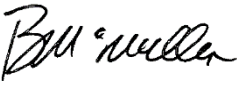




COMMUNICATION UPDATE

TO:	Mayor and Members City Council
DATE:	April 22, 2021
SUBJECT:	2021 Federal Budget Highlights (City Wide)
WARD(S) AFFECTED:	City Wide
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

On April 19, 2021, the Government of Canada released *Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience*. This Communication Update provides a high-level summary of the most significant findings.

Appendix “A” provides the Government of Canada Budget 2021 Revenue Outlook and Expenditure Outlook. Appendix “B” provides additional details from MFOA (Municipal Finance Officers Association).

Financial Highlights

- Over \$100 B over three years in new spending.
- Deficit \$354.2 B in 2021; \$154.7 B in 2022.
- Details are provided in Appendix “A” to this Communication Update.

Key Investments

Childcare

- \$30 B over five years in child care with the goal of reaching an average cost of childcare of \$10/day everywhere outside of Quebec by 2026.

Employment

- \$8.9 B over six years and \$1.7 B ongoing to expand the Canada Workers Benefit raising the qualifying income level and covering more low wage earners.
- Establishing a \$15/hour federal minimum wage for the federally regulated private sector.
- Canada Emergency Wage subsidy extended until September 2021.
- Canada Recovery Hiring program to help businesses hire more workers.
- Employment insurance sickness benefits enhanced from 15 to 26 weeks.

Housing

- \$2.5B investment and \$1.3 B in existing funding to help build, repair and support 35,000 affordable housing units for vulnerable Canadians.

Tourism

- \$1 B to support tourism sector businesses. This includes \$200 M for major festivals, \$200 M in support for community festivals and \$500 M to support tourism-based businesses through a Tourism Relief Fund.

Infrastructure and Job Creation

- \$1 B over six years for the Universal Broadband Fund.
- \$4 B Canada Digital Adoption Program to help 160,000 businesses with new technology.
- \$22.6 M over four years to conduct Canada's first ever National Infrastructure Assessment, intended to help all orders of government prioritize investments that will have the greatest benefits for all communities.
- \$17.6 B for green recovery to build a clean economy and create jobs.
- \$2.2 B over seven years to expand domestic life sciences sector.

Local and Regional Development

- \$700 M over three years for the regional development agencies to support business financing.
- \$500 M over two years to the regional development agencies for community infrastructure.
- \$101 M over two years, starting in 2022/23, to support wineries in adapting to ongoing and emerging challenges, in line with Canada's trade obligations.
- \$292.5 M over seven years for a Processor Investment Fund to support private investment in food processing plants.

Seniors and Long-term Care

- Old Age security for seniors 75 and over increased.
- \$3 B in five years to ensure high standard of care in long-term care homes.
- \$90 M over three years for seniors age well at home program.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Previously Announced

- \$2.2 B for a one-time top-up to the Federal Gas Tax Fund (to be renamed as Canada Community-Building Fund).
- \$1 B for provinces & territories to get vaccines in arms.
- \$14.9 B over eight years for public transit projects, with \$3 B per year ongoing beginning in 2026/27.

COVID-19 Support

- Up to 12 additional weeks of Canada Recovery Benefit to a maximum of 50 weeks.
- Extend the Canada Recovery Caregiving Benefit an additional four weeks, to a maximum of 42 weeks, at \$500 per week.
- \$1.9 B for an extension of the Canada Emergency Rent Subsidy and Lockdown Support until September 25, 2021.
- \$82.5 M to support COVID testing at major airports.

Taxation

- 1% tax on the value of foreign owned residential real estate that is considered to be vacant or underused.
- Digital services tax of 3% on large e-commerce businesses.
- Tax on the sales of luxury cars and personal aircraft with retail sales prices over \$100,000.
- Increase tobacco excise duty by \$4 per carton of 200 cigarettes.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Communication Update – Government of Canada Budget 2021
Revenue Outlook and Expense Outlook

Appendix “B” to Communication Update – MFOA Federal Budget 2021

GR/dt