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2012 Ontario Budget

Infrastructure funds critical, minister Chiarelli says

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It was extremely important to maintain infrastructure funding in the latest Ontario budget, says the province's minister of transportation and infrastructure.

"We see infrastructure as an investment in the economy, an investment in jobs, an investment in keeping our economy competitive," said Bob Chiarelli, Ontario's infrastructure and transportation minister.

The provincial government maintained its commitment to \$35 billion in funding over three years in the 2012 budget and rolled that into a fourth year, so that level will continue into 2014-15.

Chiarelli added that he received significant feedback from construction industry stakeholders on the importance of continued stable funding.

"That should really give significant comfort to all of the companies and sectors in the construction industry."

Though the industry is overall happy to see sustained infrastructure investment, there are still some worries with the new budget, say some stakeholders.



Infrastructure Ontario (IO) is slated to play a greater role with project delivery and project bundling could be used more. Some within the industry say this will hurt small and medium-sized contractors.

There is currently a construction sector working group involved with IO to ensure that issue is addressed, said Chiarelli.

"We have a commitment from Infrastructure Ontario that they will address that and they will find a ways and means to ensure that as we do strategic infrastructure, particularly in areas outside of the GTA (Greater Toronto area), that there's the opportunity for smaller firms to participate," he said.

It was also announced that the government is delaying some previously approved highway expansion and high-occupancy vehicle (HOV) lane projects, to save the government \$14.2 million over three years. Other HOV projects will be delayed "until fiscal capacity allows them to proceed."

The Residential and Civil Construction Alliance of Ontario has suggested permitting tolled access to HOV lanes would create additional revenue to fund highway expansion.

Chiarelli said that's being considered as part of the ministry's investment strategy, though there are many ideas being discussed and nothing has been resolved.

"We certainly see that HOV lanes are very critical to the transportation network and they will remain a priority

for us,” he said.

“It’s just at this time, under these budget constraints, the Ministry of Infrastructure had to do its part along with teachers and doctors and public services.”

“I’m hopeful that we will find means to finance either through an expanding economy, whereby we have more revenues available to us or through our investment strategy in transportation and transit.”

Industry stakeholders have expressed concern over the Ministry of Transportation’s decision to return certain contract oversight and engineering services in-house to save an estimated \$53.2 million over three years. These services had been outsourced to the private sector but the ministry said it has faced difficulty in achieving value for money in this regard, especially in northern Ontario where there is a limited market for such services.

Chiarelli press secretary David Salter said this is an opportunity for savings, but pointed out that Chiarelli has a strong track record for consulting with stakeholders.

“So we’ll continue doing that and if the private sector has ideas on how we can save money in that area of consulting services,” Salter said.

“The ministry is very open to listening to suggestions.”