



Construction jobs at risk if funds don't flow

By Plumbing & HVAC Staff on January 26, 2021



A Report by Prism Economics and Analysis for the Residential and Civil Construction Alliance of Ontario



Vaughan, Ont. – The **Residential and Civil Construction Alliance of Ontario (RCCAO)** is warning that construction jobs and the economic recovery of the province are at risk if the provincial and federal governments don't collaborate on a Safe Restart Agreement 2.0 early on in 2021.

“This is a very urgent matter as failure to come up with a deal will result in massive job losses, deteriorating infrastructure and stall any possibility of an economic recovery,” says RCCAO board chair Peter Smith. **“Governments must once again work together to enable funds to flow and ensure that municipalities don't have to raid their capital budgets to pay for COVID-19-related operating expenses.”**

RCCAO made the points in a pre-budget document submitted to Finance Minister Peter Bethlenfalvy. RCCAO maintains that a second round of funding for 2021, or Safe Restart Agreement 2.0, is urgent as municipalities are again facing significant deficits this year due to COVID-19. The City of Toronto, for example, will have to use \$800 million of capital funds to cover its 2021 deficit in the absence of a new deal.

If financial assistance is not made available soon, municipalities will have to cancel state-of-good-repair projects to keep their books balanced in 2021. This would have disastrous effects on the construction industry and economy.

Tenders for infrastructure projects have been on the decline since last summer and a report commissioned by RCCAO from Prism Economics and Analysis, titled [Averting a Crisis: The Need to Protect Ontario's Infrastructure Investments](#), found that 41,000 construction-related jobs are at risk if permits continue to decline.

“Investing in state-of-good-repair projects will help Ontario recover from the effects of COVID-19 as it will create jobs and spur economic growth,” says RCCAO interim executive director Nadia Todorova. “We know that every dollar spent on infrastructure will have a positive multiplier spinoff effect on the economy. We are encouraging the Province of Ontario and the Government of Canada to once again work in partnership and provide financial assurances to municipalities.”