



NEWS RELEASE COMMUNIQUÉ

BUDGET 2009 GETS HIGH MARKS FROM THE CANADIAN CONSTRUCTION ASSOCIATION – EVERY \$1B IN INVESTMENT MEANS 11,500 JOBS ACROSS CANADA

JANUARY 27, 2009

OTTAWA – The Canadian Construction Association (CCA) gives Budget 2009 high marks for providing much needed stimulus to the flagging Canadian economy through investments in traditional infrastructure, college infrastructure and green technologies, as well as new incentives to help retrain Canada's unemployed.

“Our industry is pleased the government recognized that the best and quickest way to get Canadians back to work is through investments in infrastructure – every billion dollars invested means more than 11,500 jobs.” said Michael Atkinson, President of the Canadian Construction Association in Ottawa following the tabling of today's federal Budget. “We have both an infrastructure and economic crisis - the time is right to accelerate the long overdue modernization of Canada's crumbling infrastructure in a way that will create jobs, stimulate economic recovery, and better our communities while providing Canadian taxpayers with the best bang for their stimulus buck.”

Canada's construction industry employs close to 1.2 million men and women, and accounts for approximately 6 percent of Canada's annual GDP. It buys goods and services in every region of the country and in every sector of the economy. As such, any significant increase in construction activity produces thousands of spin-off jobs in other sectors - steel, engineering, forestry, autos, banking and retail – which is why it remains the barometer of economic health.

“CCA believes investing in the modernization of Canada's aging infrastructure is paramount. Not only will investing in infrastructure create immediate improvements and jobs today, but it will create better roads, bridges and overpasses, safer drinking water and cleaner sewage treatment facilities, as well as modern hospitals, schools, colleges and universities all of which are critical in today's global economy to attracting new businesses and jobs to Canada. By investing in Canada today, we ensure our economy will be ready to compete tomorrow and communities from Corner Brook to Montreal, Cambridge to Calgary, and Kamloops to Victoria all benefit,” he said.

CCA was also pleased with the government announcement to invest in college infrastructure, green infrastructure, and job retraining and supports for displaced workers. We were also pleased with the announcement that EI premiums will be frozen for the next two years.

“The infrastructure measures announced in today’s federal Budget are critical to ensuring that Canadian communities, businesses and our workforce are well-equipped and prepared to respond to the new opportunities that will present themselves as the economy recovers,” said Atkinson.

Atkinson concluded, “The men and women of the construction industry are ready to get to work across Canada and contribute to the strengthening of the Canadian economy.”

The Canadian Construction Association is the voice of the national non-residential construction industry. It represents over 20,000 construction firms in an integrated structure of some 70 local and provincial construction associations.

FOR FURTHER INFORMATION PLEASE CONTACT:

Canadian Construction Association
Bill Ferreira
Director of Government Relations and Public Affairs
613-236-9455, ext. 432
613-608-9455 (cell)



**BUDGET 2009 MEASURES IMPACTING
THE CANADIAN CONSTRUCTION INDUSTRY**

Immediate Action to Build Infrastructure

- Almost \$12 billion in new infrastructure stimulus funding over two years.
- \$11 billion of the money is new money, and \$1 billion is accelerated Provincial-Territorial Fund of the Building Canada Plan.

Investments in Provincial, Territorial and Municipal Infrastructure

- A new two-year, \$4-billion Infrastructure Stimulus Fund that will provide funding to renew infrastructure.
- A new \$1 billion investment over five years for the Green Infrastructure Fund to support projects such as sustainable energy.
- A new \$500 million over two years to build and renew community recreation facilities across Canada.
- A new \$500 million over the next two years for infrastructure projects in small communities.
- An acceleration of \$1 billion in payments over two years under the Provincial-Territorial Base Funding Initiative to expedite "ready-to-go" infrastructure projects.

Investments in First Nations Infrastructure

- Providing \$515 million over two years for "ready-to-go" First Nations projects in three priority areas: schools, water and critical community services.

Investments in College and University Infrastructure

- Up to \$2 billion to repair, retrofit and expand facilities at post-secondary institutions.
- Providing \$250 million over two years to address deferred maintenance at federal laboratories.

