

February 8, 2023

Hon. Ernie Hardeman, Chair  
c/o Vanessa Kattar, Clerk  
Standing Committee on Finance and Economic Affairs  
99 Wellesley Street West  
Room 1405, Whitney Block  
Queen's Park  
Toronto, ON M7A 1A2

*Sent electronically*

**RE: 2023 Pre-Budget Consultations**

The Residential and Civil Construction Alliance of Ontario (RCCAO) is pleased to provide comments to the Standing Committee regarding this year's provincial budget.

RCCAO is an alliance of key labour and management stakeholders derived from the residential and civil construction sectors. A primary RCCAO focus since our inception in 2005 has been the importance of investing in public works – from transit and water systems to road and bridges – and doing so smartly and efficiently for taxpayers and daily users of infrastructure.

Our membership includes the Greater Toronto Sewer and Watermain Contractors Association; Heavy Construction Association of Toronto; International Union of Operating Engineers, Local 793; Joint Residential Construction Association, LiUNA Local 183; Ontario Formwork Association; and Toronto and Area Road Builders Association.

Infrastructure lays the foundation for building a prosperous and inclusive province. It provides significant opportunities for economic growth, competitiveness, and fostering strong Ontario communities. Amidst the economic uncertainty ahead, investing in infrastructure is one of the most important actions the province can take to bring about resiliency and stability.

As our recommendations reflect, the Government of Ontario needs to continue to focus on infrastructure investment as a path to the province's economic vitality and long-term stability. In tandem with the immediate financial focus of our recommendations, RCCAO would also like to emphasize equally important regulatory and policy-driven issues that must be addressed to ensure that industry is well equipped to succeed short and long-term.

RCCAO commends the Government of Ontario for prioritizing infrastructure and recognizing the key role it plays in the daily lives of Ontarians. We appreciate the opportunity to provide our recommendations and look forward to continuing our work with the Government of Ontario.

Sincerely,



Nadia Todorova  
Executive Director

In terms of specific issues that RCCAO would like to see incorporated into the 2023 Provincial Budget, these include:

1. ***Continued investment in critical infrastructure across Ontario***

Ontario's Greater Toronto Area is among the fastest growing regions in North America. The area expects to welcome an additional 2.8 million people over the next 25 years, with 58% of that population growth destined for York, Halton, and Peel regions. The expected population growth will increase demand for critical infrastructure for everything from water, wastewater, housing, transit systems, highways, and roads. Therefore we need to proceed with the construction of Highway 413 and the Bradford Bypass to create transportation infrastructure for Ontario's future.

Building necessary transportation infrastructure will also provide additional benefits for the region and the province, including supporting housing initiatives such as increasing land availability and future housing stock as well as building future communities and neighborhoods. Fulfilling Minister Mulroney's and the Ministry of Transportation's integrated transportation plans is one of the best ways to help protect and grow Ontario's economy while supporting the unique needs of each region across our diverse province with the roads and transit infrastructure required, including the Ontario Line in the City of Toronto.

Roads and highways are also essential infrastructure for the movement of goods across Ontario, which is the backbone for local and regional economies. Demand for goods has reached historic levels, especially during the pandemic, and that demand is only projected to increase as the population of the region continues to grow. Building and maintaining road infrastructure increases business productivity and competitiveness by reducing the time and cost of transporting goods. It allows products to move efficiently through the supply chain and to end-use customers around the region and beyond.

The construction of transportation infrastructure also brings significant economic opportunities. A commissioned [RCCAO jobs and economic impact report](#) found that building Highway 413 will create up to 8,000 jobs a year during construction, generate \$2.3 billion in earnings for Ontario workers, create up to 600 apprenticeship opportunities to train Ontario's next generation of builders and produce \$906 million in tax revenues for governments.

In addition to focusing on building new infrastructure, it is also imperative for the Government of invest in the maintenance of current infrastructure assets across the province.

Investing in state-of-good-repair (SOGR) work is a foundational element to keeping regional economies strong and ensuring Ontario's economic growth and competitiveness. Maintaining infrastructure in a state-of-good-repair also maximizes the lifespan of infrastructure assets so that Ontario taxpayers get the best value for their money.

## **2. Address Ontario's labour shortage through reforms of the immigration system**

This decade will see the anticipated retirement of more than 86,000 construction workers in Ontario. Considering the projected volume of work, industry will need to hire, train and retain almost 100,000 additional workers by the end of the decade. The government's focus on the skilled trades by improving the provincial apprenticeship system is commendable and will have positive impacts on getting people into the trades. However, the scale of the issue requires that we look beyond domestic policies and toward reforming the immigration system to help address Ontario's critical labour shortage.

RCCAO applauds the work that Minister McNaughton and the Ministry of Labour, Immigration, Training and Skills Development have been doing to advance Ontario's immigration position with the Government of Canada. The commitment to signing a historic Canada-Ontario Immigration agreement is welcomed and solidifies the need to ensure that available Ontario's immigration programs are accessible and straightforward. Once details of the agreement are finalized, RCCAO will continue to work with the Ministry to ensure that intended expansion of skilled and construction labour pools is realized by the Government of Ontario so that industry and labour partners can build.

In terms of Budget 2023, specific immigration changes that would make a positive impact to the labour supply include:

- At least doubling the allocations for the National Occupational Classification-Level C (NOC C) Pilot that aims to increase permanent resident pathways for in-demand workers with Ontario job offers. Industry is ready and able to get more people working if the people are allowed to come.
- Ensuring that the application process for various Ontario Immigrant Nominee Program (OINP) streams, particularly the In-Demand Skills stream, is not overly onerous as to disincentivize employers, especially small-and-medium sized ones, from participating.
  - For example, the employer application form for the In-Demand Skills stream is over 21 pages long and can include over 25 additional requirements of the employer including a deed to the property, which shows the employer as owner; individual T4 statements and pay slips to demonstrate that an employer has least three or five full-time employees who are Canadian citizens or permanent residents at the time of application; business' organizational chart.

Given that immigration is a shared responsibility between the Government of Ontario and the Government of Canada, we urge the Province to continue collaborating with the Federal Government to ensure that Ontario benefits from any immigration reforms that take place.