

Toronto bureaucracy holding city back

by Neil Sharma 30 Sep 2019



The City of Toronto’s end-to-end review conducted by KPMG reveals a city stuck in the past.

The Residential Construction Council of Ontario has been singing the same tune for years now, and its President Richard Lyall used a World Bank metric to elucidate how inefficient city operations are, indirectly raising the cost of housing.

“On building permitting, we rank 63rd in the world—that isn’t great for an advanced, high-tech country,” he said. “In Finland, 95% of building approval applications, review processes and permitting is all online. It’s paperless, and here we’re far away from that.”

Making matters worse, the system is becoming slower.

“Looking at 172 building projects between 2006 and 2016, it took nine months to do a rezoning application in 2006 and by 2016 it was 3.5 years,” Lyall said of a RESCON study. “Time is money. Our system involves printing massive quantities of blueprints and paper documents, and quite a lot of them are either thrown out or lost. Then you have 50-odd government agencies and bodies that could be involved in the process that aren’t well coordinated. It can take years to get

a project approved, and the longer it takes the longer the land is tied up and it has to be financed. All these things add to the cost of housing.”

In a twist of mild irony, the KPMG report was released well past its deadline, and while Lyall gave it a passing grade, he says it omitted salient details.

“It said the City of Toronto needs to come up with an entirely new system that’s modernized, but the question is what will happen with it? The report says one of the big problems at the City is it has different departments that don’t communicate effectively with each other; they’re their own little fiefdoms,” said Lyall. “Having one person under one particular department of planning on a one-year contract won’t work well.”

Lyall exalted former New York City Mayor Michael Bloomberg for his streamlining efforts by putting together a team with powerful deputies. However, bloated bureaucracies don’t usually go down without a fight.

“The mayor’s office needs to be in charge of this,” said Lyall. “A director should be reporting to the city manager and driving this. The handwringing delays will be monumental within various city departments because bureaucrats aren’t rewarded to the change system. For many of them, electronic permitting is threatening.”