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Construction associations praise Ontario 2011 budget, await details on 10-year infrastructure plan

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A \$35-billion commitment in Ontario's 2011 budget is an encouraging sign that infrastructure will continue to play a key role in provincial planning, say various construction stakeholders.

"There was a real focus on how infrastructure projects create jobs," said Karen Renkema, Ontario Road Builders' Association (ORBA) government relations director. "We are pleased to see the infrastructure commitment as a preview to their 10-year plan which we anxiously await details of."

The province's \$35-billion infrastructure commitment stretches over the next three years, with \$12.8 billion set aside for 2011. Ontario estimates that this investment will create and preserve more than 300,000 jobs.

There was no specific indicator in the budget of what the province's developing 10-year, possibly \$60-billion, long-term infrastructure plan may entail, but the continued infrastructure spending, post-recession, is positive, industry sources say.

"The infrastructure dollars are still a commitment to infrastructure spending and an indicator of not taking the foot off the gas pedal," said Clive Thurston, Ontario General Contractors Association (OGCA) president. "The three-year allocation is in line with what we were looking for." The 2011 budget also confirmed \$30 million over three years in funding for community demonstration programs, municipal water sustainability planning and support for education and public awareness of water conservation.

The Ontario Sewer and Watermain Construction Association (OSWCA) said this focus on sustainability planning is crucial for the province's future linear infrastructure. "We hope that it encourages municipalities to look at their sustainability plans and go to a full-cost pricing model," said Joe Accardi, OSWCA executive director. "Hopefully that will result in increased funds and planning to improve infrastructure and system efficiencies. We also are anxiously waiting to see what the province will have in its 10-year infrastructure plan."

The Residential and Civil Construction Alliance of Ontario (RCCAO) said the funding to improve water conservation in small municipalities will be helpful to raise awareness. However, more needs to be done in developing regulations for the Water Opportunities and Water Conservation Act passed last November.

"A lack of action on this legislation will have a detrimental impact on encouraging all municipalities to bring forward full-cost pricing and advanced metering in order to sustain Ontario's water and wastewater systems," stated Andy Manahan, RCCAO executive director. "We do applaud the province on its continued recognition of the value of infrastructure investment." OSWCA also feels that regulations are key to moving the act forward so municipalities can start to control and improve asset efficiencies.

The 2011 provincial budget earmarked — including transfers for capital purposes and repairs — \$2.4 billion for transit capital infrastructure, \$2.1 billion for provincial highways, \$325 million for municipal and local infrastructure and \$288 million for water/environment infrastructure.

“As far as the MTO budget, we are pleased to see it has been increased again to another record amount with a focus on highways and bridges,” added Renkema. The 2011 budget indicated that Infrastructure Ontario (IO) will have an expanded role moving forward and that has been flagged by OGCA.

“The expanded role of IO and broader range of projects it deals with ... we do have some concern with that,” Thurston said. “What does that mean?” “Is that bundling of projects to meet requirements of AFPs (alternative financing and procurement)?”

The \$35-billion infrastructure investment, considering the province’s \$16.7 billion deficit in 2010, was welcomed by the Council of Ontario Construction Associations (COCA). The deficit was \$3 billion lower than originally projected.

“The government has its hands tied to an extent even though the deficit came in lower than projected,” said Ian Cunningham, COCA president. “They showed restraint. It was the best one could expect in an election year and tight fiscal circumstances.”