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Environmental assessments are holding back construction, report says

10,000 jobs at risk, \$232 million in costs

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Ontario's municipal class environmental assessment system adds \$232 million in extra project costs and holds back 10,000 jobs through delays, finds a Residential and Civil Construction Alliance of Ontario report released today.

"These delays are tempering construction job opportunities and for taxpayers they are resulting in unnecessary costs added on for the sake of a process that may be somewhat flawed," says Andy Manahan, executive director at RCCAO.

Are Ontario's Municipal Class Environmental Class Assessments Worth the Time and Money? was commissioned by RCCAO and authored by Frank Zechner, environmental lawyer and former executive director of the Ontario Sewer and Watermain Construction Association.

The report looked at 99 projects which included road extensions and widening, bridge replacements and alterations or expansions of sewer and water infrastructure. These 99 construction projects have a \$1.12 billion value.

The 10,000 jobs held back because of EA delays are based on labour/material/overhead ratios for basic municipal infrastructure projects. Ontario municipalities endure delays of 19 months or more compared to other Canadian municipalities the evaluation of the 99 projects reveals.

"Adding together the costs paid to third parties for EA reports and the inflationary increases of construction for the duration of the EA reports, results in a total cost of \$162 million to the 99 projects, or an average of 14.5 per cent incremental costs," finds Zechner in the report.

Ontario is the lone Canadian jurisdiction that has Municipal Class EAs even for simple projects like intersection improvements, road widening and bridge replacements.

Getting approvals for these projects municipally means the project has already undergone a legitimate analysis yet "significant delays" were found and additional costs to comply with the municipal EA process were incurred.

"We are not against the environment, but we are for a rational process to streamline things better," says Manahan.

"We want what is best for the environment by utilizing appropriate mitigation measures for projects like road widening to protect nearby waterways.

"However, let's not delay something that is part of a growth plan to accommodate population growth in a municipality."

The report notes that changes similar to recently enacted fast-tracking provisions for transportation EAs would help improve delays with Municipal Class EA regulations. Road widening and intersection improvement projects could be further streamlined by “removing the need to consider alternatives” by a consultant because “there has already been public scrutiny through the Planning Act processes, the Places to Grow and Greenbelt legislation and public debate for municipal capital budgets,” concludes the report.

Among the report’s recommendations are:

- establish protocols with federal agencies such as Transport Canada, in relation to bridge replacement EAs, as to which agency will have the final say on issues such as appropriate clearance distances between bridges and navigable waters
- extend the ‘shelf-life’ of pre-2007 EA Study Reports from 5 years to 10 years to reduce the need for addendum EA reports
- expand the recognition of prior Planning Act consultations for certain short distance road extensions
- establish transparency for the Municipal Class EA process by establishing a publicly accessible database of Notices of Completion for current as well as historical projects.