



FEDERAL
BUDGET

2021

Budget Analysis

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Budget 2021 – A Liberal Recovery Plan for Jobs, Growth, and Resilience

Deputy Prime Minister and Minister of Finance Chrystia Freeland today released the federal government's 2021 Budget in the House of Commons. Titled *A Recovery Plan for Jobs, Growth, and Resilience*, the plan aims to support Canadian families and businesses during the third wave of the COVID-19 pandemic, lay out a strategy for a post-pandemic economic recovery, and act as a blueprint for a Liberal campaign platform ahead of a potential 2021 federal election.

The government signaled in the 2020 Fall Economic Statement that it would spend significantly to achieve these goals. Budget 2021 aligns with that plan, announcing up to \$100 billion over three years in new spending to support Canada's economic recovery. All this new spending will lead to a projected 2020-21 deficit of \$354 billion.

While the health of Canadians remains 'job number one', Budget 2021 focusses on a much broader set of social, environmental and economic priorities. The 739-page budget includes commitments targeting a wide range of groups, including women; low-wage workers; Indigenous communities; businesses hit by the pandemic, particularly those in the tourism, arts and culture sectors; developers of carbon-reducing infrastructure projects; those in need of affordable housing; innovators and early technology adopters and many others. At the heart of the plan is a commitment to create one million jobs by the end of 2021, supported by investments in skills training and youth employment.

The Liberals are hoping that Budget 2021 will carry them to a majority government in the next election. Throughout the pandemic, the Liberals have maintained a 35% to 37% popular vote projection, very much in line with the results in the 2019 election which resulted in a minority mandate. A bump to 38% or 39% would leave the Liberals feeling quite confident that a four-year majority mandate is within reach.

For their part, the opposition leaders – Erin O'Toole, Yves-François Blanchet, Jagmeet Singh and Annamie Paul – will need to carefully calibrate their responses to the Budget over the coming days and weeks.

With the United States, the European Union and other G20 allies outlining major post-pandemic spending plans, a response from the Conservatives that favours austerity may be perceived by Canadians as out of touch. In remarks delivered this evening, Mr. O'Toole was careful to focus on specific spending missteps as well as what he perceives to be the lack of a financial anchor.

Jagmeet Singh and Annamie Paul risk being squeezed on the left – with \$100 billion in spending outlined, calling for more may come across as wasteful or undisciplined. Yves-François Blanchet perhaps has the easiest role to play, in simply calling out federal overreach in areas of provincial domain and demanding that any new funding be provided as transfers to Quebec, no strings attached.

The opposition parties will also have to calibrate their criticism with their intention to vote the Budget down and trigger an election. Jagmeet Singh has indicated that he will almost certainly vote for the Budget, so as not to 'give the Prime Minister the election he wants.' If this holds, the Conservatives, the Bloc and the Greens will be free to vote against the Budget and offer stronger criticism.

TOP-LINE NUMBERS

Today's Budget was large in every sense. The 739-page plan commits the government to a record level of spending - \$101 billion in new spending over three years - with a projected deficit this year of \$354 billion. The deficit eventually declines to \$30.7 billion in 2025-2026. The debt-to-GDP ratio is expected to peak this year at 52.12%, and the federal debt will also grow from \$721.4 before COVID-19 hit to \$1.2 trillion this year.

COVID-19 SUPPORTS

As Canada faces the third wave of the COVID-19 pandemic, the Budget proposes to extend many of the most critical business supports through to the end of the summer. The government has also proposed a new Canada Recovery Hiring Program to help employers bring back staff as businesses reopen.

Wage, Rent and Lockdown Support Subsidy Extension

- Budget 2021 proposes to extend the wage subsidy, the rent subsidy, and Lockdown Support until September 25, 2021. It also proposes to gradually decrease the rates for the wage subsidy and rent subsidy, beginning July 4, 2021, in order to ensure an orderly phase-out of the programs as vaccinations are completed and the economy reopens.

Canada Recovery Hiring Program

- Budget 2021 proposes to introduce a new Canada Recovery Hiring Program for eligible employers that continue to experience qualifying declines in revenues relative to before the pandemic. The proposed subsidy would offset a portion of the extra costs employers take on as they reopen, either by increasing wages or hours worked, or hiring more staff. This support would only be available for active employees and will be available from June 6 to November 20, 2021. Eligible employers would claim the higher of the Canada Emergency Wage Subsidy or the new proposed subsidy.

