



# Engineers Canada Federal Budget 2019 Highlights and Analysis

April 2, 2019

Questions concerning this report should be directed to:

Joey Taylor  
Manager, Public Affairs  
Engineers Canada  
[Joey.Taylor@engineerscanada.ca](mailto:Joey.Taylor@engineerscanada.ca)

613.232.2474 Ext.213

## Overview

---

On March 19, 2019, the Honourable Bill Morneau, Canada's Minister of Finance, tabled [Budget 2019, Investing in the Middle Class](#), in the House of Commons. The government's 2019 budget places a significant emphasis on and commitment to Indigenous peoples' access to post-secondary education, housing affordability, seniors' issues, investments in critical science, technology, engineering, and mathematics (STEM) skills, climate resilient infrastructure in northern and remote communities, strengthening Canada's cyber-security, and securing Canada's future in space.

Budget 2019 highlights approximately \$22.8 billion over the next five fiscal years in new spending, sending the government into a \$19.8 billion deficit for the 2019-2020 fiscal year—a larger projected deficit than what was outlined in the 2018 fall economic update.

Immediately following Minister Morneau's announcement and the tabling of Budget 2019 in the House of Commons, Engineers Canada issued a press release with the organization's initial reaction to the budget and details regarding its contents. Engineers Canada's press release is located on our [website](#).

Engineers Canada looks forward to continuing its working relationship with the federal government on important priorities outlined in Budget 2019, specifically regarding:

- support for Indigenous peoples' access to post-secondary education
- support for work-integrated learning and critical STEM skills
- climate resilient infrastructure in northern and remote communities
- support for Canada's future space exploration

## Support for Indigenous peoples' access to post-secondary education

---

### Promises

In general, Budget 2019 has dedicated a total of \$4.5 billion over five years towards reconciliation efforts with Indigenous populations in Canada. A portion of this proposed funding is dedicated to ensuring that Indigenous students in Canada have better access to post-secondary education and that they have more support for their chosen educational studies.

The government highlighted the barriers that Indigenous youth continue to face when it comes to pursuing a post-secondary education in Canada, as well as the obstacles in finding well-paying employment. The government proposes several significant investments to support Indigenous peoples' access to post-secondary education, starting in 2019-2020, which includes the following investments:

- \$327.5 million over five years to renew and expand the Post-Secondary Student Support Program while “the Government engages with First Nations on the development of long-term First Nations-led post-secondary education models.”
- \$125.5 million over ten years, and \$21.8 million per year ongoing, for an Inuit-led post-secondary education strategy.

- \$362 million over ten years, and \$40 million per year ongoing, for a Métis Nation-led post-secondary education strategy.

Budget 2019 proposes to provide \$9 million over three years, starting in 2019-2020, for additional bursaries and scholarships for First Nations, Inuit, and Métis students.

## Analysis and opportunities

Engineers Canada has been actively advocating to improve Indigenous peoples' access to post-secondary engineering education. This advocacy effort formed one of our key recommendations in our pre-budget submission in July 2018. Engineers Canada is encouraged by the government's substantial commitment in Budget 2019 towards ensuring that Indigenous students have increased access to post-secondary education and that they have more support for their studies.

The government must continue to build on this important investment and focus specifically on engineering access programs for Indigenous people across Canada. The engineering profession can better understand and, therefore, protect the public interest, if it is representative of the demographics of the Canadian public. This means leveraging the best talent from all parts of society, which adds value to employers, increases the production of creative solutions, and provides a deeper understanding of clients' needs. The profession requires diverse problem-solvers to promote Canada's innovative capacity. A career as an engineer in Canada presents a meaningful and well-paying path to building stronger communities and lays the groundwork for opportunities for future generations.

## Support for work-integrated learning and critical STEM skills

---

### Promises

Budget 2019 promises to expand STEM programs and to present Canadian youth with the opportunity to gain work experience related to their field of study. The government highlighted the importance of on-the-job learning and work experiences to help youth build a stronger understanding of the necessary skills they will need to succeed in their chosen workforce.

Budget 2019 promises to expand the Student Work Placement Program by investing \$631.2 million over five years, starting in 2019-2020, to support up to 20,000 new work placements per year for post-secondary students across Canada, in all disciplines, by 2021-2022.

\$150 million over four years, starting in 2020-2021, has been promised to create partnerships with "innovative businesses to create up to a further 20,000 work-integrated learning opportunities per year...helping to create 40,000 work placements for Canadian students by 2023-2024."<sup>1</sup>

Budget 2019 recognizes the need to equip Canadians with the necessary digital skills that are required to succeed in an increasingly digital world. To give youth the opportunities to get the digital skills that will help them to succeed, Budget 2019 proposes \$60 million over two years, starting in 2019-2020, to support CanCode's ongoing work to help Canadians gain new digital skills.

---

<sup>1</sup> Government of Canada (2019). "Investing in the Middle Class: Budget 2019." Retrieved March 20, 2019 from: <https://budget.gc.ca/2019/docs/plan/budget-2019-en.pdf>.

Similarly, Budget 2019 promises \$10 million over two years to support efforts to engage youth in STEM, introducing them to critical skills development opportunities in STEM.<sup>2</sup>

## Analysis and opportunities

Engineers Canada has advocated for additional support from government on existing work-integrated learning programs to guide students through the transition from post-secondary studies to employment. The increasing automation across industries, as well as rapid changes and developments in technology, are factors that will influence educational curriculums as well as the way in which Canadians will work in the years and decades to come. Engineers Canada is encouraged by the government's commitment towards expanding work-integrated learning opportunities for youth, as well as the importance of developing and honing youth's skills in STEM. Engineers Canada will continue to work collaboratively with the federal government to support this endeavour. Equipping today's youth with the critical skills and opportunities they need to pursue an engineering education, and ultimately a career in engineering, is vital to supporting innovative practices to address the challenges of the future.

