Pivotal moment for infrastructure in the GTA

By Richard Lyall

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While big strides have been taken in recent years to increase infrastructure spending, more needs to be done to demonstrate the massive benefits.

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If you asked the average Ontario kid which is better, ice cream or infrastructure, you know what the answer would be.

While kids can get a pass on that, adults don't. After all, almost a generation of neglect in infrastructure investment is the product of such thinking.

The fact is traditional economic analysis did not fully capture the difference between government spending on infrastructure compared to ice cream.

But that's exactly what the innovative analysis by the Canadian Centre for Economic Analysis (CANCEA) does. This new report utilizes sophisticated tools provided through big data and analytics to properly measure the run-off benefits and linkages of infrastructure investment.

Using the provincial government's pledge of $130 billion over 10 years, the report says that $1 billion in infrastructure investment will generate $1.7 billion in provincial tax revenues and $1.6

billion for federal coffers, which obviously dwarfs the output of investment in ice cream. This investment model represents a huge opportunity for the GTA and Ontario.

This report was financed the Ontario Construction Secretariat (OCS) and by RESCON's infrastructure advocate, the **Residential and Civil Construction Alliance of Ontario** (RCCAO).

"We always knew that strategic investment in bridges, roads and hospitals was a good idea, but now we know just how much tax revenue these investments generate for governments and how they enable the broader economy to grow much more strongly and for far longer," says Sean Strickland, CEO of OCS.

So while big strides have been taken in recent years to increase infrastructure spending, more needs to be done, says Andy Manahan, executive director of RCCAO.

"This analysis demonstrates the massive benefits of infrastructure will ensure that the lights stay on, that water is clean, and that people and goods can move to support our well-being.

"This is exactly the kind of research and analysis reinforces the importance of continued infrastructure investment in Ontario," he says.

However, let's not forget that the rapid move toward dumping new infrastructure costs through development charges on new-home and condo buyers has crushed housing affordability as well.

Given that the benefits of infrastructure are so extensive when properly measured and planned, municipal governments might want to rethink this approach.

It is not in our interest to make new-home buyers — especially hard-working millennials trying to get on the housing ladder — to pay for the past neglect of infrastructure investment.

Catching up on the backs of new-home buyers is not the right way to build the future.

Meanwhile, CANCEA's research now ensures that the proper case can be made in considering infrastructure spending. RCCAO is organizing a panel discussion for the report in early December at Hart House in Toronto which will include Barrie Mayor Jeff Lehman and CANCEA president/CEO Paul Smetanin.

Among the dignitaries in attendance will be Transportation Minister Steven Del Duca and Brad Duguid, Minister of Economic Development, Employment and Infrastructure.

The lack of this analytic capability before now might indicate why we may have acted like kids in the past and spent too much on ice cream.

Now we're all stuck in traffic, squeezed on a bus or hoping that a piece of concrete doesn't fall off the Gardiner.