Extension of Small Business Supports

- Budget 2021 proposes to extend the application deadline for support under the Regional Relief and Recovery Fund and the Indigenous Business Initiative until June 30, 2021.

Support for Workers

- The government will provide up to 12 additional weeks of the Canada Recovery Benefit to a maximum of 50 weeks. The first four of these additional 12 weeks will be paid at \$500 per week. As the economy reopens over the coming months, the government intends that the remaining 8 weeks of this extension will be paid at a lower amount of \$300 per week claimed. All new Canada Recovery Benefit claimants after July 17, 2021 would also receive the \$300 per week benefit, available until September 25, 2021.
- Budget 2021 also proposes to extend the Canada Recovery Caregiving Benefit an additional 4 weeks, to a maximum of 42 weeks, at \$500 per week, in the event that caregiving options, particularly for those supporting children, are not sufficiently available in the interim as the economy begins to safely reopen.

Proposed Changes to EI

- \$3.9 billion over three years, starting in 2021-22, for a suite of legislative changes to make EI more accessible and simpler for Canadians over the coming year while the job market begins to improve.

BUSINESS, INDUSTRY, AND ENVIRONMENT

Skills Training

- *Mitacs Placements*: \$708 million over five years, starting in 2021-22, to Mitacs to create at least 85,000 work-integrated learning placements that provide on-the-job learning and provide businesses with support to develop talent and grow.
- *Sectoral Workforce Solutions Program*: \$960 million over three years, beginning in 2021-22, to Employment and Social Development Canada for a new Sectoral Workforce Solutions Program.
- *Apprenticeships*: \$470 million over three years, beginning in 2021-22, to Employment and Social Development Canada to establish a new Apprenticeship Service. 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.

Infrastructure

In total, Budget 2021 includes over \$26 billion over six years for infrastructure, including for public transit, infrastructure in Indigenous communities, energy efficiency and affordable housing.

- \$1.4 billion over 12 years, starting in 2021-22, to Infrastructure Canada to support disaster mitigation projects such as wildfire mitigation activities, rehabilitation of storm water systems, and restoration of wetlands and shorelines.
- \$1.9 billion over five years to Public Safety Canada to support provincial and territorial disaster response and recovery efforts.
- \$11.7 million over five years, 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.
- \$6 billion over five years, starting in 2021-22, with \$388.9 million ongoing, to support infrastructure in Indigenous communities, including:
 - \$4.3 billion over four years for the Indigenous Community Infrastructure Fund.
 - \$1.7 billion over five years with \$388.9 million ongoing, to cover the operations and maintenance costs of community infrastructure in First Nations communities on reserve.
- \$1.9 billion over four years to recapitalize the National Trade Corridors Fund.

Manufacturing and Industrial Growth

- Budget 2021 provides the Strategic Innovation Fund with an incremental \$7.2 billion over seven years, starting in 2021-22, and \$511.4 million ongoing spent as follows:
 - \$2.2 billion over seven years, and \$511.4 million ongoing to support innovative projects across the economy—including in the life sciences, automotive, aerospace, and agriculture sectors.
 - \$5 billion over seven years to increase funding for the Strategic Innovation Fund’s Net Zero Accelerator.
- \$2 billion to help the aerospace industry recover, including:
 - \$250 million over three years for the regional development agencies to deliver an Aerospace Regional Recovery Initiative, which would support small and medium-sized firms in improving productivity, strengthening commercialization, and greening their operations and products.
 - \$1.75 billion through the Strategic Innovation Fund for aerospace sector recovery.
- \$700 million over three years, starting in 2021-22, for the regional development agencies to support business financing.
- Budget 2021 proposes to create a new regional development agency for British Columbia and provide \$553.1 million over five years, starting in 2021-22, and \$110.6 million ongoing, to support the new agency. Existing core program funding from Western Economic Diversification will remain to support the Prairies, making additional support available for businesses in Alberta, Saskatchewan, and Manitoba.
- To help ensure that superclusters that made emergency investments to support Canada’s COVID-19 response can continue supporting innovative Canadian projects, Budget 2021 will provide \$60 million over two years, starting in 2021-22, to the Innovation Superclusters Initiative.

