



## Memorandum

**To:** Sandra Skivsky, Chair, National Trade Contractors Council of Canada

**From:** Impact Public Affairs

**Subject:** Budget 2021 Briefing

**Date:** April 19<sup>th</sup>, 2021

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## General

Minister of Finance Chrystia Freeland unveiled the government's first budget in over two years amid COVID-19 cases re-escalating across the country. This long-awaited budget is one of the most important budgets in recent history as many sectors of the economy are still reeling from the impacts of COVID-19, and provinces are navigating through new lockdowns and the vaccine roll-out. Budget 2021, which could double as a re-election pitch for the Liberals, provides the government's roadmap to Canada's economic recovery post-crisis and a plan to build a stronger and greener economy of the future.

Themes include support for the hardest-hit sectors, investments in green energy, and support for those who have been disproportionately impacted by COVID-19, including women, indigenous peoples, young people and racialized Canadians, are recurring throughout the budget.

Budget 2021 largely attempts to balance the need of providing an ongoing rescue plan for the damaged economy while setting the stage for a stronger economic rebound. To help businesses and workers while the pandemic still rages, the government proposes to extend wage and rent subsidy programs until September and implement a new program to temporarily subsidize new hiring, providing \$1,100 per month for every new employee. Overall, the budget proposes over \$100 billion in stimulus spending in various programs and investments, including \$30 billion in funding over 5 years for a national early learning and child care system.

## The Fiscal update

Last year's deficit came in at \$354.2 billion, lower than the \$400 billion deficit projected in the Fall Economic Statement. The deficit is projected to reach \$154.7 billion in 2021-2022 and \$59.7 billion in 2022-2023.

## **Key Highlights for NTCCC**

### ***Skilled Trades Training & Recruitment***

- An investment of \$470 million over three years, beginning in 2021-22, to Employment and Social Development Canada to establish a new Apprenticeship Service. The Apprenticeship Service would help 55,000 first year apprentices in construction and manufacturing Red Seal trades connect with opportunities at small and medium-sized employers.
  - Employers would be eligible to receive up to \$5,000 for all first-year apprenticeship opportunities to pay for upfront costs such as salaries and training.
  - To boost diversity in the construction and manufacturing Red Seal trades, this incentive will be doubled to \$10,000 for employers who hire those underrepresented, including women, racialized Canadians, and persons with disabilities.
- An investment of \$960 million over three years, beginning in 2021-22, to Employment and Social Development Canada for a new Sectoral Workforce Solutions Program. The Sectoral Workforce Solutions Program will work with associations and employers to fund the design and delivery of training that is relevant to the needs of businesses.
  - Investment to connect 90,000 Canadians with training to access jobs in sectors where employers are looking for skilled workers (i.e. PSWs, health, clean energy, construction)
  - Will look to diversify skilled sectors by ensuring 40% of funding goes towards supporting workers from underrepresented groups, including women, persons with disabilities, and Indigenous peoples.

### ***Infrastructure***

- An investment of \$22.6 million over four years, beginning in 2021-22, to Infrastructure Canada to conduct Canada's first ever National Infrastructure Assessment.
- Canada Community-Building Fund (formerly federal Gas Tax Fund): A one-time investment of \$2.2 billion to address and continue infrastructure priorities in municipalities and First Nations.
- The publication of a green bond framework in the coming months in advance of issuing its inaugural federal green bond in 2021-22, with an issuance target of \$5 billion, subject to market conditions. Possible projects these green bonds could fund include green infrastructure, clean tech innovations, nature conservation, and other efforts to address climate change and protect our environment.
- Canada Community Revitalization Fund: Investment of \$500 million over two years, beginning in 2021-22, to the regional development agencies for community infrastructure to stimulate local economies and create jobs.

- An investment of \$1.9 billion over four years to recapitalize the National Trade Corridors Fund. The budget states that this funding could attract approximately \$2.7 billion from private and other public sector partners, resulting in total investments of \$4.6 billion.
- Indigenous Infrastructure: An investment of \$6.0 billion over 5 years, beginning in 2021-22, to support infrastructure in Indigenous communities, including:
  - \$4.3 billion over four years for the Indigenous Community Infrastructure Fund, a distinctions-based fund to support immediate demands, as prioritized by Indigenous partners.
  - \$1.7 billion over five years to cover the operations and maintenance costs of community infrastructure in First Nations communities on reserve.
- An investment of \$11.7 million over five years, starting in 2021-22, through Infrastructure Canada to renew the Standards to Support Resilience in Infrastructure Program, so that the Standards Council of Canada can continue updating standards and guidance in priority areas such as flood mapping and building in the North.
- An investment of \$200 million over three years, starting in 2021-22, to Infrastructure Canada to establish a Natural Infrastructure Fund to support natural and hybrid infrastructure projects.
- An investment of \$17.4 million over two years, starting in 2021-22, to Environment and Climate Change Canada to support work with the provinces, territories, Indigenous peoples, and key stakeholders on the scope of the agency's mandate, including identifying opportunities to build and support more resilient water and irrigation infrastructure.