

January 23, 2025

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

Sent electronically

Dear Minister Bethlenfalvy:

RE: 2025 Budget Consultation

The Residential and Civil Construction Alliance of Ontario (RCCAO) is pleased to provide you with comments regarding this year's 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.

Amidst the economic uncertainty ahead, it is critical that the Province continues with the long-needed transformational infrastructure investments our economy relies on. Infrastructure lays the foundation for building a prosperous and inclusive province. It provides significant opportunities for economic growth, competitiveness and fostering and connecting Ontario communities.

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

RCCAO's recommendations for the 2025 Provincial Budget focus on the following key priorities:

1. Continued investment in Ontario's critical infrastructure

Ontario's population is projected to increase by almost 42 percent over the next 28 years, reaching 22 million by 2051. Each region is projected to see growing populations over the projected period, with the Greater Toronto Area seeing the largest increase in population, adding over 3 million residents by 2051. A growing region requires growing infrastructure to move people and goods. There will be tangible financial and social consequences for all Ontarians if infrastructure does not keep pace with the province's growth.

RCCAO's [recently commissioned report](#) found that congestion can cost Ontario \$145 billion by 2044 and 558,000 jobs if investment in core public infrastructure – roads, bridges and transit – does not keep up with demand. The report solidifies the case for sustained, long-term investment into all kinds of transportation infrastructure to ensure people and goods are moving. As our report highlights, congestion is not merely a transportation issue—it is a core economic and social problem that can deteriorate both business productivity and quality of life.

We commend the meaningful advancements that projects like Highway 413, the Bradford Bypass and the Ontario Line have seen over the last year. **We urge the government to continue this positive momentum and explore ways of expediting the tendering and construction of other major transformational infrastructure projects like the Morriston Bypass.**

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 in keeping regional economies strong and ensuring the longevity of Ontario's economic growth and competitiveness.

Maintaining infrastructure in a state-of-good-repair maximizes the lifespan of infrastructure assets so that Ontario taxpayers get the best value for their money, while also decreasing the risk of disruptions to 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 using more recycled aggregates in public works projects, which increases environmental sustainability and lowers overall project costs. The use of recycled aggregates preserves non-renewable resources, extending the life of existing pits and quarries, and reducing energy consumption and greenhouse gas emissions associated with longer truck hauling of construction material.

The Ministry of Transportation (MTO) has extensive experience using recycled aggregates in 400-series highways, with aggregates used for MTO projects already containing 20 percent recycled crushed aggregates. Properly processed or re-engineered recycled crushed aggregate (RCA) 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 public infrastructure projects.
- Prohibit municipalities from specifying "primary-only" in public infrastructure tenders.
- Harmonize municipal specifications for RCA through [provincial standards](#).
- Mandate a minimum 20 percent RCA of aggregates used on all municipal, regional, and provincial public infrastructure projects.

[Industry strongly supports](#) the use of recycled aggregates in infrastructure projects and will continue to work with provincial and municipal governments to ensure that the benefits of this practice are understood and considered as part of project tendering.

3. Improving the delivery of underground utility locates – eliminating the need for relocates on deep excavation projects

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. Although some improvements to the system have taken place over the last year, there are still many elements of the locate process that require attention and regulatory streamlining.

One such element is eliminating the need for relocates on non-linear excavation sites. RCCAO was encouraged by [consultations](#) that Ontario One Call and the Government of Ontario held in the summer of 2024 on this issue. Given the [stakeholder consensus](#) during the consultations and in subsequent written submissions, we expect this policy to come into effect this year.

Eliminating unnecessary relocates on non-linear excavation sites will significantly enhance efficiency within the locate delivery system and reduce the overall volume of locates. Currently, companies undertaking long-term, vertical excavation projects are required to request and receive relocates every 60 days. However, once excavation reaches a certain depth, these relocates become redundant. We support the proposed policy to eliminate this requirement, stipulating that a new locate is only needed after all utilities have been exposed and the excavation depth is one metre below the invert of the lowest utility.

RCCAO has consistently emphasized that reducing the overall volume of locates in the system is essential to ensuring their timely and predictable delivery. Addressing unnecessary relocates on deep excavation projects is a critical step toward achieving this goal, and it is an initiative we have steadfastly championed. Timely and reliable locate delivery is fundamental to enabling our members to focus on what they do best—building and maintaining the critical infrastructure that supports all Ontarians.