

QPBRIEFING

February 25, 2014

Murray repeats call for more infrastructure cash from Ottawa

By John Michael McGrath
administrator

Glen Murray has repeated his demand that Ottawa substantially increase infrastructure spending across the country and especially in Ontario, and the Minister of Infrastructure and Transportation brought some experts Tuesday to back him up.

Barry Steinberg, CEO of the Consulting Engineers of Ontario and Paul Smetanin, CEO of RiskAnalytica, supported Murray's argument for higher spending, as well as the importance of a long-term infrastructure plan that Murray has proposed as part of Bill 141, the *Infrastructure for Jobs and Prosperity Act*.

"The planning for infrastructure has to transcend politics, the political structure," said Steinberg, whose group would benefit from growth in infrastructure projects such as subways, bridges and roads. "It has to go beyond four years, it has to think about where this province is going over the next 20, 25, 30, 35 years."

That may be true but Murray's news conference is unlikely to have any impact in Ottawa, which has already tabled its 2014-2015 budget and recently announced a \$14 billion 10-year national infrastructure fund for roads, bridges and transit.

The minority Liberals have sharply criticized Ottawa's spending and transfer payment decisions and will likely step up that attack in the next provincial election campaign to fend off criticism if the government needs to hike taxes in the spring budget to pay for billions of dollars in new transit.

Smetanin cited a report that RiskAnalytica completed in 2011¹ for the Residential and Civil Construction Alliance of Ontario that found that raising infrastructure spending to five per cent of GOP could lead to an additional \$400,000 in lifetime income for workers and an additional \$7 trillion in government revenues over 50 years.

Murray has in recent weeks called on Ottawa to contribute infrastructure spending equal to 2 per cent of GOP, matching the province's approximately 2 per cent and adding to the roughly 1 per cent that municipalities spend - bringing overall infrastructure spending to 5 per cent of GOP.

Steinberg reinforced Murray's call for a federal funding partnership. "I don't want to make this Toronto-centric, but Toronto is the largest city in the world that does not have any federal commitment to transit funding. That needs to change, because Toronto is already 50 years behind its transit planning."

While Murray, Steinberg and Smetanin were speaking to reporters, Toronto city staff put a report online that recommends the city tear down the eastern section of the Gardiner Expressway in Toronto - following the advice of Waterfront Toronto earlier this month².

Murray shied away from an explicit endorsement of the staff recommendation, but said the government gives "huge credit" to Waterfront Toronto for its work, adding the government has confidence in the agency and the work that city staff are doing.

He also said any work on the Gardiner will have to be considered in conjunction with the expansion of transit and the redevelopment of the Unilever site that sits near the connection of the Gardiner and the Don Valley Parkway.

"It would be almost the equivalent of what Canary Wharf [office development] was to London; this would be one of the largest expansions of the commercial core in the history of Ontario," Murray said.

The East Bayfront LRT, which would run from Union Station east to the city's largely-derelict Port Lands, will also need to be part of the discussion about the future of the Gardiner Expressway. The East Bayfront LRT has been part of the city's transit plans but has been put on hold since Mayor Rob Ford was elected in 2010.