

From Our Perspective



Budget 2019: Investing in the Middle Class

Every budget is strategic. “Investing in the Middle Class”, the 2019 federal budget, released on March 19, 2019, is particularly strategic as it communicates to the Canadian people the priorities of the Liberal government ahead of the federal election set for October 2019.¹ AIA Canada’s federal budget overview focuses on four areas that the Liberals have identified for investment.

Apprenticeship and Workforce Training

The budget proposes a new [Canada Training Benefit](#) that is intended to support Canadians to plan and get the training that they need. This is important as the workforce of the future demands new skills. The current reality of a very low unemployment rate at a time when job vacancies go unfilled is indicative of an already occurring misalignment of the workforce’s skills with those that businesses are in need of.² The proposed investment for the training benefit is more than \$1.7 billion over the first five years, and \$586.5 million each year after.

The [Canada Training Benefit](#) consists of a number of programs, including:

- [Canada Training Credit](#): “non-taxable credit to help Canadians with the cost of training fees. Eligible workers between the ages of 25 and 64 would accumulate a credit balance at a rate of \$250 per year, up to a lifetime limit of \$5,000. The credit could be used to refund up to half the cost of taking a course or enrolling in a training program at colleges, universities and eligible institutions providing occupational skills training, starting in 2020.”³
- [Employment Insurance \(EI\) Training Support Benefit](#): “provides workers with up to four weeks of income support through the EI system within a four-year period.”⁴ Benefits would support individuals to take training while not receiving a regular paycheck to pay for living expenses.
- [Leave Provisions](#): Federal government to consult with provincial and territorial governments on amendments to labour legislation to support employees to take time away from work without the threat of losing their job to engage in skills training.⁵

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Investments in apprenticeship that could support the aftermarket industry to attract youth to the motive trades, include:

- An investment of \$6 million over two years to create a national campaign that would promote the skilled trades 2.0 to Canadian youth by highlighting, among other things, the changing realities of the skilled trades and high wages.⁶
- An investment of \$40 million over four years and \$10 million each year after to encourage more youth to consider training and working in the skilled trades. The investment would flow through Skills Canada to support the organization to continue its work in raising the visibility of the trades to Canadian youth.
- The proposed Apprenticeship Strategy “will ensure that existing supports and programs—including the Apprenticeship Incentive and Completion Grants—address the barriers to entry and progression for those who want to work in the skilled trades in the most effective way, and support employers who face challenges in hiring and retaining apprentices.”⁷

Nationwide Federal Purchase Incentive for Green Vehicles

Electric and hydrogen-fuel-cell vehicles may soon be making more of an impact on Canada's aftermarket industry as the 2019 budget proposes \$300 million over three years for rebates of up to \$5,000 on electric or hydrogen-fuel-cell vehicles.⁸ The kicker is that the maximum purchase price of an eligible vehicle would be \$45,000, making the rebate inaccessible for purchasers of higher-cost green vehicles.

Short-Term Infrastructure Project Funding to Municipalities

Communities may see an uptick in job opportunities as the 2019 budget proposes putting more money directly into the hands of municipalities. Municipalities would then allocate funding for infrastructure priorities. This is in contrast to funds typically being funnelled to municipalities through provincial governments.

Deficit for Growth

The Liberals made clear that they are not going to balance the books. Instead the Liberals will spend to increase growth. When a government goes into deeper debt it impacts the overall business environment in Canada.

1. James, B., McCarthy, D., Theoret, H., Shurman, N., & Chavez, R. Analysis: Federal government 2019 budget. "Investing in the middle class". Sussex.
2. Canadian Press. (March 19, 2019). Federal Budget: Liberals promise tax credits, EI benefits to help workers. The Guardian. <https://www.theguardian.ca/news/regional/federal-budget-liberals-promise-tax-credit-ei-benefit-to-help-workers-293432/>
3. James, B., McCarthy, D., Theoret, H., Shurman, N., & Chavez, R.
4. Ibid.
5. Ibid.
6. Department of Finance Canada, Investing in the middle class: Budget 2019. <https://budget.gc.ca/2019/docs/plan/budget-2019-en.pdf>
7. Ibid.
8. The Canadian Press (March 19, 2019). Highlights from the 2019 federal budget. The Star. <https://www.thestar.com/politics/federal/2019/03/19/highlights-from-the-2019-federal-budget.html>



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