Memorandum

To: Ralph Suppa, President and General Manager – Canadian Institute of Plumbing & Heating (CIPH) and Tania Johnston, Chief Executive Officer – Mechanical Contractors Association of Canada

From: Brianna Workman – Manager, Government Policy – IMPACT Public Affairs

Subject: Fall Economic Statement – November 2020

Date: November 30th, 2020

General

Earlier today, Minister of Finance Chrystia Freeland tabled the long-awaited *Fall Economic Statement 2020* in the House of Commons, as COVID cases are rapidly increasing across the country and deep economic uncertainty persists.

The statement provides a detailed overview of Canada's fiscal position and presents new details on COVID-related relief measures. The federal government also reaffirms its Throne Speech's commitment to continue supporting the economy and the hardest-hit businesses through this crisis while laying the groundwork for the post-pandemic stimulus and long-term Liberal priorities, such as pharmacare, national affordable child care and addressing climate change.

Fiscal Overview

The deficit is estimated to reach a historic high of $382 billion for the fiscal year 2020-2021 before decreasing gradually to $121 billion in 2021-2022 and $51 billion in 2022-2023. The total debt will balloon to over $1.1 trillion in 2021, representing over 50% of the national GDP.

Government revenues, including personal income tax and corporate income tax, are expected to decrease significantly while expenses are rapidly increasing as a result of COVID-related business shutdowns and lockdowns.

Key Highlights for CIPH/MCAC Members

- An additional $150 million over three years, starting in 2020-21, to Infrastructure Canada to improve ventilation in public buildings that increase air quality and circulation, such as upgrades or conversions of heating, ventilation and air conditioning systems. More details on this measure will be announced in the coming months.
- Providing $2.6 billion over 7 years, starting in 2020-21, to Natural Resources Canada to help homeowners improve their home energy efficiency by providing up to 700,000 grants of up to $5,000 to help homeowners make energy-efficient improvements to their homes.
- An investment of $15 million in 2021-22 in the Foreign Credential Recognition Program to scale up existing supports for the labour market integration of skilled newcomers with a focus on in-demand sectors, such as skilled trades.
- Eliminating federal interest on Canada Student Loans and Canada Apprentice Loans for 2021-2022.

Additional Key Highlights

1. Creating a 100% government-backed credit availability loan program at low-interest rates for the hardest-hit businesses and sectors such as tourism, hospitality, airlines and accommodation. Details on the new program to be released in the coming weeks.
2. Increasing the maximum rate of the wage subsidy program to 75% from December 20, 2020, to March 13, 2021.
3. Maintaining the current maximum rate of the rent subsidy program to March 13, 2021, to provide greater certainty to businesses.
4. Providing a post-pandemic stimulus of up to $100 billion over three years once a vaccine is approved and distributed. The stimulus package will represent three to four per cent of Canada's GDP over three years.
5. Providing $500 million in additional funding to the Regional Development Agencies to provide financing support to local businesses unable to access other federal financial assistance.
6. Providing $1 Billion over three years for safe long-term care fund for provinces and territories.
7. Temporarily boosting the Canada Child Benefit up to $1,200 in 2021 for each child under the age of six for families entitled to the Canada Child Benefit.
8. Providing a $287 million top-up to the federal Zero-Emission Vehicles (ZEV) incentives program.
9. Investing $150 billion over three years in ZEV charging infrastructure.