



Memorandum

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

From: Impact Public Affairs

Subject: **Ontario Budget – March 2021**

Date: March 24, 2021

General

Today, Ontario's Minister of Finance Peter Bethlenfalvy announced the 2021 Budget: "Protecting People's Health and our Economy," as a plan for restarting the economy and to compliment vaccination efforts. The Ontario Government is presenting this budget amidst different circumstances to the 2020 Budget, as they are now looking ahead to a period where COVID-19 will likely not be the defining feature of policy making. The 2021 Budget is also a statement of intent by Premier Ford as the government indicates its key priorities to Ontario voters moving into an election year in 2022.

To address the economic need for a rebuild after the impacts of the pandemic the government has committed a total of 39.6 billion in direct supports. This budget outlines the following key pillars:

1. Protecting Peoples Health – Urgent COVID-19 Response and healthcare investment
2. Protecting our Economy – protecting businesses and stimulating post pandemic economic growth

These targeted investments will greatly expand total healthcare spending, including a specific focus on vaccination efforts and long-term care facilities. Investment towards tourism and hospitality, vulnerable populations and infrastructure are highlights alongside tax credits to reduce childcare costs for families.

Key Highlights for NTCCC

- Ontario is investing a total of \$288.2 million in 2021–22 in its Skilled Trades Strategy, which includes the following enhancements:
 - Providing an additional \$39.6 million over three years, beginning in 2021–22, to expand the Specialist High Skills Major program.
 - Investing \$3 million over three years in a new pilot bursary program for hands-on learning in the skilled trades.
 - Expanding the Ontario Youth Apprenticeship Program (OYAP) to include a Grade 10 summer learning opportunity, starting in 2021.
- The government is proposing a new temporary Ontario Jobs Training Tax Credit for 2021. This Personal Income Tax credit would be refundable and provide support to eligible individuals whether or not they owe income tax for 2021. It would be calculated as 50 per cent of eligible expenses for 2021. The maximum credit would be \$2,000. Individuals would be able to claim the Ontario Jobs Training Tax Credit on their 2021 Personal Income Tax returns if they meet the following conditions:
 - They are resident in Ontario on December 31, 2021 and have a Canada training credit limit for 2021 greater than zero.
 - Eligible expenses would be the same as those that can be claimed for the Canada training credit. These include tuition and other fees paid to an eligible educational institution in Canada for courses taken in 2021, or fees paid to certain bodies in respect of an occupational, trade or professional examination taken in 2021.
 - The cost of this measure is projected to be \$260 million over two years.

Additional Highlights by Theme

1. Small Business

- Approximately 120,000 small businesses will automatically benefit from an additional \$1.7 billion in relief through this second round of support in the form of grants of a minimum of \$10,000 and up to \$20,000 — bringing the estimated total support provided through this grant to \$3.4 billion.
- To support Ontario's tourism, hospitality and culture industries Ontario is investing an additional \$400 million over the next three years in new initiatives to support these sectors.

2. Infrastructure

- The government's plan on investing in infrastructure, includes strategic investments in transit, highways, schools, hospitals and broadband. Planned investments over the next 10 years total \$145.4 billion, including \$16.9 billion in 2021–22. This includes the following investments:
 - An investment of \$550 million in the 2020–21 school year to build 20 new schools and eight permanent additions to existing schools.
 - An investment of \$200 million to provide infrastructure funding to larger, strategic projects and to sports facilities through the newly established Strategic Priorities and Infrastructure Fund.

- Building upon their January 2021 investment of \$200 million in the Ontario Community Infrastructure Fund (OCIF), Ontario is continuing to provide up to \$200 million annually for OCIF to help eligible communities attract jobs and investment, as well as build local capacity to grow and thrive. The OCIF provides funding for communities with populations of less than 100,000, as well as rural and Northern communities, to invest in local infrastructure and asset management planning to address their priority needs.
- An additional \$50 million over the next two years will be allocated to the Northern Ontario Heritage Fund Corporation (NOHFC) to support investments in infrastructure, culture, economic development and training.
- Ontario is committing to doubling investments in the Indigenous Community Capital Grants Program, which will help address long-term infrastructure needs and fast-track shovel-ready on- and off-reserve projects. This includes \$6 million annually to fund upgrades to critical infrastructure, address COVID-19 specific capital needs and support long-term economic recovery in Indigenous communities.
- An investment of \$2.8 billion into broadband, bringing the Province's total investment to nearly \$4 billion over six years beginning 2019–20.
- To support Ontario's 444 municipalities the government is providing almost \$1 billion in additional financial relief in 2021 to help preserve vital public services and support economic recovery.
- More than \$21 billion over 10 years to support the planning and/or construction of highway expansion and rehabilitation projects across the province.
- Also of note for our Building for Recovery efforts, the Ontario budget highlights that the province has nominated over 760 projects to the federal government through the Investing in Canada Infrastructure Program (ICIP) to date.

3. Supporting Workers and Families

- Providing a third round of payments to support parents through the Ontario COVID-19 Child Benefit, totaling \$1.8 billion since last March. The payment will be doubled to \$400 per child for this round and \$500 for each child with special needs, which means a family with three young children, one of whom has special needs, will receive \$2,600 in total after the third round of payments.
- To support parents with the cost of child care and help them get back into the workforce, the government is proposing a 20 per cent enhancement of the CARE tax credit for 2021. This would increase support from \$1,250 to \$1,500, on average, providing about \$75 million in additional support for the child care expenses of over 300,000 families.
- To ensure safety in the workplace, 232,000 rapid COVID-19 tests have been sent to 39 essential industry sites. 300,000 COVID-19 tests will be sent per week for asymptomatic staff in key sectors such as manufacturing, warehousing, supply chain, mining, construction and food processing