

## Urgent action needed to save 41k construction-related jobs in Ontario

November 20, 2020



A new report from the **Residential and Civil Construction Alliance of Ontario (RCCAO)** shows a massive number of construction industry jobs are in jeopardy in 2021.

*Photo courtesy RCCAO*

A new report, [\*Averting a Crisis: The Need to Protect Ontario's Infrastructure Investments\*](#), done for the [Residential and Civil Construction Alliance of Ontario](#) (RCCAO) by [Prism Economics and Analysis](#) shows a massive number of construction industry jobs are in jeopardy in 2021.

The report illustrates 41,000 construction-related jobs will be lost if deferrals and cancellations continue based on the unprecedented 35 per cent decline in government and institutional building permits. Ontario's infrastructure assets would also deteriorate because of the deferrals, the report states.

“This will further delay much-needed infrastructure projects and it will also be too late to fix the problem for the 2021 construction season,” said Peter Smith, RCCAO board chair.

“Municipalities need a commitment before the end of this year that they will have the support they need to balance their budgets.”

“Due to declining municipal revenues brought on by the COVID-19 pandemic, municipalities are holding back spending on many infrastructure projects,” said Smith. “Contractors in our network have been reporting a significant drop in tenders to bid on, but the jobs at risk are worse than we anticipated.”

Prism estimates that a significant proportion of the total 117,000 construction-related jobs in Ontario could be at risk if municipalities, universities and colleges, school boards, and hospitals continue to defer or cancel infrastructure investments. These investments by the sector create 65,000 direct construction jobs. Another 29,000 jobs are supported in the industry's supply chain for building materials, transportation and warehousing, as well as engineering and architectural work. Spending by these workers also supports an additional 23,000 jobs in the broader economy.

Infrastructure investments will be essential to the economic recovery. Most municipalities have priority state-of-good-repair projects and many local transportation and water system upgrades can be started quickly, providing the economic stimulus that is needed.

Despite this growing list of critical projects, research has consistently reflected that the volume of work has been decreasing over the last few months. A [survey](#) released in October by RCCAO found 49 per cent of civil and engineering contractors reported having fewer bidding opportunities since July 1 compared to the same period in prior years. The availability of municipal projects available to bid on since July 1 is 56 per cent lower.

It is vital that federal and Ontario investment to support municipal infrastructure be accelerated during the pandemic, a press release from RCCAO said. The Prism report also indicates the province should ensure that municipalities, universities and colleges, school boards, and hospitals carry out backlogged repair work.

“The worst-case scenario for 41,000 workers in Ontario would be that despite all the incredible work and collaboration between the federal, provincial, and municipal governments during this pandemic, the actual municipal deficit problem is not solved before February and the 2021 construction year is lost,” said Smith.