

# RCCAO responds to fall economic statement reiterating call for feds to help municipalities

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VAUGHAN, ONT. — Although the federal government has committed up to \$100 billion over the next three years to help Canada’s economic recovery, immediate action is needed to ensure municipalities get help with their funding issues, said the [Residential and Civil Construction Alliance of Ontario \(RCCAO\)](#), in response to the federal government’s Fall Economic Statement released recently.

The RCCAO did acknowledge and praise the green-focused initiatives and measures aimed at fighting climate change and reducing inequality, as well as the commitment to outlining next steps on public transit, however, the initiatives will not immediately stimulate the economy or provide certainty to municipalities, which are holding back on projects because they have to have balanced budgets, the release states.

[Averting a Crisis: The Need to Protect Ontario’s Infrastructure Investments](#), a report done for RCCAO by Prism Economics and Analysis recently, shows that 41,000 construction-related jobs will be lost if deferrals and cancellations continue based on an unprecedented 35-per-cent decline in government and institutional building permits.

Ontario contractors report they are already seeing hundreds of construction workers being laid off and civil and engineering contractors are reporting that bidding opportunities are down this year.

“While the Fall Economic Statement indicates there will be some relief down the line, that help might come too late,” said RCCAO board chair Peter Smith in a statement. “Cities are in dire straits and, as a result of increased costs due to COVID-19, are being forced to raid their capital funds to balance their budgets. It is imperative that the federal and provincial governments continue to work together to create financial certainty for municipalities sooner rather than later.

“We cannot wait until next spring for a relief package,” he added. “We need action now as we are already seeing substantial job losses in the industry. This will have a disastrous effect as the construction industry is a driver of the economy and also supports thousands of jobs in the supply chain.”