



# RCCAO releases statement on Throne Speech delivered by federal government

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Vaughan, Ontario, Sept. 23, 2020 (GLOBE NEWSWIRE) -- The **Residential and Civil Construction Alliance of Ontario (RCCAO)** is pleased that today's Throne Speech laid out four foundations to get Canada back on track.

“The metaphor used in the speech is particularly appealing to us as that is literally what our industry does every day,” says RCCAO executive director Andy Manahan. “The construction sector is a main driver of the economy and will lay the foundation for a robust economic recovery.”

RCCAO views it as a positive step that infrastructure and housing were highlighted in the speech. The government indicated it will make substantial investments in housing for Canadians and enhance the first-time homebuyer program. The government also intends to invest in all types of infrastructure, including public transit, energy-efficient retrofits, and affordable housing.

RCCAO has already engaged with the federal government on ways to increase investment, including the revival of the limited dividend company (LDC) model as a way to boost construction. The concept has been used successfully in decades past to develop affordable housing projects and could be used to deliver all types of community infrastructure and affordable housing projects.

Under the model, shareholders in an LDC can receive tax exempt income and below-market interest rates to build, finance and operate infrastructure assets with the dividends capped at a rate set by an independent board. The model is aimed at encouraging investment in local infrastructure projects.

“The limited dividend company is a proven investment vehicle to provide essential public services for Canadians and to ensure that the public interest is upheld,” says Manahan. “In addition, the model can accelerate the recovery in communities and regions across Canada.”

In light of the recent report by the Parliamentary Budget Officer that the federal government continues to be slow to deliver on its infrastructure commitments, Manahan stresses that he

hopes that fast-track funding would be announced soon to advance shovel-ready projects, particularly as many municipalities are facing severe revenue shortfalls.

“Construction employs about 400,000 people in Ontario,” says Manahan. “Putting our residential and civil contractors to work on both state-of-good-repair and new infrastructure projects would create much-needed jobs, kick-start our ravaged economy and build a more resilient future.”

**Background on RCCAO:** The Residential and Civil Construction Alliance of Ontario (RCCAO) is a labour-management construction alliance. For 15 years, RCCAO has been a leading industry advocate for infrastructure investment. It has commissioned more than 50 independent, solutions-based research reports to help inform decision makers.

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