

Construction alliance calls on governments to ensure infrastructure funds flow

By Connie Vitello
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The Residential and Civil Construction Alliance of Ontario (RCCAO) has released a video that calls on federal and provincial governments to take urgent action and commit more funds to municipalities so that state-of-good-repair projects can be tendered in 2021.

“Governments must keep the momentum going and collaborate on a Safe Restart Agreement 2.0 for the upcoming construction season,” says Peter Smith, board chair of RCCAO. “We appreciate the financial relief that was provided late last year but there is a pressing need for funds to continue flowing in 2021 or municipalities will face the prospect of having to cancel projects, which could lead to heavy job losses in construction and other industries.”

The video is based on a report by Prism Economics and Analysis, entitled “Averting a Crisis: The Need to Protect Ontario’s Infrastructure Investments,” which indicates that Ontario is

headed for heavy job losses in construction and related industries and a worsening economic crisis if infrastructure investments dry up.

The report was commissioned by RCCAO to gauge the impact of possible cancellations of construction maintenance and repair projects by municipalities, universities and colleges, school boards and hospitals. According to the report, 41,000 construction-related jobs are at risk if building permits continue to decline. Overall, 117,000 direct construction, supply chain and broader economy jobs are under threat due to cancellations.

Ontario contractors indicate that project tenders are already down, and hundreds of construction workers have already been laid off.

“The first round of funding for 2020 was a step in the right direction and showed what can be accomplished when governments work together,” says Nadia Todorova, interim executive director of RCCAO. “However, they must now follow through on the next phase of funding so that municipalities can give the green light to much-needed state-of-good-repair projects for 2021. Otherwise, the pipeline of projects will be delayed or cancelled, resulting in more layoffs and uncertainty.”

Cities are facing increased costs due to the COVID-19 pandemic and are being forced to raid their capital funds to balance their budgets. The alliance says a Safe Restart Agreement 2.0 would provide municipalities with financial certainty so they can proceed with necessary state-of-good repair projects.

To view the video, click [here](#).

To read the Prism report, click [here](#).