



Infrastructure matters

July 19, 2010

Note: This article has been edited to correct a previously published version.

Canada's chronic infrastructure deficit is undermining our economy and making us all poorer, according to a new report. That's because the quality — and quantity — of our roads, bridges, sewers, transit systems and water lines are key factors affecting productivity and growth.

If current underfunding continues, the Canadian economy will underperform by an annual average of 1.1 per cent in real gross domestic product (GDP) over the next 50 years, according to the report, commissioned by the Residential and Civil Construction Alliance of Ontario. That translates into billions of dollars in foregone wages and hundreds of thousands of lost jobs.

By one estimate, Canada needs \$123 billion just to bring municipal infrastructure up to a minimum state of repair.

Some progress on necessary fixes has been made through Ottawa's \$4 billion infrastructure stimulus fund. But that program is set to expire on March 31 of next year, and Prime Minister Stephen Harper has clearly stated it will not be renewed. That's unfortunate. Canada's infrastructure gap looms large, and temporary programs aren't the way to fix it. Stable, long-term funding is required, covering major, multi-year projects.

"Volatile infrastructure investment does not translate as well into economic growth," warn authors of the construction alliance report. Well aware of this reality, municipalities are pushing Ottawa to replace its expiring infrastructure fund with other assistance that would enable hard-pressed cities to continue mending their frayed urban fabric.

To protect future economic growth — as well as maintaining the basic services on which all Canadians depend - Harper would do well to listen.