

# Job losses imminent without additional support to municipalities: RCCAO

By [ReNew Canada](#) - February 22, 2022

Municipal budgets continue to be battered by the ongoing impacts of the COVID-19 pandemic and if financial support is not provided, municipalities will be forced to cutback on infrastructure capital projects and reduce services, says the Residential and Civil Construction Alliance of Ontario (RCCAO). This will cause job losses and weaken public infrastructure as well as broader recovery efforts across Ontario.

To prevent these catastrophic impacts, RCCAO is calling on the Governments of Canada and Ontario to provide the financial bridge to get municipalities through the challenges in 2022. The Governments of Canada and Ontario are uniquely positioned to provide the needed support.

“Without funding support, municipalities will be forced to decrease project tenders, which would immediately result in a significant number of construction workers being laid off,” said Nadia Todorova, executive director of RCCAO. “Our research shows that 41,000 construction-related jobs are at risk if the volume of work declines by even a third.”

This level of job losses would directly impact Canada’s economic recovery and have long-term repercussions for the state of Ontario’s critical infrastructure. It would lead to deterioration from deferrals of needed repair and maintenance work. RCCAO has made formal recommendations to the Government of Canada and Government of Ontario as a part of their pre-budget consultations.

In the City of Toronto, pandemic impacts, especially due to low transit ridership, have left a \$1.4 billion hole in the city’s coffers for 2022. Without financial support, municipalities, which legally cannot run deficits and must pass balanced budgets, will be forced to delay and cancel state-of-good-repair (SOGR) projects. This would compound the city’s SOGR backlog that is already \$7.4 billion today and expected to grow to \$16.3 billion by 2031.

“Defunding capital programs will lead to crumbling infrastructure, which is not a recipe for competitive economic growth,” said Todorova. “We are encouraging the Province of Ontario and the Government of Canada to once again work in partnership as they’ve done previously and provide financial assurances to municipalities.”