



# Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience

## Highlights and Analysis

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## Overview

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On April 19, 2021, the Honourable Chrystia Freeland, Canada's Deputy Prime Minister and Minister of Finance, tabled [\*Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience\*](#). The government's federal budget features \$101.4 billion in new spending over three years and places a significant emphasis on Canada's economic recovery post-COVID-19. It also focuses on several themes, including building a stronger, more resilient, green economy, supporting those who have been disproportionately impacted by COVID-19, and supporting the hardest-hit industries and sectors across the country.

The government's plan aims to improve job growth and invest in innovation, child care, long-term care, diversity and inclusion, climate action, economic fairness, and other objectives. Highlights include:

- \$30 billion for a national child care plan
- A \$15 federal minimum wage
- \$17.6 billion for green investments

Engineers Canada looks forward to our continued collaboration with the federal government on important priorities outlined in Budget 2021 regarding:

- Equity, diversity and inclusion, and education and training opportunities for young Canadians
- Green recovery and clean growth
- Physical and digital infrastructure
- Research, development, and innovation spending

## Equity, diversity and inclusion, and education and training opportunities for young Canadians

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### Overview

Budget 2021 acknowledges that young Canadians have seen more job losses due to COVID-19 than any other age demographic. It builds on Canada's investments in youth with over \$5.7 billion over the next five years to help young Canadians pursue and complete their education, and to create 215,000 new job skills development and work opportunities. Budget 2021 also commits to tackling long-standing gaps in education and skills development by supporting the Youth Employment and Skills Strategy and the Student Work Placement Program. Finally, Budget 2021 also recognizes that the pandemic disproportionately affects Indigenous post-secondary students and institutions.

As a result, Budget 2021 initiatives that are aimed at supporting young Canadians include investments of:

- \$960 million to Employment and Social Development Canada for the Sectoral Workforce Solutions Program. This program works with industry and other relevant organizations to design and deliver training that is rooted in timely and accurate labour market information and commits to building a diverse and inclusive workforce.
- \$239.8 million for the Student Work Placement Program in 2021-22, further supporting successful work-integrated learning opportunities for post-secondary students. This program

offers irreplaceable skills development experiences for youth, while also benefiting Canadian employers via a wage subsidy. The budget commits to a 75 per cent wage subsidy up to \$7,500 for qualifying employers.

- \$470 million over three years to establish a new Apprenticeship Service. In addition, to boost diversity in the construction and manufacturing trades, this incentive will be doubled to \$10,000 for employers who hire those underrepresented, including women, racialized Canadians, and persons with disabilities.
- \$80 million over three years, starting in 2021-22, to help CanCode reach three million more students—with an even greater focus on underrepresented groups—and 120,000 more teachers. CanCode aims to equip Canadian youth, including traditionally underrepresented groups, with the skills they need to be prepared for further studies, including advanced digital skills and science, technology, engineering and math (STEM) courses, leading to the jobs of the future.
- \$150.6 million over two years, starting in 2021-22, to support Indigenous students through the Post-Secondary Student Support Program and the Inuit and Métis Nation Post-Secondary Education Strategies. This support would help offset lost income that many Indigenous students rely on to pay for tuition, books, housing, and other living expenses.
- \$26.4 million, in 2021-22, through the Post-Secondary Partnerships Program and the Inuit and Métis Nation Post-Secondary Education Strategies to support Indigenous post-secondary institutions during COVID-19.

### Analysis and opportunities

Engineers Canada is encouraged by the federal government's commitment to tackling long-standing gaps in education and skills development by supporting the Youth Employment and Skills Strategy and the Student Work Placement Program. Engineers Canada has been advocating at the federal level for increased supports for women and Indigenous people in the engineering profession, as well as support for women's re-entry into the workforce following the COVID-19 pandemic; specifically, through our [Pre-Budget Submission in Advance of the 2021 Federal Budget](#), [30 by 30 initiative](#), national positions on [Diversity, equity, and inclusion](#), and [Indigenous People's Access to Post-Secondary Engineering Education](#), as well as our formal federal submissions to:

- [The House of Commons Standing Committee on the Status of Women – Impacts of the COVID-19 Pandemic on Women](#)
- [The House of Commons Standing Committee on Industry, Science and Technology – Response to the COVID-19 Pandemic](#)

Although these investments are timely, it is important that the government continues to build on these investments by focusing on engineering access programs for Indigenous people across Canada. Budget 2021 addresses the reality that young women continue to be significantly underrepresented in engineering programs and face more barriers in STEM subjects when compared to their male counterparts. The engineering profession can better understand, and therefore protect the public interest, if it is representative of the demographics of the Canadian public. This means leveraging the best talent from all parts of society, which adds value to employers, increases the production of creative solutions, and provides a deeper understanding of clients' needs.

