



New chair of Ontario construction alliance calls on federal government to provide infrastructure funds

Oct. 9, 2020, Vaughan, Ont. – Peter Smith, newly elected chair of the [Residential and Civil Construction Alliance of Ontario \(RCCAO\)](#), is calling on the federal government to step up to the plate and provide the necessary funds for municipalities to get moving on state-of-good-repair projects.

“Ottawa needs to open up the tap and get funds flowing for infrastructure job-creation projects with greater speed,” says Smith, who is executive director of the [Heavy Construction Association of Toronto](#). “Time is wasting, and municipalities are looking at shelving projects. Our industry employs a lot of people in Ontario and inaction will have a trickle-down effect, putting thousands out of work.”

Smith, who has held a number of senior positions in Ontario’s construction industry over more than four decades, was elected chair of the board at a recent annual general meeting of RCCAO. He replaces Phil Rubinoff, who was founding chair of the alliance and served at the helm for 15 years.

The new chair says municipalities look to the federal and provincial governments to help them with infrastructure funding and models that have typically been used require all three governments to chip in a third. However, due to COVID municipalities can no longer contribute their share.

The City of Toronto, for example, is expected to end the year about \$1.5 billion below its revenue target, mostly because of a decline in transit ridership. As a result, the state-of-good-repair budget is being reduced by one-third, which means up to \$400 million of infrastructure repairs which were slated for 2020 are not going to go ahead, and the scenario looks even worse for 2021.

“We are looking at a very bleak time, unfortunately, if the federal government doesn’t move quickly to provide funding,” says Smith. “Investment in infrastructure is a great job-creator that will help boost the economy. Studies have shown that it creates a multiplier effect of more than three times the original investment.”

A recent [report](#) done for RCCAO revealed the potential economic risk to Ontario's economy and the negative consequences of under-investment in state-of-good-repair and other infrastructure projects. The [analysis](#) indicated that Ontario could lose out on 60,300 jobs and \$22 billion in provincial and federal government revenue over the next decade if Ottawa cuts back significantly on infrastructure spending. Over 30 years, such a scenario could result in 89,700 fewer jobs and \$98 billion in lost government tax revenue.

The analysis concluded that holding back on infrastructure investment in Ontario at this critical juncture could exacerbate the effects of the current crisis and hamper the recovery of the province.

Smith says 10 per cent of the working population in Ontario is directly employed in construction and there will be massive layoffs if projects are held up. In the GTA alone, more than 12,000 labourers are employed in the heavy civil sector, and possibly 30 per cent could be laid off if work doesn't go ahead.

"We are used to seasonal layoffs around Christmas and then people come back to work in March," notes Smith. "But this year, those layoffs are going to happen sooner and they will last much longer."

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

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