

From the Desk of Ken Lancaster, COO MCAC

On Monday April 19, 2021, Deputy Prime Minister and Finance Minister Chrystia Freeland released the federal government's long anticipated budget, entitled **Budget 2021 - A Recovery Plan for Jobs, Growth, and Resilience**. The first federal budget in more than two years mapped out the federal government's roadmap to Canada's economic recovery post-crisis and the plan to rebuild a greener economy in the future.

As was expected, the Budget largely attempts to balance the need to provide ongoing supports as the pandemic continues, while laying the groundwork for an economic rebound post-pandemic. In terms of a fiscal update, the deficit from last year came in at \$354 billion, which was lower than the anticipated \$400 billion projected in the Fall Economic Statement.

For the mechanical contracting sector, there were several proposed programs outlined in the Budget that align with some of the recommendations MCA Canada has provided the federal government over the past year. While these proposed programs will need to be passed in the legislature before they are implemented, MCA Canada continues to engage with various government departments to discuss implementation and any gaps that may need to be addressed to ensure these programs are most effective for industry.

While there was no large-scale infrastructure program announced **directly targeting the mechanical contracting sector**, there have still been several funding announcements over the past year, and MCA Canada continues to note that this investment will be critical until private sector investment begins to ramp up once again. With that, some of the highlights from Budget that may be of interest to MCA members include:

Workforce and Skilled Trades

- Budget 2021 proposes to provide \$960 million over three years, beginning in 2021-22, to Employment and Social Development Canada for a new Sectoral Workforce Solutions Program. Working primarily with sector associations and employers, funding would help design and deliver training that is relevant to the needs of businesses, especially small and medium-sized businesses, and to their employees. This funding would also help businesses recruit and retain a diverse and inclusive workforce.
- Budget 2021 proposes to provide \$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.
 - In addition, 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.

Retrofit and Renovations

- Reallocate \$1.3 billion in existing funding to speed up the construction, repair, or support of 35,000 affordable housing units.

- \$300 million in funding in 2021-22 and 2022-23 from the Rental Construction Financing Initiative, which will be allocated to support the conversion of vacant commercial property into housing.

Infrastructure Investment

- Budget 2021 proposes to provide \$22.6 million over four years, starting in 2021-22, to Infrastructure Canada to conduct Canada's first ever National Infrastructure Assessment. The assessment would help identify needs and priorities for Canada's built environment.

NOTE: this consultation process has already started, with submissions due by June of this year. More information is available here – <https://www.infrastructure.gc.ca/nia-eni/index-eng.html>



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