

CAREFUL SPENDING

Infrastructure wisdom

It's time to turn Canada's infrastructure around, both to stimulate the economy and improve aging roads, pipes, sewers and facilities.

"Canada clearly has an infrastructure backlog," said **David Pecaut**, chairman of the **Toronto City Summit Alliance** and senior partner with **Boston Consulting Group**. "We've all been watching a very shoddy dance of infrastructure in the past five years. Surely as Canadians we can do much better than the record has shown."

Pecaut spoke as part of the January 30 **Canadian Urban Institute** discussion "Priming the Economic Pump with Infrastructure: Will we Invest Wisely?" The discussion panel followed the federal budget, introduced January 27, which included \$4 billion in new infrastructure spending. (*See NRUGTA Edition, January 28*)

One issue Pecaut raised was Canada's border infrastructure, emphasising the development of preclearance sites at key border crossings to speed the flow of goods between Canada and the U.S.

Pecaut also stressed a broader definition of infrastructure, the need to develop "new infrastructure for a new economy." Some examples include funding for energy retrofits on older industrial and commercial buildings and the digitization of medical information.

"Our biggest challenge is going to be how to do this differently," Pecaut told the audience.

Incoming **Canadian Institute of Planners** president **Marni Cappe** stressed the importance of integrating infrastructure projects and community planning.

"We can work to integrate the decision-making on infrastructure and planning to achieve the goals and visions of communities," Cappe said. "It would be important to invest in a plan, not a project."

Pecaut added that some of the infrastructure spending should be given out on a "use it or lose it basis," wherein if a municipality is not prepared to initiate a project the funding would be spent elsewhere. He also proposed a wait-times index for infrastructure projects to hold the various levels of government accountable for their announced timetables if they are not met.

ReNew Canada publisher **Todd Latham** emphasized environmentally friendly infrastructure development and suggested a new spin on P3 projects: a "public-philanthropic partnership" wherein governments join with wealthy individuals to fund important infrastructure projects. Latham also suggested increasing gas taxes, raising prices up to two dollars per litre, and using road tolls to fund capital projects.

"The infrastructure gap is real," Latham said. "Just ask any broke municipality."

"Infrastructure has a long-term value," said **Residential and Civil Construction Alliance of Ontario** executive director **Andy Manahan**, "It's an asset. Core infrastructure is key to productivity and growth."



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Manahan’s presentation focussed on the jobs that would be created by infrastructure spending. He noted that each \$1 billion of infrastructure funding creates 11,500 jobs, which is more than would be generated by \$2 billion worth of tax cuts. Manahan added that the **Federation of Canadian Municipalities’** list of 1,157 shovel-ready infrastructure projects would create 156,706 jobs, if they were funded.

Manahan also stressed reforms for the environmental assessment process.

“We need to improve the harmonization between the land use planning and EA processes,” he told the audience, adding that this should be coupled with increased dialogue between the three levels of government and other stakeholders. “Dollars are very scarce and we have to spend wisely.”