In addition, Engineers Canada continually advocates for Indigenous people's access to post-secondary engineering education, specifically through the work of our [Indigenous Advisory Committee](#) and our [Indigenous People's Access to Post-Secondary Engineering Education Program](#).

## Green recovery and clean growth

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### Overview

Budget 2021 included a wide range of spending on green energy, infrastructure, and clean growth. It strengthens the federal government's climate plan with \$17.6 billion in new spending to make deeper cuts to greenhouse gas pollution. It also promises to accelerate the shift to a low-carbon economy to spur the private sector along the Liberal government's path to net-zero emissions by 2050. Other important highlights include investments to tackle flooding, coastal erosion, and permafrost thaw that have been putting Canada's infrastructure at risk.

These investments include:

- \$17.6 billion towards a green recovery to create jobs, build a clean economy, and fight and protect against climate change.
- \$1.4 billion over 12 years to top up the *Disaster Mitigation and Adaptation Fund*, to support rehabilitation projects and the restoration of wetlands and shorelines.
- \$11.7 million over five years to renew the *Standards to Support Resilience in Infrastructure Program*. The federal government outlines that this investment will help communities to plan and build roads, buildings, and other infrastructure that is more durable and resilient to Canada's rapidly changing climate.
- \$63.8 million over three years to Natural Resources Canada, Environment and Climate Change Canada, and Public Safety Canada to work with provinces and territories to complete flood maps for higher risk areas.
- \$5 billion to the Net Zero Accelerator, supporting projects that help reduce domestic greenhouse gas emissions across the Canadian economy. The Net Zero Accelerator proposes to help build and secure Canada's clean industrial advantage.

### Analysis and opportunities

In our 2021 [Pre-Budget Submission to the House of Commons Standing Committee on Finance](#), Engineers Canada specifically advocated for the federal government to invest in green infrastructure as a recovery strategy to help benefit both the economy post-COVID-19, as well as to deliver on Canada's climate commitments. Engineers Canada was happy to see this specific ask addressed, as well as significant investments towards climate change adaptation, rehabilitation, and mitigation to strengthen and protect physical infrastructure across Canadian communities.

Engineers Canada has been advocating for the federal government to increase climate resiliency, adaptation, and mitigation policies at the federal level; specifically, through our national position statement on [Climate Change and Extreme Weather Events](#), and our federal submissions to:

- [Environment and Climate Change Canada – Draft National Climate Change Science and Knowledge Plan](#)

- [Comments to Canada's Building Code in the Context of Climate Change, Adaption, and Sustainability – White Paper on the urgency of building code modernization and implementation](#)

It is important that the federal government continue to consult and include engineers on federal climate adaptation, mitigation, and rehabilitation projects that require engineering expertise. Engineers are leaders in adaptation and are ready to work collaboratively with the federal government on environmental assessments and regulatory processes to provide unbiased, innovative, and transparent advice regarding climate change and its impact on infrastructure.

## Physical and digital infrastructure

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### Overview

Budget 2021 proposes investments in physical and digital infrastructure to transform our borders and ensure that trade and travel can continue to drive Canada's national economy. To support a robust and quick economic recovery, Budget 2021 outlines the need to address capacity constraints, bottlenecks, and inefficiencies in Canada's transportation infrastructure. It also highlights that this will support businesses across supply chains and boost the potential for small and medium-sized businesses in all regions, including rural and remote communities. Budget 2021 also highlights the need for reliable access to high-speed internet. This access is essential for personal and professional communications, for business sustainability and growth, and for access to government services.

