



## **FEDERAL BUDGET 2021 – A RECOVERY PLAN FOR JOBS, GROWTH, AND RESILIENCE**

Trucking HR Canada

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*"This Budget is about finishing the fight against COVID, healing economic wounds, and creating more jobs and prosperity for Canadians in the days and decades to come."*

- Finance Minister Chrystia Freeland

### The 2021 Budget in a Nutshell

The 2021 Budget represents many “firsts” – delivered by Canada’s first female finance Minister, this Budget is also the first pandemic budget. Budget 2021 was presented on April 19<sup>th</sup> to a minority House of Commons. Taken as whole, it focuses on five key themes:

- Job creation
- Small business and growth
- Women, early learning, and childcare
- Climate action and a green economy
- Young Canadians

With economic recovery as its point of focus, the 2021 Budget is about creating new jobs and getting people back to work.

Trucking HR Canada stands ready to assist in connecting people to jobs in our sector – particularly those hardest hit by COVID-19 including young Canadians, women, Indigenous youth, racialized and Black youth, and newcomers to Canada.

### How does the Trucking and Logistics Industry Factor in?

The Canadian trucking and logistics sector has a unique position in the economic recovery puzzle. In standing as one of the most important commercial and economic sectors in Canada, the industry is responsible for carrying over \$850 billion in goods destined for domestic and international markets and employing over 650,000 workers. What's more, the trucking and logistics sector supports virtually every other critical industry in Canada – including manufacturing, construction, agriculture and food, oil and gas, forestry and more. As the COVID-19 situation has both confirmed and emphasized, truck transportation is an essential service in Canada.

### Challenges Facing the Industry: COVID-19 and Beyond

Our most up-to-date labour market information includes an assessment of the impacts of COVID-19 on the industry's health. It shows the following key facts:

- **Labour Shortage Dilemma:** Our economic projections show that truck driver vacancies are set to surpass 25,000 vacancies by 2023 – an increase of 25% compared to 2019. Vacancies will also increase for many other key occupations in the sector, including dispatchers, delivery and courier service drivers and transportation route and crew schedulers. This shows that the COVID-19 situation has not ultimately shifted labour shortage concerns off the agenda.

- **Demographic Changes:** Demographic factors are set to further fuel the labour shortage dilemma. The sector's labour force is older than average with 27% of workers over the age of 55, compared to 21% in the general labour force. On average, about 13,675 workers will retire each year from the industry's workforce.
- **Growing Demand for Drivers:** By 2023, the COVID-19 employment projections for drivers are expected to be higher than our baseline pre-COVID-19 projections, meaning that the need for drivers is only set to grow. This is due to increased demand for trucking services from virtually all economic sectors as the economy continues to reopen.
- **New Entries:** Workers coming into the sector are largely made up of new entries or entries from other occupations. In fact, about 54,000 inexperienced workers are expected to enter the sector each year to 2023, signalling that training needs may be significant.
- **Labour Supply Gaps Remain:** However – and over the next few years – the supply of workers in the sector is only projected to grow by about 5,600 people per year. This net growth is a function of inflows (new entries and entries from other occupations, immigration and non-permanent residents) and outflows of workers (retirements and other attrition). Importantly, this growth will not be enough to meet the expected employment demand over the same period.

For more information and resources on Trucking HR Labour Market Information, consult the following link: <https://truckinghr.com/labour-market-information/>

## JOBS, GROWTH, RESILIENCE

### How Budget 2021 will Impact Trucking and Logistics Employers and Trucking HR Canada programming

Budget 2021 pledges to create almost 500,000 new job and training opportunities for workers over coming years—including 215,000 new opportunities for youth.

To ensure youth and students can access valuable job skills and experience, Budget 2021 is proposing to invest \$721 million in the next two years to help connect them with employers and provide them with quality job opportunities.

It's also worth noting that the federal government is approaching the question of jobs, growth and resilience through a diversity and equity lens. For example, the proposed Budget also provides support for women entrepreneurs, with a proposal to provide up to \$ 146.9 million over four years starting in 2021-22. Resultant measures would aim to provide women entrepreneurs with access to financing, mentorship, and training.

Finally, Budget 2021 forecasts several changes in the area of Labour and employment relations, with a focus on improving labour protections for Canadian gig workers, ensuring better protections linked to medical leave and establishing a federal minimum wage of \$15 per hour. In all these areas, the federal government has communicated its intention to introduce

amendments to the Canada Labour Code. Changes to the Employment Insurance Act are also being envisioned, with the federal government outlining its intentions to conduct consultations on the nature of future reforms. As a result, employers should be prepared for further shifts in the labour law landscape.

Outlined below is a summary of key areas of Budget 2021 that are of relevance to trucking and logistics employers, including an overview of how Trucking HR Canada programming squares with these budgetary objectives. Employers who see their priorities reflected in these areas should follow Trucking HR Canada updates to obtain more information on potential opportunities that will continue to make themselves available.

