



## **Funding and continued co-operation needed to save tens of thousands of construction jobs in Ontario**

Jan. 28, 2021, Vaughan, Ont. – The [Residential and Civil Construction Alliance of Ontario \(RCCAO\)](#) is urging the federal government to work in partnership with the province once again to provide municipalities with financial assistance that will help them weather budget shortfalls caused by COVID-19.

“Tens of thousands of construction jobs and the economic recovery of Ontario are at risk if the two levels of government don’t collaborate on a Safe Restart Agreement 2.0 or other funding mechanisms,” says RCCAO board chair Peter Smith. “The pandemic has created a serious fiscal challenge for municipalities, and they need immediate assistance to deal with continued deficits for 2021.”

RCCAO laid out its case in a [federal pre-budget submission](#) made today to Deputy Prime Minister and Minister of Finance Chrystia Freeland. The Alliance notes it is crucial that adequate funding flows early this year, or that assurances of financial assistance are made, as municipalities will face the prospect of having to delay or cancel state-of-good-repair (SOGR) projects to balance their 2021 budgets. The situation is urgent as municipalities, especially those with large transit systems, are again facing significant deficits this year due to COVID-19. The City of Toronto, for example, will have to use \$800 million of capital funds to cover its 2021 deficit in the absence of a new deal.

“We commend the federal government for the co-operative approach it has taken with provinces and municipalities since the beginning of the pandemic and the leadership it took on providing much-needed funding to municipalities in 2020. That spirit of collaboration must continue in 2021,” says RCCAO interim executive director Nadia Todorova “It is critical that a Safe Restart Agreement 2.0 be implemented, or municipalities will be forced to use money from their capital budgets to pay for higher operating expenses caused by the pandemic.”

Tenders for infrastructure projects have decreased significantly since last summer and already hundreds of construction workers have been laid off. A report commissioned by RCCAO from Prism Economics and Analysis, titled [Averting a Crisis: The Need to Protect Ontario's Infrastructure Investments](#), found that 41,000 construction-related jobs are at risk if permits continue to decline. This would have disastrous effects on the construction industry and provincial economy.

“Failure to act in time will have devastating consequences,” continued Todorova. “Investing in SOGR projects will help Ontario recover from the effects of COVID-19 as it will create jobs and spur economic growth. We know that every dollar spent on infrastructure has a positive multiplier effect and we must capitalize on that.”

[Click here](#) to view the pre-budget submission.

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

[Click here](#) to view a video on the 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. Follow us on Twitter [@ RCCAO](#) and [LinkedIn](#).*

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