Innovation and R&D

- \$500 million over five years, starting in 2021-22, and \$100 million per year ongoing, to expand the Industrial Research Assistance Program to support up to 2,500 additional innovative small and medium-sized firms.
- \$101.4 million over five years, starting in 2021-22, to Innovation, Science and Economic Development Canada for the Small Business and Entrepreneurship Development Program.
- \$450 million on a cash basis over five years for a renewed Venture Capital Catalyst Initiative that would increase venture capital available to entrepreneurs.
- \$443.8 million over ten years, starting in 2021-22, in support of the Pan-Canadian Artificial Intelligence Strategy.
- \$360 million over seven years, starting in 2021-22, to launch a National Quantum Strategy. This funding will also establish a secretariat at the Department of Innovation, Science and Economic Development to coordinate this work.

- \$90 million over five years on a cash basis to retool and modernize the Canadian Photonics Fabrication Centre, which supplies photonics research, testing, prototyping, and pilot-scale manufacturing services to academics and large, small, and medium-sized photonics businesses in Canada.
- Provide \$400 million over six years, starting in 2021-22, in support of a Pan-Canadian Genomics Strategy. This funding would provide \$136.7 million over five years, starting in 2022-23, for mission-driven programming delivered by Genome Canada to kick-start the new strategy, and complement the government's existing genomics research and innovation programming.
- \$90 million over two years, starting in 2022-23, to create ElevateIP, a program to help accelerators and incubators provide start-ups with access to expert intellectual property services.
- \$75 million over three years, starting in 2021-22, for the National Research Council's Industrial Research Assistance Program to provide high-growth client firms with access to expert intellectual property services.
- \$2.2 billion over seven years to help build Canada's talent pipeline and research systems, and support the growth of Canadian life sciences firms, including with \$1 billion of support to Canadian firms through the Strategic Innovation Fund. This package also includes the creation of a new Clinical Trials Fund to support the research and development of new scientifically proven treatments and cures and create good jobs in the health research sector, including the pharmaceutical sector.

Critical Minerals

- \$9.6 million over three years, starting in 2021-22, to create a Critical Battery Minerals Centre of Excellence at Natural Resources Canada. The centre would coordinate federal policy and programs on critical minerals, and work with provincial, territorial, and other partners. The centre would also help implement the Canada-U.S. Joint Action Plan.
- \$36.8 million over three years, starting in 2021-22, with \$10.9 million in remaining amortization, to Natural Resources Canada, for federal research and development to advance critical battery mineral processing and refining expertise.

Energy & Cleaning the Economy

In addition to the \$15 billion investment committed to via the Climate Plan released in December 2020, Budget 2021 committed \$17.6 billion towards a 'green recovery', including:

- *Deep Home Retrofits Interest-Free loans*: \$4.4 billion to the Canada Mortgage and Housing Corporation (CMHC) to help homeowners complete deep home retrofits through interest-free loans worth up to \$40,000. Loans would be available to homeowners and landlords who undertake retrofits identified through an authorized EnerGuide energy assessment. The program would be available beginning Summer 2021. Examples of eligible retrofits would include:

