

RCCAO: Urgent action needed to save 41,000 construction-related jobs in Ontario

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VAUGHAN, ONT. — Despite the efforts of federal and provincial governments to get funds to municipalities, urgent action is still needed to ensure they can balance their budgets and save 41,000 construction-related jobs in Ontario, the **Residential and Civil Construction Alliance of Ontario (RCCAO)** says.

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

According to the report, 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.

“Despite the Herculean effort of the governments, municipalities are still projecting significant deficits for 2021 and will have no choice but to continue to raid their capital

funds in order to balance their budgets,” said RCCAO board chair Peter Smith in a statement.

“This will further delay much-needed infrastructure projects and it will also be too late to fix the problem for the 2021 construction season. Municipalities need a commitment before the end of this year that they will have the support they need to balance their budgets.”

The federal and provincial investment to support municipal infrastructure must be accelerated during the pandemic.

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

Prism estimates 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, states the release. The investments by the sector create 65,000 direct construction jobs and 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.

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.