



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# **TOWARDS PROSPERITY: FEDERAL BUDGETARY PRIORITIES FOR PEOPLE, BUSINESSES AND COMMUNITIES**

## **Report of the Standing Committee on Finance**

**James Rajotte  
Chair**

**DECEMBER 2014**

**41<sup>st</sup> PARLIAMENT, SECOND SESSION**

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# **THE STANDING COMMITTEE ON FINANCE**

has the honour to present its

## **EIGHTH REPORT**

Pursuant to its mandate under Standing Order 83.1 the Committee has studied proposals in the budgetary policy of the government and has agreed to report the following:





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# CHAPTER ONE: INTRODUCTION

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The midpoint of the second decade of the 21<sup>st</sup> century is perhaps an opportune time to assess the extent to which Canada's residents have a high quality of life and standard of living, its businesses are growing and prospering, and its communities are healthy and secure.

Canada continues to be affected by weak economic growth and financial instability in other countries, particularly those that are significant trading partners, as some continue to be negatively affected by the global financial and economic crisis that started in the latter half of the previous decade. Understandably, these adverse effects have detrimental impacts on Canada.

Domestically, the federal fiscal situation is more sound than was the case during the global crisis, which presents opportunities for taking actions that will aid economic growth, support families and Canadians who are vulnerable, help businesses as they undertake research, development, innovation and commercialization activities, enhance the prosperity and security of the country's communities, improve our taxation and regulatory regimes, and maximize employment opportunities and outcomes for Canadians.

It was within this context that the House of Commons Standing Committee on Finance (hereinafter the Committee) launched its pre-budget consultations for 2014, asked interested Canadian groups and individuals to make submissions, and invited selected witnesses to make presentations on one of six topics:

- Balancing the federal budget to ensure fiscal sustainability and economic growth;
- Supporting families and helping vulnerable Canadians by focusing on health, education and training;
- Increasing the competitiveness of Canadian businesses through research, development, innovation and commercialization;
- Ensuring prosperous and secure communities, including through support for infrastructure;
- Improving Canada's taxation and regulatory regimes; and
- Maximizing the number and types of jobs for Canadians.

Chapters Two through Seven summarize the proposals made by the Committee's witnesses on these six topics, while Chapter Eight contains the Committee's recommendations for the 2015 federal budget. The Appendix categorizes the main topics discussed in the online submissions made by interested groups and individuals.





# CHAPTER TWO: BALANCING THE FEDERAL BUDGET TO ENSURE FISCAL SUSTAINABILITY AND ECONOMIC GROWTH

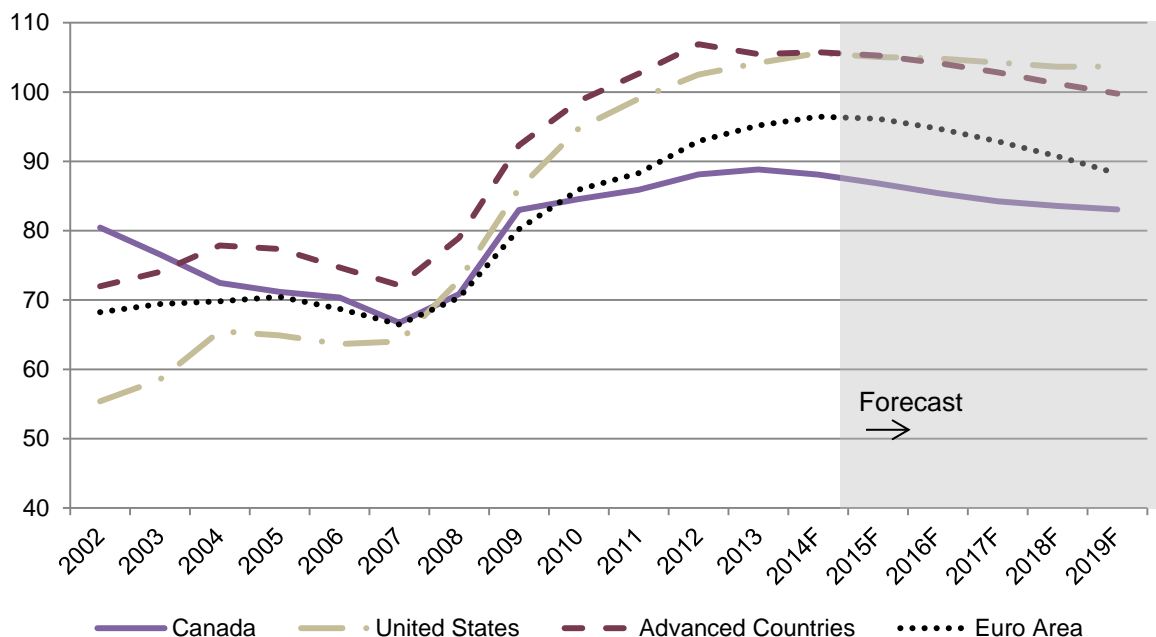
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## A. Background