- Replacing oil furnaces or low-efficiency systems with a high efficiency furnace, air source heat pump, or geothermal heat pump.
 - Better wall or basement insulation and/or wall or roof panels.
 - Installing a high-efficiency water heater or on-site renewable energy like solar panels.
 - Replacing drafty windows and doors.
- *Net Zero Accelerator*: \$5 billion over seven-years to top up the Strategic Innovation Fund's stream to help industry green their operations and grow Canada's cleantech manufacturing. The total funding committed under the net-zero accelerator amounts to \$8 billion to date.
- *Carbon Capture, Utilization, and Storage*:
- Introduce an investment tax credit for capital invested in CCUS projects, with the goal of reducing emissions by at least 15 megatonnes of CO₂ annually. This measure will come into effect in 2022. Government will hold a 90-day consultation period with stakeholders on its design, after which it will announce more details—including the rate of the incentive.
 - \$319 million over seven years to Natural Resources Canada to support research, development, and demonstrations that would improve the commercial viability of carbon capture, utilization, and storage technologies.
- *Cleantech Manufacturing*: Reducing by 50 per cent the general corporate and small business income tax rates for businesses that manufacture zero-emission technologies. The reductions would go into effect on January 1, 2022 and would be gradually phased out starting January 1, 2029 and eliminated by January 1, 2032.
- *Cleantech export strategy*: \$21.3 million over five years, starting in 2021-22, and \$4.3 million per year ongoing, to Global Affairs Canada for the continuation of the International Business Development Strategy for Clean Technology.
- *Accelerated Capital Cost Allowance for Clean Energy Equipment*: Expanding classes 43.1 and 43.2 of the CCA to include: pumped hydroelectric storage equipment; electricity generation equipment that uses physical barriers or dam-like structures to harness the kinetic energy of flowing water or wave or tidal energy; active solar heating systems; ground source heat pump systems; equipment used to produce solid and liquid fuels (e.g., wood pellets and renewable diesel) from specified waste material or carbon dioxide; a broader range of equipment used for the production of hydrogen by electrolysis of water; and equipment used to dispense hydrogen for use in hydrogen-powered automotive equipment and vehicles.
- Budget 2021 proposes the removal of certain fossil-fueled related items from the CCA including "fossil-fuelled enhanced combined cycle systems", "fossil-fuelled enhanced combined cycle systems", and producer gas generating equipment for which more than one quarter of the total fuel energy input is from fossil fuels, determined on an annualized basis.
- *Greening Government*:
- *Federal Clean Electricity Fund*: \$14.9 million over 4 years, starting in 2022-23, with \$77.9 million in future years, to Public Services and Procurement Canada for a Federal Clean Electricity Fund to purchase renewable energy certificates for all federal government buildings.

- To support the long-term development of low-emission marine and aviation fuels, Budget 2021 proposes to provide \$227.9 million over eight years, starting in 2023-24, to the Treasury Board Secretariat to implement a Low-Carbon Fuel Procurement Program within the Greening Government Fund.
- *First Federal Green Bond:* The government will publish 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. This would be the first of many green bond issuances. The framework will provide details on how, through green bonds, investors will have opportunities to finance Canada's work to fight climate change and protect the environment. 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.
- *Centre for Innovation and Clean Energy:* The government will, in partnership with the Government of British Columbia, provide up to \$35 million to help establish the Centre for Innovation and Clean Energy to advance the scale-up and commercialization of clean technologies in B.C. and across Canada.

Environment

- \$2.3 billion over five years to Environment and Climate Change Canada, Parks Canada, and the Department of Fisheries and Oceans to fund the following measures:
 - \$200 million over three years to establish a Natural Infrastructure Fund to support natural and hybrid infrastructure projects, including local parks, green spaces, and waterfronts.
 - \$976.8 million over five years to help Canada reach its 25 per cent by 2025 target to protect oceans, commercial fishing stocks, etc.
- Border carbon adjustments make sure that regulations on a price on carbon pollution apply fairly between trading partners. The government intends to launch a consultation process on border carbon adjustments in the coming weeks.
- \$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.
- \$17.4 million over two years 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.

Broadband

- \$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. In total,

including proposed Budget 2021 funding, \$2.75 billion will be made available through the Universal Broadband Fund to support Canadians in rural and remote communities.

Agriculture

- To help processors of all supply-managed agricultural products adapt to CETA and CPTPP, Budget 2021 proposes a further \$292.5 million over seven years for a Processor Investment Fund to support private investment in processing plants.
- \$200 million over two years to launch immediate, on-farm climate action, targeting projects accelerating emission reductions by improving nitrogen management, increasing adoption of cover cropping, and normalizing rotational grazing.
- \$10 million over the next two years toward powering farms with clean energy and moving off diesel.
- Budget 2021 announces the government's intention to return a portion of the proceeds from the price on pollution directly to farmers in backstop jurisdictions (currently Alberta, Saskatchewan, Manitoba, and Ontario), beginning in 2021-22. It is estimated farmers would receive \$100 million in the first year. Returns in future years will be based on proceeds from the price on pollution collected in the prior fiscal year and are expected to increase as the price on pollution rises. Further details will be announced later in 2021 by the Minister of Finance.
- Budget 2021 also proposes to ensure the recently expanded \$165.5 million Agricultural Clean Technology program will prioritize \$50 million for the purchase of more efficient grain dryers for farmers across Canada.
- \$101 million over two years to Agriculture and Agri-Food Canada, to implement a program for the wine sector that will support wineries in adapting to ongoing and emerging challenges, in line with Canada's trade obligations.

