

Ontario budget provides stability for construction: Stakeholders

Angela Gismondi March 29, 2023

According to construction stakeholders, the recently tabled Ontario budget can be summed up in one word: stability.

“The world is a little crazy right now, so many things in flux, and the thing that struck me about the budget was that Ontario is in solid financial condition. We’ve got a stable government, we’ve got a stable budget. It’s not debt-laden and in fact they are forecasting a bit of a surplus next year,” said Richard Lyall, president of the Residential Construction Council of Ontario, who was also pleased the province reiterated its commitment to building 1.5 million homes over the next decade.

Finance Minister Peter Bethlenfalvy introduced the 2023 budget, Building a Strong Ontario, in the Ontario legislature March 23.

“What the budget does is it provides stability for the infrastructure industry. It really continues this commitment to transit and transportation infrastructure, especially on those transformative projects like the Bradford Bypass, Highway 413, the Ontario Line,” said Nadia Todorova, executive director of the Residential and Civil Construction Alliance of Ontario.

The government plans to spend \$27.9 billion on highway expansion and rehabilitation over the next decade, which is an increase of \$2.8 billion over the \$25.1-billion spend contained in the fall economic outlook.

“As Ontario’s economy and the population of the province grows, demand is going to be increasing on all infrastructure transit, highways, roads, bridges, water, wastewater, housing. We really need to be focused on making investments today and starting to build now so we’re ready and well positioned for the future,” she added.

The Provincial Building and Construction Trades Council of Ontario said construction projects are an important pillar of employment stability.

“Allocating \$20.6 billion towards construction projects over the next year demonstrates a tangible commitment to preserving high construction employment in the midst of economic uncertainty driven by inflation and rising interest rates,” said business manager Marc Arsenault in a statement.

The budget commits to starting construction on key infrastructure projects such as the bridge crossing over the future Bradford Bypass, the next phase of construction for the new Highway 7 between Kitchener and Guelph, widening Highway 401 from Pickering through Eastern Ontario and building Highway 413.

“The OGCA is encouraged by this provincial government’s continued prioritization of investments in infrastructure and in attracting people to the skilled trades,” said Giovanni Cautillo, president of the Ontario General Contractors Association.

The province is providing \$224 million in 2023–24 for a new capital stream of the Skills Development Fund (SDF).

Last week, the province also announced plans to invest \$75 million more over the next three years to support new and existing centres to prepare workers for careers like electricians, welders and mechanics.

“This will help build brick and mortar training centres including union training halls,” added Steven Crombie, chair of the Ontario Skilled Trades Alliance. “This will increase the province’s training capacity which is really a huge problem right now. While we have folks who are interested, we are running into barriers on how many folks we can train in a short period of time.”

The continued SDF funding was an OSTA pre-budget submission ask.

The budget also enhances the Ontario Immigrant Nominee Program with an additional \$25 million over three years to attract more skilled workers to the province.

“In the short-term having the Ontario immigrant nominee program to bring in more immigrants is critical to ensuring we have enough people in construction,” added Cautillo.

Finn Johnson, director of communications with the Carpenters’ Regional Council, echoed Cautillo’s comments.

“While bringing in young people and new workers to the industry will help ease this burden over time, immigration support will help get already skilled workers from other countries into our workforce now,” he wrote. “Carpenters don’t reach their maximum productivity as individuals until a number of years into their careers, given the high standard of training required to reach this point. Therefore, it is critical to explore immigration the way this current government has done in order to get existing journeypersons into our workforce.”

Patrick McManus, executive director of the Ontario Sewer and Watermain Construction Association (OSWCA), said it’s important the government is recognizing there’s no silver bullet to the labour issue.

“They are recognizing that the only way forward is many, many incremental steps, incremental changes and they are forging ahead in that way,” he explained. “The investment in training, expanding our immigration numbers, the promotion, the upskilling, all of those different pieces are so important.”

Stephen Hamilton, director of public relations, Ontario with the Progressive Contractors Association of Canada, said they were pleased to see their two big “asks” included in the budget: significant infrastructure funding and the SDF being extended.

“It’s building on existing announcements, it’s building on existing initiatives like SDF so it was kind of a no surprises budget but certainly overall very positive,” Hamilton said.

“The most interesting thing that we weren’t expecting...was language in there about the Ontario Line and the suggestion that they are going to break it up into smaller contracts to create more market interest. We do think that is likely a very good mechanism to get more market participants in the procurement process.”

One thing that was not included was information on the labour agreement for the Ottawa Hospital project.

“Our pre-budget submission did ask government to provide more language through Infrastructure Ontario to prohibit that style of restrictive agreement that limits labour supply on big infrastructure projects, so we’re still in discussions with government on that,” he noted.

Although the budget was positive overall, OSWCA was hoping to see more money to help municipalities grow out their critical core infrastructure.

“Lots of municipalities are still struggling with all of the deficits that COVID created over the last three years on their budgets,” McManus said. “We’re going to continue talking about that going forward because it’s going to be an important component of growth.”

Todorova said the RCCAO is curious to get more intel on the municipal funding aspect of the budget.

“The budget is making available through the Homeless Prevention Program \$202 million every year, so we’re interested to see how that is distributed to municipalities and what impact it has on municipal budgetary shortfalls especially the City of Toronto,” she noted.

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