Investments in Federal Infrastructure Projects

- Budget 2009 will set aside funds to build and renew federal public infrastructure, including:
 - VIA Rail Canada by \$407 million to support improvements to passenger rail services, including higher train frequencies and enhanced on-time performance and speed, particularly in the Montréal–Ottawa–Toronto corridor.
 - Investing \$7.9 million for new capital projects of two First Nations railways: the Keewatin Railway Company in Manitoba and the Tshiuetin Rail Transportation in Quebec and Labrador.
 - Providing \$72 million over five years to improve railway safety.
 - Providing \$130 million to Parks Canada for twinning a section of the Trans-Canada Highway through Banff National Park.
 - Allocating \$212 million to renew the Champlain Bridge in Montréal, Canada's busiest bridge.
 - Providing up to \$14.5 million for two bridges at two of the busiest U.S.–Canada border crossings: the Blue Water Bridge in Sarnia and the Peace Bridge in Fort Erie.
 - Setting aside up to \$42 million for other federal bridges in need of rehabilitation throughout Canada.
 - Providing up to \$217 million to accelerate the construction of the Pangnirtung Harbour in Nunavut and repair core small craft harbours across Canada.
 - Allocating \$323 million over two years for the restoration of federally owned buildings.
 - Providing \$20 million in each of two years to improve the accessibility of federally owned buildings for people with disabilities.
 - Committing \$2 million to develop a plan for the future of the historic Manège Militaire in Québec City, destroyed by fire in 2008.
 - Increasing funding by \$80 million over the next two years to manage and assess federal contaminated sites, facilitating remediation work totalling \$165 million over two years.
 - Providing funding to modernize and expand border service facilities at Prescott, Ontario; and at Huntingdon, Kingsgate, and the Pacific Highway in British Columbia.
 - Supporting the development of aviation security plans, improving operations of the Canadian Air Transportation Security Authority, and implementing a new air passenger assessment system and a new security program for air cargo.

Highway Projects Slated for Construction from the Building Canada Plan

- The Government of Canada will also work with the provinces of Ontario, Quebec, Nova Scotia and Manitoba to cost-share the following projects, which would support the twinning of the Trans-Canada Highway:
- Targeted twinning improvements to a number of segments of Highways 11 and 17 in Northern Ontario.
- Completion of the twinning of Highway 185 in Quebec. • Completion of the Nova Scotia Highway 104 Antigonish Bypass Phase 2 project.
- Improvements to a 6-kilometre stretch of the Trans-Canada Highway through Headingley, Manitoba.
- Funding for these projects would come from existing provincial allocations under the Building Canada plan.

Action to Support Businesses and Communities

Tax and Tariff Relief to Stimulate Business Investment

- Introducing a temporary 100-per-cent capital cost allowance (CCA) rate for computers acquired after January 27, 2009 and before February 1, 2011.
- Extending the temporary 50-per-cent straight-line accelerated CCA rate to investment in manufacturing or processing machinery and equipment undertaken in 2010 and 2011. ***** NOT MOBILE EQUIPMENT AS REQUESTED IN THE CCA PRE-BUDGET SUBMISSION*****
- In the context of the current global financial environment, repealing the interest deductibility constraints in section 18.2 of the Income Tax Act.

Supporting Small Businesses

- Increasing the amount of small business income eligible for the reduced federal tax rate of 11 per cent to \$500,000 from the current limit of \$400,000 as of January 1, 2009.
- Increasing access to credit for small businesses through proposed amendments to the Canada Small Business Financing Program and the Business Development Bank of Canada.
- Providing \$30 million over two years for the Canada Business Network and \$10 million to the Canadian Youth Business Foundation.

Employment Insurance

Premiums

- Freezing EI premium rates at \$1.73 per \$100 for both 2009 and 2010—their lowest level since 1982—a projected \$4.5 billion stimulus relative to break-even rates.

New Training Incentives

- Increasing funding for training delivered through the Employment Insurance program by \$1 billion over two years.
- Investing \$500 million over two years in a Strategic Training and Transition Fund to support the particular needs of individuals who do not qualify for EI training, such as the self-employed or those who have been out of work for a prolonged period of time.
- Providing \$55 million over two years to help young Canadians find summer jobs.
- Supporting older workers and their families with an additional \$60 million over three years for the Targeted Initiative for Older Workers and expanding it to include workers in small cities.
- Responding to skilled labour shortages with \$40 million a year to launch the \$2,000 Apprenticeship Completion Grant.
- Providing \$50 million over two years for a national foreign credential recognition framework in partnership with provinces and territories.
- Investing an additional \$100 million over three years in the Aboriginal Skills and Employment Partnership (ASEP) initiative, expected to support the creation of 6,000 jobs for Aboriginal Canadians.
- Investing \$75 million in a two-year Aboriginal Skills and Training Strategic Investment Fund.
- Responding to skilled labour shortages with \$40 million a year to launch the \$2,000 Apprenticeship Completion Grant.

Action to Stimulate Housing Construction

- Up to \$7.8 billion in tax relief and funding to help stimulate the housing sector and improve housing across Canada.

Investments in Housing for Canadians

- Providing a one-time federal investment of \$1 billion over two years for renovations and energy retrofits for up to 200,000 social housing units on a 50–50 cost-shared basis with provinces.
- Investing \$400 million over two years for the construction of social housing units for low-income seniors.
- Investing \$75 million over two years for the construction of social housing units for persons with disabilities.
- Supporting social housing in the North with an additional \$200 million over two years.

Helping Municipalities Build Stronger Communities

- Making available up to \$2 billion over two years in direct, low-cost loans to municipalities to finance improvements to housing related infrastructure, such as sewers, water lines, and neighbourhood regeneration projects. Municipalities will also have access to significant new funding available under major new provincial, territorial and municipal infrastructure initiatives.