Air Travel

To facilitate the safe restart of air travel, when conditions allow, in a way that limits transmission of COVID-19 and protects travellers, Budget 2021 proposes the following:

- \$82.5 million in 2021-22 to Transport Canada to support major Canadian airports in making investments in COVID-19 testing infrastructure.
- \$105.3 million over five years and \$10.2 million per year ongoing, to Transport Canada to collaborate with international partners to further advance the Known Traveller Digital Identity pilot project, which will test advanced technologies to facilitate touchless and secure air travel.
- \$6.7 million in 2021-22 to the Canadian Air Transport Security Authority to acquire and operate sanitization equipment.

Tourism

To assist the sector's recovery, Budget 2021 proposes to make available a package of supports, totalling \$1 billion over three years, and which includes the following measures:

- \$200 million through the regional development agencies to support major festivals and events.
- \$200 million through Canadian Heritage to support local festivals, community cultural events, outdoor theatre performances, heritage celebrations, local museums, amateur sport events, and more.
- \$100 million to Destination Canada for marketing campaigns to help Canadians and other visitors discover and explore the country.
- \$500 million Tourism Relief Fund, administered by the regional development agencies. The fund will support investments by local tourism businesses in adapting their products and services to public health measures and other investments that will help them recover from the pandemic and position themselves for future growth.

Art & Culture

- \$300 million over two years to Canadian Heritage to establish a Recovery Fund for Arts, Culture, Heritage, and Sport Sectors.
- \$49.6 million over three years to Canadian Heritage for the Building Communities Through Arts and Heritage Program, the Canada Arts Presentation Fund, and the Celebration and Commemoration Program.
- \$70 million over three years to Canadian Heritage for the Canada Music Fund. This includes up to \$50 million to help the live music sector, including music venues.
- \$15 million to Canadian Heritage for the Canada Cultural Spaces Fund to help arts and heritage institutions upgrade their facilities to meet public health guidelines.
- \$17.2 million to the National Arts Centre to address financial pressures caused by COVID.
- \$6 million over two years to the National Arts Centre to support collaborations with equity deserving groups to help relaunch the performing arts sector.

HEALTH, COMMUNITIES AND SOCIAL

Health System

Budget 2021 addresses a number of national health care challenges through the following proposed investments:

- \$116 million over two years, starting in 2021-22, building on \$66 million invested in the 2020 Fall Economic Statement, for the Substance Use and Addictions Program to support a range of innovative approaches to harm reduction, treatment, and prevention at the community level.
- \$45 million over three years, starting in 2021-22, to Health Canada to fund community-based organizations that help make sexual and reproductive health care information and services more accessible for vulnerable populations.

- \$20 million over three years to Health Canada to construct eight plasma collection sites across the country.
- \$29.8 million over six years to Health Canada to advance the government's palliative care strategy and lay a better foundation for coordinated action on long-term and supportive care needs, improving access to quality palliative care.
- \$25 million over five years to Health Canada for additional investments for research on diabetes (including in juvenile diabetes), surveillance, and prevention, and to work towards the development of a national framework for diabetes. This framework will be developed in consultation with provinces and territories, Indigenous groups, and stakeholders.
- \$15.4 million over two years to the Public Health Agency of Canada to work with partners to support the creation of a national autism strategy.
- \$1.4 billion over five years and \$40.6 million ongoing, to maintain essential health care services for First Nations and Inuit, continue work to transform First Nations health systems, and respond to the health impacts of climate change.

