



Highway Planning and Management

2022 Value-for-Money Audit

Why we did this audit

- The Ministry of Transportation (Ministry) manages a network of over 40,000 kilometres of provincial highway lanes covering a distance of about 17,000 total kilometres, with assets valued at \$56 billion (excluding bridges and culverts).
- The Ministry has the authority to construct, and the responsibility to maintain and repair, the province's highways.
- Highway expansion project expenditures have declined by 39% over the last 10 years, from \$1.043 billion in 2012/13 to \$640 million in 2021/22. Over this same period, highway rehabilitation project expenditures have increased by 19% from \$1.122 billion to \$1.333 billion.

Why it matters

- Ontario's population is expected to increase by 38% by 2046, and it can take up to 30 years to plan and construct a new highway expansion project.
- The average life expectancy of the vast majority of highway pavement is 15 years, and the Ministry aims to rehabilitate a third of the entire highway network every five years.

What we found

At the Direction of the Government, Lower Ranked Highway Projects Were Prioritized Ahead of Recommended Projects

- In 2019, the Ministry proposed deferring six previously approved highway expansion projects and recommended funding the construction of four other highway projects identified as government priorities, even though these projects were ranked lower in priority by the Ministry's technical and engineering staff.
- The Ministry prioritized the four highway projects at the direction of the Minister's office.
- The Ministry's proposal to the Treasury Board/Management Board of Cabinet did not communicate that the direction from the Minister's office was inconsistent with the recommendations of the Ministry's subject matter experts.
- The Ministry has since been directed by the Minister's office to prioritize another four highway expansion projects that the Ministry's subject matter experts would not have recommended at the time, including the Greater Toronto Area West (Highway 413) and Bradford Bypass projects.

RECOMMENDATION 3

Ministry Business Cases Did Not Follow Requirements

- The Ministry's business cases for discontinuing tolls and licence plate sticker fees did not follow government guidelines and requirements to support effective decision-making.
- The business cases did not: provide adequate review time for decision-makers and their analysts, include all relevant information, and identify all key risks or their mitigation strategies.

RECOMMENDATION 11

No Implementation Strategy for Transportation Plans

- Although the Ministry has finalized and published a transportation plan for one of the province's regions, it has not established timelines to finalize plans for the entire province.
- For the one transportation plan it has finalized, the Ministry has not established short-term and long-term priorities, nor has it disclosed the estimated costs and a time frame to implement the plan.

RECOMMENDATION 1

Engineering Consultant Performance Not Consistently Appraised

- The Ministry does not assess the performance of all engineering consultants after each assignment, as its policy requires.
- It has not evaluated over 40% of all consultant assignments in the past 10 years.

RECOMMENDATION 8

Performance Indicators Insufficient to Monitor Effectiveness

- Performance indicators are insufficient to monitor the effectiveness of the Ministry's highway planning and management operations. In particular, the Ministry did not have any indicators to measure the efficiency and effectiveness of its highway expansion initiatives, including whether they are completed on time and on budget, and whether they meet the Ministry's transportation vision.

RECOMMENDATION 10

No Longer-Term Strategy to Guide Tolling Decisions

- The absence of a Ministry researched and recommended tolling strategy has contributed to inconsistent tolling practices in highway planning.
- While the Ministry was asked by the government to explore tolling opportunities to lower the costs of a proposed highway project, it was also asked to prepare a business case to remove tolls from Highways 412 and 418 before their costs were recovered.

RECOMMENDATION 12

Manual Pavement Inspections Duplicating Automated Work

- The Ministry is duplicating the work of its Automatic Road Analyzers (ARANs) by continuing to also perform manual inspections of the same pavement on highways.
- Manual inspections are more subjective and less comprehensive, yet the majority of regional offices still rely on them to determine rehabilitation plans instead of using results determined by ARANs.

RECOMMENDATION 4

Conclusions

- The Ministry changed its prioritization of highway projects following government direction.
- The Ministry's processes to identify and plan for the maintenance, repair and renewal of existing provincial highways were not always efficient.
- The Ministry does not have effective processes to measure and publicly report on the performance of its highway planning and management.