<b>Youth employment skills strategy</b>	<b>Trucking HR Canada</b>
<p>Budget 2021 proposes to invest \$109.3 million in 2022-23 for the Youth Employment and Skills Strategy (YESS) to better meet the needs of vulnerable youth facing multiple barriers to employment, while also supporting over 7,000 additional job placements for youth.</p> <p>This builds on funding announced in the 2020 <i>Fall Economic Statement</i>, which is expected to result in over 30,600 new placements in 2021-22. This will make it easier for young people to get good jobs.</p>	<p>Trucking HR Canada's <i>Career ExpressWay Program</i> is a YESS delivery partner. We have connected hundreds of young Canadians to jobs in the trucking and logistics sector, with many facing barriers to employment. To date, the THRC program has had a 94% success rate.</p> <p>We are currently working to secure additional funds to continue connecting youth to stable, well-paying jobs in our sector.</p> <p>We anticipate more wage subsidies starting mid-summer through this program. <a href="#">Visit our website</a> to learn more about getting on the employer waiting list.</p>

<b>Student work-integrated learning</b>	<b>Trucking HR Canada</b>
<p>Budget 2021 proposes to invest \$239.8 million in the Student Work Placement Program (SWP) in 2021-22 to support work-integrated learning opportunities for post-secondary students.</p> <p>This funding would increase the wage subsidy available for employers to 75% (up to \$7,500 per student) while also increasing employers' ability to access the program.</p> <p>This is expected to provide 50,000 young people (an increase of 20,000) with valuable experience-building opportunities in 2021-22.</p>	<p>Through our <i>Career ExpressWay Program</i>, Trucking HR Canada continues to secure our partnership with the Student Work-Integrated program through Employment and Social Development Canada (ESDC).</p> <p>We anticipate having student placement opportunities available mid-summer through this program.</p>

Canada summer jobs	Trucking HR Canada
<p>Budget 2021 proposes to invest \$371.8 million in new funding for Canada Summer Jobs in 2022-23 to support approximately 75,000 new job placements in the summer of 2022. This is in addition to the 2020 <i>Fall Economic Statement</i> funding for approximately 94,000 additional job placements between 2021-22. In total, the Canada Summer Jobs program will support around 220,000 summer jobs over the next two years.</p>	<p>As the trucking and logistics sector looks to better attract and recruit young people, we will continue to identify funding opportunities for our industry.</p> <p>Employers can access information about the program here:  <a href="https://www.canada.ca/en/employment-social-development/services/funding/canada-summer-jobs.html">https://www.canada.ca/en/employment-social-development/services/funding/canada-summer-jobs.html</a></p> <p>Applications are currently closed for summer 2021.</p>

Helping employers train and recruit workers	Trucking HR Canada
<p>To help Canadians gain skills for good jobs in growing sectors, Budget 2021 proposes to support Employment and Social Development Canada by providing \$960 million over three years (beginning in 2021-22) for a new Sectoral Workforce Solutions Program.</p> <p>Working primarily with sector associations and employers, funding would help design and deliver training that is relevant to the needs of businesses (especially small and medium-sized businesses) and to their employees.</p> <p>This funding would also help businesses recruit and retain a diverse and inclusive workforce.</p> <p>This investment will help connect up to 90,000 Canadians with the training they need to access good jobs in sectors where employers are looking for skilled workers.</p> <p>It will also help diversify sectors by ensuring that 40% of supported workers are from underrepresented groups, including women, persons with disabilities and Indigenous people.</p>	<p>Through our projects, Trucking HR Canada has developed a comprehensive suite of resources to aid employers with recruiting and retaining a diverse and inclusive workforce. We are currently enhancing these resources through our Labour Market Information Project. We will continue to work with government to ensure our industry is able to access the funds needed to support the training needs of our employers and their employees.</p>

<b>Investing in skills, training, and trades</b>	<b>Trucking HR Canada</b>
<p>Every year, the federal government transfers around \$3 billion to the provinces and territories so they can support workers and help them develop the in-demand skills for their economies.</p> <p>Budget 2021 looks to the future by better connecting workers to good jobs in growing sectors. It proposes to create new opportunities and increase diversity in the trades and will look to help Canadians gain the foundational skills needed to succeed in today's economy.</p>	<p>As a growing sector and key delivery partner, Trucking HR Canada will work to ensure our sector continues to gain access to the funds needed to support employers and employees with training needs. To achieve this, we will continue to examine and quantify the unique labour market challenges that exist in different provincial contexts, which can help employers identify in-demand occupations and skills.</p>

