

Stakeholders give high marks to Bethlenfalvy budget

Don Wall March 30, 2021



Ontario construction stakeholders say they welcome the opportunity presented by the Doug Ford government's recent budget to build infrastructure such as new hospitals, schools and long-term-care homes to meet critical social needs and at the same time spearhead economic recovery post-pandemic.

The construction advocates offered almost universal praise for the overall direction of the budget, presented by Finance Minister Peter Bethlenfalvy March 24, with steady infrastructure spending and support for new training programs identified as important pillars of the government's fiscal plan.

"There was a balance between immediate needs and long-term needs and the fiscal health of the province and growing the economy back, so I thought it checked all the boxes," said Council of Ontario Construction Associations president Ian Cunningham.

"I give it an A rating."

"We've seen significant contraction of our GDP, and the government is using investment in infrastructure to build our economy back up, which I think is a very good thing," commented Erich Schmidt, government relations associate with the Ontario General Contractors Association

(OGCA). “We are very supportive of the investments in infrastructure, hospitals, transit, highways, schools and hospitals.”

Bethlenfalvy noted that Ontario employment remained 4.1 per cent below its pre-pandemic level. Ontario’s real GDP is projected to rise 4.0 per cent in 2021 and 4.3 per cent in 2022, and Bethlenfalvy forecasts a \$38.5-billion deficit in 2020–21 with declines after that.

Infrastructure and other project spending generally held the line or increased slightly from spending levels in the November 2020 budget. Planned infrastructure spending over the next 10 years totals \$145.4 billion, including \$16.9 billion in 2021-22.

One notable hike was in hospital spending, which will jump an additional \$3 billion above the 2020 budget with a program spend of \$30.2 billion over the next decade.

The projected transit allocation of \$61.6 billion over 10 years now includes the revised Hamilton LRT project as one of five priority transit projects in the province.

Construction and Design Alliance of Ontario chair Sandro Perruzza said one disappointment of the budget in his view was a lack of vision to deal with climate change. But, he acknowledged, “Building transit is a great way to reduce carbon emissions. The more transit, the more people are out of cars. And I know with Metrolinx electrifying their GO system, that’s certainly going to help to reduce greenhouse gas emissions.”

Other stakeholders reiterated the important role the construction sector will play in the recovery from the pandemic as it tackles the infrastructure portfolio.

“Today’s \$16.9-billion announcement to fund infrastructure projects for 2021-22 is welcome news for Ontario’s construction workforce, and for those who aspire to start a career in the building trades,” said Patrick Dillon, business manager of the Provincial Building and Construction Trades Council of Ontario.

“We’re delighted the province recognizes the crucial role of construction in rebuilding Ontario’s economy,” said Stephen Hamilton, director of public affairs, Ontario, for the Progressive Contractors Association of Canada. “This goes a long way in providing companies and workers with the opportunity to put their skills to work.”

Labourers’ International Union of North America international vice-president Joseph Mancinelli said in a statement the government’s focus on essential infrastructure such as health care, transit and broadband will spur economic recovery and create jobs in the construction sector, “an industry that has remained a driving force of much of the province’s economic activity throughout the pandemic.”

Observers such as Keith Brooks, programs director for Environmental Defence, noted the absence of the proposed Highway 413 from the budget’s road forecasts but Ministry of Transportation senior issues adviser Michael O’Morrow stated on March 25, “We are fully

committed to the consultation process. Work on this project continues and will ultimately determine if this is a viable project for York, Peel and Halton Regions.”

Stakeholders also highlighted expanded skills training and training support programs such as a proposed \$260-million Ontario Jobs Training Tax Credit which would provide \$2,000 per recipient and the commitment of \$288.2 million in 2021-22 to the government’s Skilled Trades Strategy.

Other general training and reskilling spending will include \$117.3 million to help women, people of colour, Indigenous people, youth and people with disabilities prepare for new jobs, and \$157.2 million to provide workers in hard-hit sectors with career counselling and training.

“We’re very happy with that because the pandemic has a significant impact on engineers. A number of engineers have been laid off,” Perruzza said of the career counselling and training initiative.

The job training credit, Skills Ontario added in a release, “will help many Ontarians obtain the necessary training to succeed in skilled trade and technology careers.”

The Residential Construction Council of Ontario issued a statement in which it commended the government for providing additional funds for experiential learning programs for youth interested in the skilled trades, including \$39.6 million in additional funding over three years for the Specialist High Skills Major program and the expansion of the Ontario Youth Apprenticeship Program to allow for a grade 10 summer program.

The Residential and Civil Construction Alliance of Ontario (RCCAO) and the OGCA praised a commitment of \$1 billion to support the finances of Ontario’s municipalities.

“It is imperative that the province of Ontario continues to work closely with the government of Canada to ensure that municipalities have the resources they need to keep capital investments on track and deliver critical public services,” stated an RCCAO release.