it is not clear whether they will be completed on time.

"In addition, due to insufficient information being gathered, it was unclear whether some approved projects needed an environmental assessment."

The Canadian Construction Association (CCA) has stated before it believes the federal stimulus program accomplished its goal of kick-starting Canada's economy.

"Even the changes to the Environmental Assessment Act certainly helped facilitate the delivery of projects," said Bill Ferreira, CCA director of government relations and public affairs. "We are quite pleased with the overall pace, speed and success of the program."

The Residential and Civil Construction Alliance of Ontario (RCCAO) said it was pleased to see that all infrastructure stimulus fund projects met eligibility criteria.

The alliance also acknowledged that government infrastructure investment has played a "crucial role" in supporting economic recovery.

RCCAO suggests that an infrastructure investment evolution is needed in which federal and provincial governments better align infrastructure needs and rationalize project approvals to secure more investment value.

"The development of an infrastructure plan in which all governments can start to focus both planning and funding is important," said Andy Manahan, RCCAO executive director.

"A refocus on priority projects and not just those that are construction-ready will help strengthen Canada's economic and social prospects."

The auditor general found that although the federal finance department used a "macroeconomic estimate of total jobs created or maintained" through the stimulus program, information collected on jobs was unreliable.

"We were disappointed that this first report lacked specifics on job numbers but we know that our industry is working and that many of these projects will translate into improved economic performance," said Manahan.

A second auditor general's report on the stimulus program is expected in fall 2011.