



Ontario
Home Builders'
Association

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August 15, 2012

The Honourable Denis Lebel, PC, MP
Minister of Transport, Infrastructure and Communities
330 Sparks Street, Tower C
Ottawa, Ontario K1A 0N5

Re: Long-Term Infrastructure Plan for Canada

Dear Minister Lebel:

OHBA is pleased to be given an opportunity to present our comments and recommendations to be considered as part of the *Long-Term Infrastructure Plan for Canada* consultation.

About OHBA

The Ontario Home Builders' Association (OHBA) is the voice of the residential construction industry in Ontario. OHBA represents over 4,000 member companies, organized through 29 local associations across the province. Our membership is made up of all disciplines involved in residential construction including builders, land developers, renovators, trade contractors, manufacturers, suppliers, realtors, mortgage lenders, apartment owners and managers, housing consultants, economists, planners, architects, engineers and lawyers. The residential construction industry employs over 325,000 people and contributed over \$42 billion to Ontario's economy in 2011. OHBA is proudly affiliated with the Canadian Home Builders' Association.

Introduction

The *Long-Term Infrastructure Plan for Canada* is of key importance to the residential construction industry in Ontario and across Canada. Investments made by the public sector facilitate additional private sector investment and job creation from our members. It's a pretty easy and direct correlation to see – a perfect example being the significant number of construction cranes and new condominium units that have been and continue to be built along the Sheppard Subway corridor in North York. Each one of those cranes represents hundreds of jobs ranging from planners and architects to crane operators and window installers right through to the indirect spin off jobs of carpet, television and furniture manufacturers. It is the coordinated public sector investments that make these tens of thousands private sector jobs possible.

The key for the residential construction industry can be summed up in a word – 'certainty'. A long-term plan that provides stability and predictability as to when and where infrastructure dollars are going to be spent, will allow for the private sector to adequately plan projects and target their investments to utilize new and upgraded public infrastructure facilities.

The recession of 2008 and 2009 provided an opportunity to kick-start the economy by investing in infrastructure to support jobs during challenging economic times while spurring private sector investment. However, many of the investments made during stimulus were not strategic and focused on being "shovel-ready" rather than "core"

infrastructure that yields longer-term productivity gains. The infrastructure needs of today are profound and the infrastructure deficit remains significant due to decades of underfunding by all levels of government. As the economic stimulus funding winds down, the federal government must remain committed to infrastructure and return to a more regular and sustainable level of long-term investment. Furthermore, core infrastructure should be strategic and coordinated through federal, provincial and municipal efforts.

Key Principles

The *Long-Term Infrastructure Plan for Canada* must provide stability and predictability for both the federal government's partners at the provincial and municipal level as well as private sector stakeholders. By bringing predictability, accountability and transparency to the process, the private sector can target its resources and make sound investment decisions based on the certainty of future government investments. Stable and long-term funding of provincial priorities should be a key principle of the ten year capital plan.

The expansion of core infrastructure in support of a growing economy and growing population should be a key priority for the federal government. However, just as important a principle in the *Long-Term Infrastructure Plan for Canada* is the ongoing maintenance and state of good repair for Canada's existing infrastructure assets. Furthermore, OHBA supports fiscally responsible investment approaches that take into consideration the benefits (and beneficiaries) of core urban infrastructure – and spread the costs among all beneficiaries;

The federal government should view infrastructure not as a costly expense, but as an investment in Canada's future. Infrastructure is the key to enhancing productivity with the goals of improving our quality of life and the competitiveness of Canada in an ever increasingly globalized economy. Canada's competitive edge and quality of life should be the key driver and motivation to invest in core infrastructure priorities.

Public Infrastructure Asset Priorities

In September 2009 the OHBA passed a resolution stating: "Infrastructure stimulus funding that is currently being rolled out to support economic growth should place a strong emphasis on expanding, upgrading and enhancing "core infrastructure" that supports housing intensification". OHBA's definition of core infrastructure typically includes: roads and bridges; public transit; water supply and waste water treatment systems.

Core infrastructure consists of the key building blocks for a growing economy and population. The federal government should place core infrastructure as a priority over other types of community infrastructure. Roads, bridges, water, waste-water and public transit facilities support additional value added private sector investments from a variety of sectors including the residential construction industry. The federal government should consider specific funding parameters within a *Long-Term Infrastructure Plan for Canada* for different infrastructure priorities.

National Transit Strategy

OHBA is supportive of a national transit strategy that dedicates funding on a per-capita basis to larger municipalities for capital transit expansion (versus maintenance or ongoing operational funding assistance). Canada is increasingly an urban society and urbanization is expected to continue in the years ahead. Major urban centres across Canada that are growing and intensifying require a dedicated national transit strategy with predictable long-term funding. There is a clear need to coordinate long-term plans and investments with municipal and provincial partners that anticipate future growth and pursue desirable outcomes of infrastructure systems.

Working Together with the Province of Ontario

In targeting infrastructure investments within the Province of Ontario, the federal government should be supportive of the tremendous amount of infrastructure and land-use planning that has already taken place within the Ontario. The *Long-Term Infrastructure Plan for Canada* should not be taken as an opportunity to re-write existing plans that are

already partially funded and in some cases already in advanced planning and engineering stages or under-construction. OHBA strongly advises against duplication and competing infrastructure plans, therefore the federal government should provide enhanced opportunities to advance progress in funding infrastructure that supports the Growth Plan for the Greater Golden Horseshoe and to provide transit funding in support of Metrolinx the *Big Move* transit plan for the Greater Toronto Area and Hamilton as well as transit plans in other major provincial centres like Ottawa and Waterloo Region. Public sector investments for infrastructure should be strategically coordinated by all three levels of government and a strong plan supported by the residential construction industry already exists in south-central Ontario.