### 1. Fiscal Conditions and Projections

During the most recent global financial and economic crisis, reduced economic activity led to a decline in government revenue in several advanced countries; with an increase in government spending due – at least in part – to stimulus measures, some governments had budgetary deficits and higher levels of debt. Following the crisis, a number of these countries implemented measures to reduce their budgetary deficit, which the [International Monetary Fund](#) (IMF) believes stabilized the levels of debt, including in the euro area; however, it has noted that – by 2019 – debt levels as a percentage of gross domestic product (GDP) are still expected to exceed 100%, as shown in Figure 1. According to the IMF, “[h]esitant recovery and persistent risks of [low inflation] and reform fatigue call for fiscal policy that carefully balances support for growth and employment creation with fiscal sustainability.”

**Figure 1 – General Government Gross Debt as a Proportion of Gross Domestic Product, Canada, the United States, the Euro Area and Advanced Countries, 2002–2019**



Notes: “F” indicates forecast.

Data refer to the gross debt of the general government, which includes the federal, state or province and local levels of government.

According to the International Monetary Fund, the advanced countries are Australia, Austria, Belgium, Canada, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong (Special Administrative Region of China), Iceland, Ireland, Israel, Italy, Japan, Latvia, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, San Marino, Singapore, the Slovak Republic, Slovenia, South Korea, Spain, Sweden, Switzerland, Taiwan (Province of China), the United Kingdom and the United States.

According to the International Monetary Fund, the euro area consists of 18 European Union member countries that have adopted the euro as their common currency and sole legal tender. The member countries are Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain.

Source: Figure prepared using information from: International Monetary Fund, [World Economic Outlook Database](#), 4 November 2014.

[Department of Finance](#) data indicate that Canada's federal budgetary deficit reached a peak of \$55.6 billion in 2009–2010, and has been decreasing since then; it was \$33.4 billion in 2010–2011, \$26.3 billion in 2011–2012, \$18.4 billion in 2012–2013 and \$5.2 billion in 2013–2014. According to the Department of Finance's [Update of Economic and Fiscal Projections](#), the federal budgetary deficit will be \$2.9 billion in 2014–2015, and there will be a budgetary surplus of \$1.9 billion in 2015–2016.

In 2013–2014, the [federal debt – defined](#) as the difference between the federal government's total liabilities and total assets – was \$611.9 billion and the federal debt as a proportion of GDP was 32.3%. These figures were – respectively – higher and lower than the 2012–2013 values of \$609.4 billion and 33.3%. In 2013–2014, at the federal level, the [net debt](#) – defined as the difference between the federal government's total liabilities and financial assets – was \$682.3 billion and the net debt as a proportion of GDP was 36.3%. These figures were – respectively – higher and lower than the 2012–2013 values of \$678.3 billion and 37.3%.

