



Construction alliance calls on governments to ensure funds flow for 2021 building season

Jan. 14, 2021, Vaughan, Ont. – The [Residential and Civil Construction Alliance of Ontario \(RCCAO\)](#) today released a [video](#) that calls on the 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 RCCAO board chair Peter Smith. “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, called [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. It indicates 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 report 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. A Safe Restart Agreement 2.0 would provide municipalities with financial certainty so they can proceed with necessary state-of-good repair projects.

“This is an issue that needs to be dealt with sooner rather than later or the 2021 construction year will be lost,” says Smith. “The health of the economy and hundreds of construction jobs are at stake.”

[Click here](#) to view the RCCAO video.

[Click here](#) to view the Prism report.

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 58 independent, solutions-based research reports to help inform decision makers.*

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