

Stakeholders discuss possible options for Ontario Jobs and Recovery Committee

Don Wall April 27, 2020



Should governments pour funding into shovel-ready infrastructure projects as the most effective way to get Ontario's economy humming again when the COVID-19 pandemic recedes?

Or should policy-makers reevaluate the tools at their disposal as part of a program of consultations in which construction projects might be considered just one among various stimulus options?

The debate has begun, with conversations spurred by the provincial government with its launch of the Ontario Jobs and Recovery Committee April 9. Twelve ministers were mandated to get "businesses up and running and people back to work after the COVID-19 pandemic is over," stated a Premier Doug Ford government release.

Some stakeholders are arguing that the best way to kick-start the recovery is through investments in major projects that are ready to go. Federal Infrastructure Minister Catherine McKenna was said to be consulting broadly in a statement to the Daily Commercial News from her press secretary Chantalle Aubertin.

“The COVID-19 pandemic has only highlighted the important role that public transit plays in getting health professionals, first responders, grocery store workers and other Canadians to their places of work,” said the statement.

“That’s why we continue to prioritize funding for public transit under our historic Investing in Canada Infrastructure Plan as we prepare for an accelerated infrastructure program as soon as it is safe to resume full construction activity.”

That priority aligns with the views of Joe Mancinelli, international vice-president for the Labourers’ International Union of North America. He thinks governments should spend on transportation infrastructure projects that are ready to go within four to six months as well as long-term-care homes and municipal infrastructure such as sewers and watermains.

“When this is over we would like to be prepared to have a number of shovel-ready projects ready to go,” said Mancinelli, adding it is not the time to start creating new projects, nor should governments be spending money on such projects as municipal soccer fields that do not provide a “bang for the buck.”

“The federal and provincial governments should put their money there because these are projects that will stimulate the economy almost immediately,” he said, referring to projects such as Toronto’s Ontario Line subway and the Hamilton LRT project. “It is important that we do it fairly fast, that way money flows into workers’ and companies’ coffers. That money will flow out of their pockets into stores and car dealerships and buying new homes and all of a sudden the economy could have a fairly immediate impact.”

Residential and Civil Construction Alliance of Ontario executive director Andy Manahan suggested that the Ford government has shown it recognizes the importance of the construction sector to the Ontario economy, and during the crisis it has strived to keep the construction sector open. Manahan said he expects infrastructure spending to continue to be a stimulus tool during the recovery but argued that it would be wise for policy-makers to take a step back to re-evaluate assumptions that were relied on before the crisis.

“Maybe in the longer term, this summer, we should sit down and develop a strategic plan for how to plan for the medium and long term, what are the important issues,” he said.

“I don’t have the answer. A lot of us have to sit down, from the general contractor side, residential, civil, labour and management, and try to figure out what are the best returns on investment, the most productive, the best ways to making investments in infrastructure and other types of projects.”

Recommendations could then be forwarded to the Jobs and Recovery Committee with “bullet points” from construction potentially forming part of the committee’s action plan.

Provincial Building and Construction Trades Council of Ontario business manager Patrick Dillon raised a similar idea, suggesting there was validity to a recent proposal from the C.D. Howe

Institute calling for the creation of industry-specific task forces that would advise governments on the recovery.

Dillon said the Building Trades should have a seat at the table during those discussions “because we are going to talk about health and safety.”

The Howe Institute’s Crisis Working Group on Household Income and Credit Support agreed at its April 14 meeting that “restarting the economy will require a risk management approach on the part of governments, as they balance imperatives related to public health, health care utilization, the economy and public finance,” a release stated.

Manahan also noted that money will be tight, and that the 12 ministers on the recovery committee will all be claiming their sectors require funding — it’s worth considering that stimulus in those other areas could well boost the economy just as infrastructure spending would, he said.

Manahan said that unlike in 2008-2010, when the Stephen Harper government opted to spend on short-term projects, infrastructure spending decisions should take the long view; that maybe Metrolinx should revisit its business cases for transit projects with new projections of long-term transit usage considered; and that funding breakdowns for major P3 projects could be reevaluated with innovative and creative new models considered.