



Ontario Maintains Major Commitment to Infrastructure in Budget 2012

Toronto, March 27, 2012 - The Residential and Civil Construction Alliance of Ontario commends the Ontario Government for maintaining its commitment to the long-term infrastructure plan.

The 2012 Ontario budget, released today, calls for infrastructure spending in 2012-13 of \$12.9 billion, the same record level as last year. Over this year and the following two years, the government will meet its forecast \$35 billion infrastructure support level announced as the first phase of the long-term infrastructure plan in *Building Together*.

“At a time when the government is faced with major fiscal pressures and must implement cuts across most sectors, we are very pleased to see the continued commitment to infrastructure spending,” said Andy Manahan, Executive Director of RCCAO. “Ontario has recognized that a steady, long-term infrastructure spending program is essential to job creation, management of existing assets and provision of necessary infrastructure in our fast-growing province.”

The construction sector would like to work cooperatively with the government in optimizing its Return on Investment (ROI) approach to the identification of core infrastructure as well as asset management.

One minor concern is that the government is considering delays in expansion of the HOV lane network on Ontario highways. Gridlock is a significant impediment to economic growth in Ontario.

The Budget contemplates that further HOV lanes will be constructed “as fiscal capacity allows.” RCCAO believes that this could be achieved by permitting “HOT lanes” (tolled access to high occupancy vehicle lanes) as this would create additional revenue to fund highway expansion without increasing the provincial deficit.

As well, it is unfortunate that the Budget did not reference the need to move to full-cost pricing for water, a major recommendation of the Drummond Report and a necessary step to finance municipal water and sewer system expansion and maintenance.

“Overall, though, we are very appreciative that the government has kept its focus on infrastructure spending during difficult times,” Manahan concluded. “Minister Chiarelli is to be commended for his strong advocacy in promoting the infrastructure agenda.”

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