

Ontario needs to make better infrastructure spending choices, say reports

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Two reports out this month aim to give Ontario some advice about improving the bang it gets for the buck from infrastructure investment.

In last spring's budget, Ontario announced a \$130-billion commitment to building infrastructure over the next 10 years, about 1.9 percent of provincial GDP per year. That includes \$81.5 billion for transportation infrastructure, more than \$11 billion in hospital capital grants and more than \$11 billion in school board capital grants.

Both the [Residential and Civil Construction Alliance of Ontario](#) (RCCAO) and the [Institute for Competitiveness and Prosperity](#) have released hefty reports this month suggesting that the government should adopt new approaches to this spending.

“One thing is certain: assuming Ontario society and its various governments can continue into the future by following the paths of the past is the route to unpleasant surprises, with expensive and embarrassing policy failures. Even in a fog, the best course is to look through the windshield, not the rear-view mirror,” states the RCCAO report, which lays out some key questions Ontarians should be asking: What new forms of infrastructure will emerge and which will be obsolescent? Can new technologies render some major infrastructure unnecessary, or open the door to more modest solutions? How will major societal and economic trends influence the kind of infrastructure we will need? How will these trends change the economy, ecology and society that infrastructure must support?

The report suggests trends like the pace of technological change, increasing urbanization and connectivity, social trends like our aging population, economic and workforce trends, environmental and energy trends, and political and fiscal trends should drive decision-making. The authors make three key recommendations: Firstly, elevate the ministry division responsible for infrastructure to a full-scale Policy Secretariat, headed by a minister and deputy minister, advised by an ongoing “Ontario Future Council;” secondly, use research grants to engage post-secondary and healthcare scholars and leading thinkers from the various sectors of Ontario society to address infrastructure issues; and lastly, appoint a Royal Commission on Ontario's Future, with a particular focus on the role that infrastructure can play in creating a prosperous, productive and equitable society.

The Institute for Competitiveness and Prosperity report, called *Better Foundations: The Returns on Infrastructure Investment in Ontario*, also calls for infrastructure planning to focus on increasing prosperity. Some kinds of infrastructure spending are more likely to increase productivity than others.

“The institute recommends that the province prioritize productivity-enhancing investments in ground transportation infrastructure and machinery and equipment that support public transportation services, as well as projects that improve trade with the United States,” states the report. “At the same time, the institute recommends that the province be extremely cautious and use sound, case-by-case cost-benefit analysis for investing in other forms of transportation infrastructure.”