As a result, Budget 2021 proposes investments of:

- \$1.9 billion over four years, starting in 2021-22, to recapitalize the National Trade Corridors Fund. This funding is anticipated to spur investments to enhance our roads, rail, and shipping routes, build long-term resilience for the Canadian economy, and support internal trade. Fifteen per cent of the total funding is dedicated to building and improving transportation networks in Canada's North.
- \$200 million to establish a *Natural Infrastructure Fund* to support natural and hybrid infrastructure projects. This will improve well-being, mitigate impacts of climate change, and prevent costly natural events.
- An additional \$1 billion over six years to the *Universal Broadband Fund* to support a more rapid rollout of broadband projects in collaboration with provinces and territories and other partners.

### Analysis and opportunities

In our 2021 [Pre-Budget Submission to the House of Commons Standing Committee on Finance](#), we addressed the need for increased investments in physical and digital infrastructure. Our organization specifically recommended that the government kickstart the economy through the acceleration of infrastructure projects, while supporting green infrastructure investments. Engineers Canada actively advocates for the need of sound and reliable core public and private infrastructure as it ensures public safety, continuing services and supports economic prosperity through our national positions on [Infrastructure](#) and [Infrastructure on Indigenous reserves and in remote Indigenous communities](#). In addition, we also recommended the federal government continue its efforts to build Canada's high-speed broadband connectivity through sustainable digital infrastructure, particularly in rural and remote communities. Engineers Canada has been advocating for federal investments in broadband connectivity

through our national position on [Building Canada's High-Speed Broadband Through a Sustainable Digital Infrastructure](#). Engineers are essential in the design, implementation, and maintenance of digital broadband infrastructure, making the engineering profession essential in connecting rural and remote communities to broadband internet in Canada. The engineering profession can support the federal government's goal of 98 per cent of the country having high-speed broadband internet by 2026 and 100 per cent by 2030.

## Research, development, and innovation spending

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Budget 2021 highlights the reality that a resilient and long-lasting recovery must include a plan for future pandemic preparedness. Strategic investments in cutting edge life sciences research and biotechnology are a critical part of this plan. Budget 2021 also includes targeted support for the life sciences and bio-manufacturing sector.

As a result, Budget 2021 proposes investments of:

- \$2.2 billion and \$511.4 million to support innovative projects across the economy, including in areas like life sciences, the automotive and aerospace sectors, and agriculture.
- \$443.8 million in support of the Pan-Canadian Artificial Intelligence Strategy, focusing largely on talent attraction and commercialization.
- \$162.2 million is to be targeted at retaining and attracting top talent across Canada; \$185 million will be leveraged to support the commercialization of Canadian Artificial Intelligence innovation.

### Analysis and opportunities

Engineers Canada has advocated for increased research, development, and innovation spending at the federal level through our national positions relating to [Artificial Intelligence Engineering Technology in Autonomous and Connected Vehicles](#) and [Research, Development, and Innovation Spending](#). In addition, Engineers Canada also contributed to the [House of Commons Standing Committee on Transport, Infrastructure and Communities regarding their study on Automated and Connected Vehicles in Canada](#).

We were encouraged by these investments in research and development in Canada's technology sector, as it is a key driver of Canada's economic competitiveness on the global stage. We believe that the federal government must continue to make investments into a strategic innovation agenda to support emerging national networks and engineering innovation. Licensed engineers are at the forefront of many technology companies and are key drivers of innovation.

Engineers Canada believes that the potential benefits from biotechnology can positively impact Canada, both in terms of meeting its own needs, and supporting the economy. The engineering profession has made key contributions to the evolution of the biotechnology sector, particularly in areas that involve the application of engineering principles when contributing to the development of engineered organisms, biotechnology related products, and other associated projects. With the increasing demand for biotechnology, there has, and will continue to be, a rising demand for licensed engineers working in this field. The federal government must ensure that any legislation or regulations that refer to engineering work in the development or implementation of biotechnology require the involvement of a

professional engineer in accordance with provincial and territorial engineering Acts. Additionally, where engineering work is performed and involved in the development and implementation of biotechnology at the federal level, the federal government must ensure that it is performed by an engineer licensed by a provincial or territorial regulator.