

January 30, 2024

The Honourable Peter Bethlenfalvy
Minister of Finance
c/o Budget Secretariat
Frost Building North, 3rd Floor
95 Grosvenor Street
Toronto, Ontario M7A 1Z1

RE: 2024 Budget Consultation

Dear Minister,

Thank you for the invitation and opportunity for RCCAO to provide recommendations for Budget 2024 at your January 19 consultations in Markham. Further to those comments, I wanted to provide additional information on these important public policy matters for your upcoming provincial budget.

RCCAO is a unique organization that represents both labour and management stakeholders from the residential and civil construction sectors of Ontario. Our members build and maintain most of Ontario's critical infrastructure that all Ontarians rely on and include 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.

With economic uncertainty in abundance, it is imperative that the Province continues with the long-needed transformational infrastructure investments our economy relies on. Along with the immediate financial focus of our recommendations, RCCAO would like to emphasize equally important regulatory and policy-driven issues that must be addressed to ensure that industry is well equipped to succeed.

RCCAO commends the Government of Ontario for prioritizing infrastructure investment and recognizing how important it is for the economic growth and competitiveness of Ontario communities. We appreciate the opportunity to provide recommendations and look forward to continuing our collaboration with the Government of Ontario.

Sincerely,



Nadia Todorova
Executive Director

In terms of specific issues that RCCAO would like to see incorporated into the 2024 Provincial Budget, these include:

1. Continued investment in Ontario's critical infrastructure

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 percent of that population growth destined for York, Halton, and Peel regions. The expected population growth will increase demand for critical infrastructure such as water, wastewater, housing, transit systems, highways, and roads. That is why it is so important that the **Government of Ontario advance the construction of transformational projects like Highway 413 and the Bradford Bypass that are essential to the province'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.

In addition to focusing on building new infrastructure, it is also **imperative for the Government to 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 the longevity of 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, while also decreasing the risk of disruptions for services that millions of residents rely on.

2. Increasing the use of recycled aggregates in infrastructure projects

One way to maximize infrastructure investments is by increasing the use of recycled aggregates in infrastructure projects, which lowers overall project costs and increases environmental sustainability. The use of recycled aggregates preserves a non-renewable resource, extending the life of existing pits and quarries, and lowering energy use and greenhouse gases associated with longer truck hauling of construction material.

The Ministry of Transportation (MTO) has a long-standing experience using recycled aggregates in 400-series highways, where approximately 20 per cent of all aggregates used in MTO projects contain recycled content. Properly processed or re-engineered

recycled crushed aggregate that meets Ontario Provincial Standard Specifications (OPSS) 1010 has proven to be a reliable, high-performance material for use in road construction, as engineered backfill, road base, and shoulders.

Although this provincial standard exists, many Ontario municipalities prohibit or severely limit the use of recycled aggregate in road construction and other public works. **To capitalize on the benefits of recycled aggregates, the Government of Ontario should create incentives, including through various infrastructure funding mechanisms, for municipalities to implement OPSS1010 on their respective road construction projects.**

3. Improving the delivery of underground utility locates

Underground utility locates are a critical element of infrastructure and construction projects for worker and community safety. The timely predictability of locates delivery is of paramount importance, particularly given the significant financial, workforce and social implications of late delivery locates. Today in Ontario, they are not timely.

Recent regulatory changes by the Government of Ontario to double the deadline for a response to locate requests, from five to ten days, is concerning for industry.

It is incumbent upon the Government of Ontario and Ontario One Call to ensure that it develops and executes automatic accountability measures, including penalties and fines (administrative monetary penalties), to address any delays in the delivery of locates.

Given the fact that Ontario One Call has never issued a penalty for late locates in the province, it is imperative that penalties and fines be automatic for late locates in Ontario.

Automatic fines can be used to incentivize locates delivery providers to invest in improving their performance. This policy measure will go a long way to ensure that critical infrastructure and housing projects are completed on time and on budget.

Fines, or administrative monetary penalties, are levied in other jurisdictions to great effect and even in Ontario with delegated authorities such as Tarion and HCRA regularly issuing fines, particularly time-based penalties. For example, there is a \$7,500 penalty for builders who do not meet closing dates, which is automatically levied consistently in Ontario.

The timely and predictable delivery of locates is essential for our members to do what they do best – build and maintain critical infrastructure for us all.