## Support for Canada's Arctic and northern regions

---

### Promises

The Government built on their ongoing support for Canada's arctic and northern regions by allocating more than \$700 million over 10 years in new funding to ensure Canada's Arctic and northern communities remain prosperous, with a specific focus on enhancing infrastructure resources to connect remote communities. Specific to infrastructure, the government proposes several significant investments to support Canada's Arctic and northern regions:

- \$211 million over five years has been promised, with \$49.4 million per year ongoing, towards increasing emergency management on-reserves.
- \$48 million over four years starting in 2020-2021 to renew funding for infrastructure projects on reserves that will protect communities from climate-related hazards.
- A \$2.2 billion transfer from the federal gas tax fund to cities and towns to address "serious infrastructure deficits" and the "short-term priorities" of municipalities and First Nations communities.
- \$150 million, starting in 2020-2021, to create an infrastructure fund to support priority projects and economic diversification in impacted communities.
- \$400 million over 11 years for transportation infrastructure under the National Trade Corridors Fund.

Of particular interest is Budget 2019's commitment of \$84 million over five years to build knowledge of climate change impacts and to enhance the climate resiliency of northern communities "by improving the design and construction of northern infrastructure."<sup>3</sup>

---

<sup>2</sup> Government of Canada (2019). "Investing in the Middle Class: Budget 2019." Retrieved March 20, 2019 from: <https://budget.gc.ca/2019/docs/plan/budget-2019-en.pdf>.

<sup>3</sup> Ibid.

## Analysis and opportunities

Engineers Canada’s pre-budget submission called for the extension of funding to integrate public infrastructure climate vulnerability assessments into life cycle asset management. Extreme weather and rapid changes to Canada’s climate present a profound risk to both public safety and the reliability of Canada’s infrastructure. The disruption and cost to Canada’s economy when infrastructure is damaged or destroyed by extreme weather events is growing and becoming more frequent across Canada. For this reason, Engineers Canada is supportive of the federal government’s commitment to build capacity and knowledge of climate change impacts, as well as the enhancement of climate resiliency in northern communities. It is crucial for the federal government to continue to promote the awareness of climate change impacts, adaptation measures, and GHG reductions with communities across Canada and industry.

However, Budget 2019 highlights that Phase Two of the Infrastructure Plan has been stalled. Engineers Canada had hoped that the government would use this budget as an opportunity to streamline measures for the reorganization of infrastructure investments. The government acknowledged the stall in a recent news release, stating “[t]he pace of spending under the Investing in Canada Plan has been slower than originally anticipated.”<sup>4</sup>

Although Budget 2019 did not highlight streamlined measures for the reorganization of infrastructure projects, the government did delineate measures to help organize the process in a February 21, 2019, media release. The media release outlined that the government intends to be more responsive to the needs of provinces and territories to “support more infrastructure renewal in rural and northern communities, simplify the process by which proposed projects are approved, and expand the types of energy retrofit projects that are eligible for federal funding.”<sup>5</sup>

Engineers Canada encourages the federal government to extend funding to public infrastructure climate vulnerability assessments into life-cycle asset management to enhance infrastructure investments and to ensure infrastructure projects under Phase Two of the Investing in Canada Plan remain a priority.

## Support for Canada’s future space exploration

---

### Promises

Budget 2019 promises an important investment in Canada’s future in space exploration. Budget 2019 outlines that “Canada will be a partner in the NASA-led Lunar Gateway—a project that will see humans return to the Moon and set the stage for further exploration to Mars—by developing the robotic systems for the Lunar Gateway, including a third-generation artificial intelligence-enabled Canadarm.”<sup>6</sup>

---

<sup>4</sup> Boutillier, A. (2019). “Federal government gives cash boost to municipalities as infrastructure plan stalls.” Retrieved March 21, 2019 from: <https://www.thespec.com/news-story/9230376-federal-government-gives-cash-boost-to-municipalities-as-infrastructure-plan-stalls/>.

<sup>5</sup> Government of Canada (2019). “Canada’s Infrastructure Minister takes concrete action to make federal infrastructure plan more responsive to the needs of provinces and territories.” Retrieved March 21, 2019 from: <https://www.canada.ca/en/office-infrastructure/news/2019/02/canadas-infrastructure-minister-takes-concrete-action-to-make-federal-infrastructure-plan-more-responsive-to-the-needs-of-provinces-and-territories.html>.

<sup>6</sup> Government of Canada (2019). “Investing in the Middle Class: Budget 2019.” Retrieved March 20, 2019 from: <https://budget.gc.ca/2019/docs/plan/budget-2019-en.pdf>.

Prior to Budget 2019, the Prime Minister announced an investment, on February 28, 2019, of \$2.05 billion over 24 years to ensure that Canada's remains a leader in space robotics.

## **Analysis and opportunities**

Engineers Canada is encouraged by the government's commitment to Canada's future space exploration. Engineers Canada was proud to participate in the MDA-led "Don't Let Go Canada" campaign to advocate for renewed space research and exploration funding. Engineers Canada is encouraged to see the campaign encounter support from the federal government and come to realization.

Encouraging Canada's role as a leader in space exploration is key in supporting the innovative work of engineers in Canada. Engineers are oftentimes at the forefront of innovation and productivity enhancements. Innovative thinking is required to drive and improve productivity in Canada's future space exploration initiatives. In the absence of sustained innovation to drive space projects, ideas, and initiatives forward, the competitiveness of Canada's space exploration activities becomes strained. Engineers Canada will continue to collaborate with the federal government to ensure that engineers are valued stakeholders in Canada's future space exploration efforts.