Infrastructure investment should support other public policy goals and objectives such as intensification and the efficient movement of goods and people. The shift towards intensification within established communities and the renewal of aging infrastructure is of vital importance as the province considers priorities in the capital investment plan. Ontario's water pipes and delivery systems in older established city and town centres are typically decades old and have limited additional carrying capacity; therefore efforts to intensify development patterns while improving water quality require significant federal, provincial and municipal attention in key locations where growth is directed.

Canada's changing demographics are another major trend that should be considered within a long-term capital investment strategy. An aging society will utilize transit facilities more as people choose to or are forced out of their private vehicles. Furthermore, accessibility of the infrastructure that Ontarians interface with should be a key consideration. Lastly, the efficient use of Canada's precious resources should be a priority for both fiscal and environmental sustainability reasons. Therefore energy efficiency and water conservation should be key considerations within the infrastructure capital plans guiding principles.

Infrastructure Asset Management

A key principle in the *Long-Term Infrastructure Plan for Canada* must be the ongoing maintenance and state of good repair for Canada's existing infrastructure assets. Underfunded infrastructure maintenance and replacement which creates growing financial liabilities and risks is a current deficiency in the general municipal approach to infrastructure. This deficiency adds to public confusion over the true cost of maintaining cities and towns across the country. OHBA supports a comprehensive accounting for the current state of our infrastructure to enable timely and adequate infrastructure investments.

OHBA's most important infrastructure investment priorities

Infrastructure investments should complement and support the Provincial Growth Plan for the Greater Golden Horseshoe as well as the Northern Growth Plan. OHBA has supported both of these key provincial policy documents in principle, however as we shift towards the implementation phase for the Greater Golden Horseshoe Growth Plan there are many practical and logistical issues that are presenting significant challenges for the residential construction industry.

The 'Big Move' Regional Transportation Plan by Metrolinx is a key priority to get South-Central Ontario moving again. OHBA is very supportive of the Regional Transportation Plan, however the funding aspect for the 'Big Move' is a major concern going forward and OHBA looks forward to better coordination and partnership opportunities between the provincial and federal government to fund major infrastructure projects.

The economic impact of congestion in the Greater Toronto and Area & Hamilton (GTAH) is a very significant issue for the competitiveness of South Central Ontario. Human capital is increasingly mobile, therefore ever worsening commuter congestion is of major concern to the residential construction industry as Ontarians can simply move to other jurisdictions where hours upon hours of the typical work-week aren't spent in traffic or navigating slow and unreliable transit systems. The Government of Ontario has recently dedicated billions of dollars towards major transit expansion and highway construction. We are now playing catch-up and have a long way to go to bring the GTAH and other Ontario communities on par with other major global urban centres.

The federal government must have a balanced approach to investment to ensure efficient movement of goods on the national road network. OHBA therefore recommends that the federal government consider partnership funding arrangements with the provincial government towards major highway expansion in Ontario. OHBA strongly supports cost-effective government investments to enhance, expand and maintain both the highway system and higher-order public transit lines.

Many urban centres such as London, Kitchener-Waterloo and the City of Ottawa have also suffered from a lack of long-term infrastructure investment and planning. The federal government must make long-term and sustainable funding commitments to upgrading infrastructure in growing cities and towns across the country. In the interest of enhancing productivity and competitiveness, border crossings and improvements to the broader provincial highway system should also be priorities for the federal government.

Transform the delivery, financing or management of infrastructure to better meet Canadians needs

An OHBA resolution passed in September, 2009 resolved that: “To ensure adequate levels of infrastructure investment while increasing housing affordability and choice, both users and property taxpayers will need to pay more of the real costs of the infrastructure that they are benefiting from in so many ways”. This increased share of the burden can be made manageable through a combination of: Long-term financing techniques, an increased emphasis on user-pay principles (OHBA passed a resolution in 2008 stating: “The Province of Ontario install a modest ‘user-pay’ system to support capital investment only for the expansion of both the public transit and roadway systems”) and concentrated efforts to improve the efficiency of infrastructure.

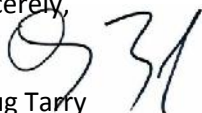
With respect to municipal infrastructure, OHBA recommends the federal government consider expanding its successful gas tax for municipal transportation. Recognizing the current fiscal situation of the federal government, OHBA considers this infrastructure financing recommendation to be a long-term objective. OHBA encourages public/private partnerships to expand infrastructure programs and to work together with provincial governments and municipalities to achieve solutions to the growing infrastructure deficit.

OHBA recommends the federal government consider innovative financing structures. OHBA supports joint procurement models for transit agencies to achieve more economies of scale for municipal governments. Better infrastructure financing methods that recognize all of the beneficiaries from infrastructure and match the cost and life of assets to payments by all users and beneficiaries should be a key principle in the long-term plan. Furthermore, leveraging assets such as the availability of government owned surplus lands should be considered to reduce the project costs for various facilities.

Conclusion

OHBA has been very supportive of the federal government’s past infrastructure investments. A renewed long-term commitment for sustainable infrastructure is critical for both public and private sector stakeholders and partners. As the federal government continues to take decisive action to eliminate the deficit, it is important that infrastructure investment be strategic and targeted to enhance our quality of life, productivity and economic competitiveness. OHBA will continue to be a supporter and advocate for significant investments in the expansion and maintenance of Canada’s infrastructure.

Sincerely,



Doug Tarry
President,

Ontario Home Builders’ Association

c. Hon Bob Chiarelli, Ontario Minister of Infrastructure

c. Ron Olson, President, Canadian Home Builders’ Association