

Ontario releases construction-focused budget

By Adam Freill March 27, 2024

Provincial government says its 2024 Budget is structured to deliver on its plan to rebuild Ontario's economy.

Ontario's 2024 Budget illustrates that the provincial government is continuing to deliver on its Plan to Build by investing in infrastructure to get more homes built faster, attracting better jobs with bigger paycheques, keeping costs down for families and businesses, and retaining a path to balance, says Minister of Finance Peter Bethlenfalvy.

"In the face of global economic uncertainty and high interest rates that continue to put pressure on Ontario families, our government is taking a responsible approach by investing to rebuild Ontario's economy without raising taxes," he said as he outlined the budget. "As we invest in key public services and infrastructure, including new roads, highways and the largest public transit expansion in North America, we refuse to offload the costs onto hardworking Ontario families or municipalities at a time when they're counting on us to keep costs down."

Included in the budget is \$1 billion for the new Municipal Housing Infrastructure Program, as well as an increase to the Housing-Enabling Water Systems Fund to make \$825 million available to municipalities for the repair and expansion of critical water infrastructure needed to reach housing targets.

The province also plans to launch a new \$200-million Community Sport and Recreation Infrastructure Fund to investing in new and upgraded sport, recreation and community facilities. An additional \$100 million is also being directed to helping workers and job seekers, including apprentices, get the skills they need to advance their careers through the Skills Development Fund Training Stream.

Minister Bethlenfalvy announced that more than \$190 billion has been earmarked towards upgrading Ontario's infrastructure over the next 10 years, including \$26.2 billion that will be invested in the coming year.

"We will keep investing prudently to help create stronger communities and better opportunities for future generations," he said.

Several construction sector organizations applauded the province's focus on roads, transit and water infrastructure.

“The investments in critical infrastructure in Budget 2024 are a reflection of the priorities of the people of Ontario,” said Nadia Todorova, executive director of the Residential and Civil Construction Alliance of Ontario (RCCAO). “Ontarians recognize that highways, water infrastructure capacity and housing are crucial to tackle some of the province’s biggest challenges and we are pleased that the Ontario government has answered their calls to build.”

RCCAO said that it welcomes the Government of Ontario’s renewed commitment to building transformational transportation infrastructure projects, including Highway 413 and the Bradford Bypass. Earlier this month, polling commissioned by RCCAO and the Ontario Road Builders Association revealed that a clear majority of Ontarians support the construction and expansion of new road infrastructure, with 2:1 expressing support for Highway 413 and the Bradford Bypass.

“The Government of Ontario’s ambitious vision of building Ontario for the future should be commended,” said Peter Smith, executive director of the Heavy Construction Association of Toronto. “Transformational infrastructure projects like Highway 413 and the Bradford Bypass are critical to the province’s economy and quality of life, while investments in housing-enabling infrastructure make the development of thriving communities possible.”

“Enduring transportation infrastructure investment is crucial to Ontario’s future economic prosperity as we can’t build the homes we need without it or support the growth of businesses the province needs,” added Richard Lyall, executive director of the Joint Residential Construction Association. “The 2024 Ontario Budget continues the province’s commitment to the projects that will deliver for the people of this province.”

The additional \$100 million investment in the Skills Development Fund Training Stream, was also welcome news at Skills Ontario.

“The province has been a leader in supporting skilled trades professionals which is why continued investment is so important. The additional \$100 million funding for the Skills Development Fund will help support the economy and help keep our healthcare system, and our society operating,” said Ian Howcroft, CEO of Skills Ontario.

His organization says the skilled trades shortage is costing Ontario approximately \$25 billion in foregone GDP, adding that a Conference Board of Canada study highlighted a need of over 500,000 new entrants to the skilled trades by 2030 to address shortages.

“As an organization inspiring youth to pursue skilled trade and technology careers, we are making a difference in dispelling the myths and improving the image of skilled trade professionals. More people have a far different view of what these essential careers are and realize how important these skills are,” said Howcroft.

For 2023–24, the Ontario government is projecting a deficit of \$3 billion, followed by deficits of \$9.8 billion in 2024–25 and \$4.6 billion in 2025–26, before reaching a surplus of \$0.5 billion in 2026–27.