



News Release

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Almost \$67 Million Spent on 5G Test Platforms that Were Not Significantly Used: Auditor General

(Toronto) The province gave millions of dollars to build and operate 5G test platforms which were significantly underutilized by businesses that participated in the ENCQOR 5G program, says Auditor General Bonnie Lysyk in her 2021 Annual Report.

The technology companies Ericsson, Ciena and Thales received \$56.9 million from the Ministry of Economic Development, Jobs and Trade and agreed to build and operate three 5G network test platforms in Ontario. The idea was to allow small- and medium-sized businesses – the program participants – to test their project ideas and prototypes.

The Ministry provided \$9.8 million to the Ontario Centre for Innovation (OCI), the program administrator, to fund program participants, expecting that they would test their new products on the 5G network and create or retain approximately 3,000 jobs. Unfortunately, participants did not use the test platform as anticipated and they created or retained only 320 jobs as of December 2020. However, the three large technology partners created or retained 1,900 jobs. The COVID-19 pandemic required the test platforms to be temporarily closed for six months.

The audit found that OCI did not conduct a comprehensive review of budgets submitted by program participants to ensure that only eligible expenditures were budgeted and approved, which ultimately limited the number of participants that could qualify for funding. The businesses were approved for program funding of \$50,000 to \$500,000 each. “Program participants often got approved for the maximum amount of funding they proposed,” said Lysyk.

In addition, the audit noted that the cybersecurity of the test platforms was weak, which put program participants’ proprietary data at risk.

“When 5G becomes commercially available it will fuel innovation,” said Lysyk. “Preparing for future economic opportunities is vital, but the full benefit of spending millions on this ENCQOR 5G program has yet to be realized by Ontarians.”

The audit report includes 10 recommendations for improvement.

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Read the report at www.auditor.on.ca

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