



Construction industry to McGuinty government: stay the course on infrastructure

Toronto (March 15, 2012) – The Residential and Civil Construction Alliance of Ontario (RCCAO) today applauded the commitment made by the Government of Ontario to continue to invest in the province's roads, bridges and other transportation infrastructure. RCCAO is calling for increased revenues from higher licensing and vehicle registrations to be dedicated to transportation infrastructure investment, consistent with the goals of the government's 10-year *Building Together* infrastructure plan.

"On behalf of construction groups across Ontario, RCCAO is encouraged by the tone of Minister Chiarelli and his government in recognizing the long-term economic growth potential of investments in infrastructure," said Andy Manahan, Executive Director of RCCAO. "We need those words to be backed by a dedicated transportation infrastructure fund, to ensure every dollar from increased licensing fees goes into upkeep and upgrading of our roads and bridges across Ontario."

On March 13, 2012, the Government of Ontario announced the first increase of most vehicle and drivers' licensing fees in 15 years, acting on a recommendation from the Drummond Commission. The rationale offered by the government for the increase, was the need to continue to invest in Ontario's roads, bridges and transportation infrastructure. This move is consistent with the goals of the long-term *Building Together* infrastructure plan, as well as the three-year, \$35 Billion infrastructure spending commitment made in the 2011 Provincial Budget.

The user fee approach contemplated in *Building Together* and reflected in Minister Chiarelli's announcement is strongly supported by RCCAO. However, Manahan pointed out that public acceptance of increased license fees would be enhanced by a dedicated infrastructure fund.

"Numerous surveys of public opinion demonstrate that public acceptance of new user charges increases when revenues are committed specifically to infrastructure development," he said.

According to a December, 2011 report by RiskAnalytica, over the next 50 years, average real GDP growth in Ontario could rise by over 1% per year if the increases outlined in Ontario's 10-year *Building Together* plan continue. A full copy of the report is available here: <http://www.rccao.com>.

"As Ontario continues to recover from the economic downturn, RCCAO calls on the government to stay the course when it comes to infrastructure spending," said Manahan. "Expert studies have proven the economic impact of infrastructure spending – it is important to recognize that underinvestment in infrastructure could easily hurt our economic prospects and job growth."

"Ontario's construction industry continues to do our part to power Ontario's recovery," Manahan added.

ABOUT

The Residential and Civil Construction Alliance of Ontario (RCCAO) is an alliance composed of management and labour groups that represent a wide spectrum of the construction industry. The RCCAO's goal is to work in cooperation with governments and related stakeholders to offer realistic solutions to a variety of challenges. For more information please visit www.rccao.com.

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