Mental Health

Mental health care commitments proposed in the budget include:

- \$45 million over two years to Health Canada, the Public Health Agency of Canada, and the Canadian Institutes of Health Research to help develop national mental health service standards, in collaboration with provinces and territories, health organizations, and key stakeholders.
- \$62 million to Health Canada for the Wellness Together Canada portal so that it can continue to provide Canadians with tools and services to support mental health and well-being.
- \$597.6 million over three years for a distinctions-based mental health and wellness strategy with First Nations, Inuit, and the Métis Nation.
- The federal government is also proposing mental health support for those affected by COVID-19:
 - \$100 million over three years to the Public Health Agency of Canada to support projects for innovative mental health interventions for populations disproportionately impacted by COVID-19, including health care workers, front-line workers, youth, seniors, Indigenous people, and racialized and Black Canadians.
 - \$50 million over two years to Health Canada to support a trauma and post-traumatic stress disorder (PTSD) stream of mental health programming for populations at high risk of experiencing COVID-19 trauma and those exposed to various trauma brought about by COVID-19.

Child Care

Child care is a keystone commitment in the 2021 Budget. For the first time, this issue is being framed as essential infrastructure as it allows parents, and especially women, to fully participate in the economy.

The federal government will work with provincial, territorial, and Indigenous partners to build a Canada-wide, community-based system of quality child care. Budget 2021 proposes a new investment totaling up to \$30 billion, over the next 5 years, and \$8.3 billion ongoing for Early Learning and Child Care and Indigenous Early Learning and Child Care.

Combined with previous investments announced since 2015, a minimum of \$9.2 billion per year ongoing will be invested in child-care, including Indigenous Early Learning and Child Care, starting in 2025-26.

- By the end of 2022, the government is aiming to achieve a 50% reduction in average fees for regulated early learning and child care in all provinces outside of Quebec.
- By 2025-26, the government has committed to an average fee of \$10 per day everywhere outside of Quebec.

Housing Affordability

Budget 2021 proposes to provide an additional \$2.5 billion over seven years to the Canada Mortgage and Housing Corporation to build affordable housing. In addition, it proposes to advance and reallocate \$1.3 billion of previously announced affordable housing funding.

Canada Mortgage and Housing Corporation proposed funding details:

- An additional \$1.5 billion to address the urgent housing needs of vulnerable Canadians by providing adequate affordable housing.
- \$600 million over seven years to renew and expand the Affordable Housing Innovation Fund.
- \$315.4 million over seven years to the Canada Housing Benefit to increase direct financial assistance for low-income women and children fleeing violence to help with rent payments.
- \$118.2 million over seven years to the Federal Community Housing Initiative to support community housing providers that deliver long-term housing to our most vulnerable.
- National Housing Co-Investment Fund:
 - \$750 million to be advanced to 2021-22 and 2022-23 for creation of 3,400 new units and the repair of 13,700.
 - \$250 million to support the construction, repair and operating costs of an estimated 560 units of transitional housing and shelter spaces for children fleeing violence.
- Rental Construction Financing Initiative: \$300 million in funding in 2021-22 and 2022-23 to support the conversion of vacant commercial property into housing.

Budget 2021 also includes the government's intention to introduce a tax on unproductive use of Canadian housing by foreign non-resident owners. This will be a national, annual, 1% tax on the value of non-resident, non-Canadian owned residential real estate that is considered to be vacant or underused, effective January 1, 2022.

CONCLUSION

Budget 2021 will be judged on whether it properly balances support for Canadians at a time of serious, ongoing need with a path for economic recovery.

It is natural for a government to assume it can attract public support with a budget that spends at an historic level and has something for everyone. However, Canadian voters know that debt must eventually be paid back.

The challenge for the government in the months ahead will be to show that the allocated dollars are having the promised impacts: infrastructure investments are leading to good-paying jobs and greenhouse gas emission reductions; social programs are quickly delivering services to their intended beneficiaries; and Canada's economic recovery is in line with its G20 allies.

Five and a half years into the Trudeau Government's tenure, it feels as though Canada is back to a phrase popularized by the Trudeau Liberals after their first electoral win in 2015: deliverology. The Liberals have solid polling support, a major spending plan in Budget 2021, and opposition parties that do not seem keen to trigger the next election now.

How Canadians perceive the effectiveness of the Liberal delivery of Budget 2021 over the coming months will determine how confident the government feels going into the next election. The ball very much remains in the Liberal court.

CONTACT US

We are pleased to provide this report to Sussex clients and contacts. As always, please feel free to contact your Sussex consultant with any questions.

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