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Infrastructure

RCCAO calls on federal government to take immediate action to help municipalities

The **Residential and Civil Construction Alliance of Ontario (RCCAO)** is pleased that the federal government has committed up to \$100 billion over the next three years to help Canada's economic recovery. However, immediate action is needed to ensure municipalities get help with their funding issues.

“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. “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, otherwise over 40,000 workers will be out of work and looking for answers on why they are unemployed.”

A report done for RCCAO by Prism Economics and Analysis shows a massive number of construction industry jobs are in jeopardy in 2021. The report, *Averting a Crisis: The Need to Protect Ontario's Infrastructure Investments*, 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.

Municipalities are holding back on projects because they must have balanced budgets. Ontario contractors report they are already seeing hundreds of construction workers being laid off. Civil and engineering contractors, meanwhile, are reporting that bidding opportunities are down this year.

“The best way to create a job is not to lose a job. We can not wait until next spring for a relief package,” added Smith. “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.”

RCCAO appreciates the green-focused initiatives and measures aimed at fighting climate change and reducing inequality, as well as a commitment to outlining next steps on public transit. However, the initiatives will not immediately stimulate the economy or provide certainty to municipalities.

[Read report](#)