<b>Supporting skills for success</b>	<b>Trucking HR Canada</b>
<p>Budget 2021 proposes to invest \$298 million in this area over three years(beginning in 2021-22) by supporting Employment and Social Development Canada in delivering a new Skills for Success program that would help Canadians at all skills levels improve their foundational and transferable skills.</p> <p>The program will fund organizations to design and deliver training to enhance foundational skills such as literacy and numeracy, as well as transferable and soft skills. This could include helping employers deliver training to increase the communication and teamwork skills of their employees, or community organizations looking to strengthen basic literacy and numeracy of marginalized groups.</p> <p>Additionally, funding will support the creation of assessments and training resources available online to all Canadians at no cost.</p> <p>Approximately 90,000 Canadians will be able to improve their literacy and essential skills to better prepare for, get, and keep a job. These measures are also set to support Canadians in adapting to work challenges and succeeding at work.</p>	<p>As a key ESDC program delivery partner, Trucking HR Canada will work to ensure that our growing sector gains access to the funds needed to support employers and employees with training and skill development needs that stem from this budgetary commitment.</p>

<b>Skills, training and advisory services/funding to innovation, science, and economic development Canada (ISED)</b>	<b>Trucking HR Canada</b>
<p>Budget 2021 proposes to provide \$1.4 billion over four years (starting in 2021-22) to Innovation, Science and Economic Development Canada to:</p> <ul style="list-style-type: none"> <li>• Work with organizations across Canada to provide access to skills, training, and advisory services for all businesses accessing this program.</li> <li>• Provide microgrants to smaller, main street businesses to support costs associated with technology adoption.</li> <li>• Create training and work opportunities for as many as 28,000 young people to help small and medium-sized businesses across Canada adopt new technology.</li> </ul>	<p>As a key federal program delivery partner, Trucking HR Canada will work to ensure that our growing sector gains access to the funds needed to support employers and employees with training and skill development needs that stem from this budgetary commitment.</p>

## OTHER POINTS TO NOTE

Budget 2021 also announces several commitments that may improve conditions for trucking and logistics employers, as these pertain to national trade corridors and to travel and trade at borders. Greater focus on transportation emissions has also been announced, with the government communicating its intent to strengthen greenhouse gas emissions regulations for light- and heavy-duty vehicles.

<b>Renewing our national trade corridors</b>
<p>To support a robust and quick recovery, Canada needs to address capacity constraints, bottlenecks, and inefficiencies in our own transportation infrastructure. This will support businesses across our supply chains and boost the potential for small and medium-sized businesses in all regions, including rural and remote communities.</p> <p>The National Trade Corridors Fund is well-positioned to spur private-sector investment in Canada's transportation system to reduce barriers to trade, help our businesses grow, create jobs, and ensure our businesses are competitive in the recovery.</p>

Budget 2021 proposes to invest \$1.9 billion over four years, starting in 2021-22, to recapitalize the National Trade Corridors Fund. This funding could attract approximately \$2.7 billion from private and other public sector partners, resulting in total investments of \$4.6 billion. This would spur investments in much-needed enhancements to our roads, rail, and shipping routes, build long-term resilience for the Canadian economy, and support internal trade. It would make Canada's transportation system more fluid, supporting economic recovery and increasing prosperity across Canada. Alleviating bottlenecks and congestion will also reduce greenhouse gas emissions in Canada. Of this total funding, 15 per cent would be dedicated to building and improving transportation networks in Canada's North. Investments will bring growth and jobs to northern communities and help more of our resources and goods get to markets in faster, cleaner, more cost-efficient ways.

### **Modernizing travel and trade at our borders**

The safe and timely flow of people and goods across our borders is integral to Canada's economic recovery. In the years ahead, a modern border should facilitate seamless and safe travel and trade, while protecting Canada from public health and security threats.

Budget 2021 proposes to provide \$656.1 million over five years, beginning in 2021-22, and \$123.8 million ongoing to the Canada Border Services Agency (CBSA) to modernize our borders. Funding will transform the border experience for travellers through touchless and automated interactions, enhance CBSA's ability to detect contraband, and help protect the integrity of our border infrastructure. Funding will also support three Canadian preclearance pilots in the United States that would enable customs and immigration inspections to be completed before goods and travellers enter Canada.

### **Reducing transportation and landfill emissions**

Taken together, the transportation and waste sectors account for nearly 30% of Canada's greenhouse gas emissions. Light- and heavy-duty vehicles contribute the largest share of transportation emissions, and emissions from gas-powered household equipment are on the rise. In addition, the Canadian landfills release large amounts of methane—a potent greenhouse gas. To create a healthier environment and support the transition to cleaner transportation and waste management.

Budget 2021 proposes to provide \$104.6 million over five years, starting in 2021-22, with \$2.8 million in remaining amortization to Environment and Climate Change Canada to strengthen greenhouse gas emissions regulations for light- and heavy-duty vehicles and off-road residential equipment, establish national methane regulations for large landfills, and undertake additional actions to reduce and better use waste at these sites.