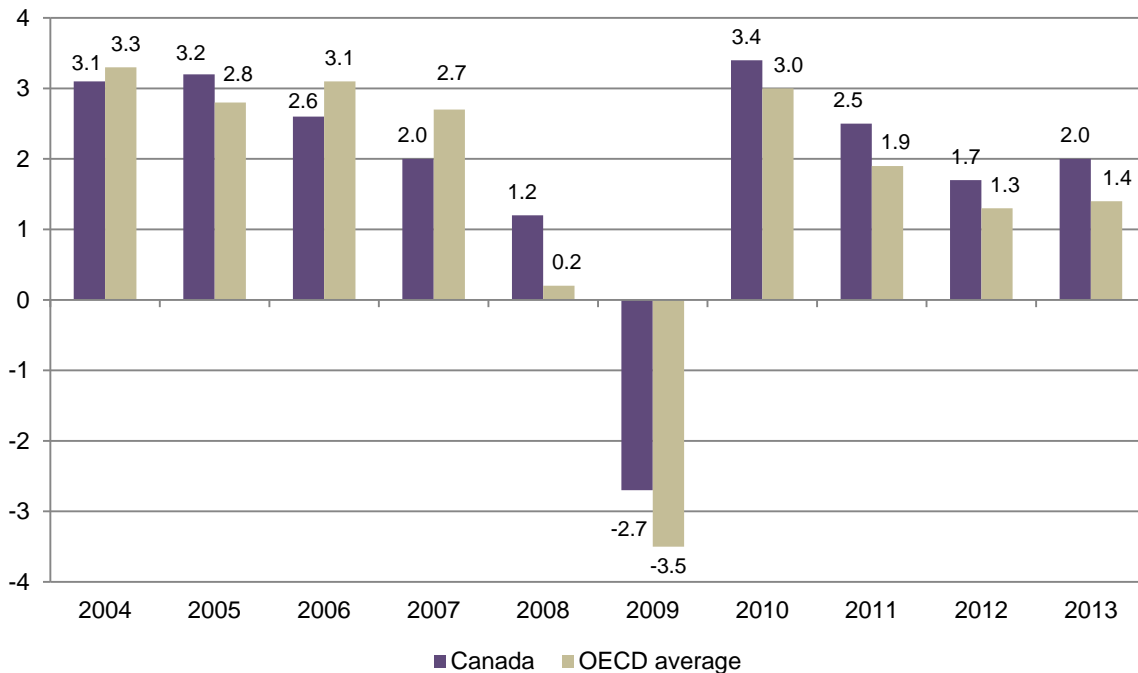
In the 16 October 2013 [Speech from the Throne](#), the federal government announced its intention to introduce balanced budget legislation that would “require balanced budgets during normal economic times, and concrete timelines for returning to balance in the event of an economic crisis.” To date, balanced budget legislation has not been introduced in Parliament.

## **2. Economic Conditions and Projections**

According to [Statistics Canada](#), the year-over-year growth rate in Canada's real GDP was 1.0% in the fourth quarter of 2012, a post-2010 peak of 2.7% in the fourth quarter of 2013, 2.1% in the first quarter of 2014 and 2.6% in the second quarter of 2014.

Figure 2 shows annual real GDP growth rates for Canada and the average for Organisation for Economic Co-operation and Development (OECD) countries over the 2004 to 2013 period. Since 2008, Canada's real GDP growth rate has been consistently higher than the average for OECD countries; in 2013, Canada's rate was the highest among the Group of Seven and euro area countries.

**Figure 2 – Annual Growth in Real Gross Domestic Product, Canada and OECD Countries, 2004–2013 (%)**



Source: Figure prepared using information from: Organisation for Economic Co-operation and Development, [OECD.StatExtracts](#), accessed 4 November 2014.

The [Bank of Canada](#) expects the Canadian economy to grow by 2.3% in 2014, 2.4% in 2015 and 2.3% in 2016. Household consumption is expected to contribute relatively less to real GDP growth than has been the case in the past, while the contributions by business fixed investment and exports are predicted to increase, particularly in 2014 for exports, and in 2015 and 2016 for business fixed investment.

In his 4 November 2014 [appearance](#) before the Committee, the Governor of the Bank of Canada indicated that the export sector’s recent underperformance can be explained by the loss of production capacity, due in part to factory closures and restructuring in a number of non-energy export sectors since 2000. That said, he suggested that the outlook for the export sector is improving and that the low relative value of the Canadian dollar plays a role. Regarding business investment, he stated that “while companies plan to invest in new machinery and equipment, few are planning to expand their capacity, at least so far. This helps explain why business investment might be delayed ....”

The [Parliamentary Budget Officer](#), selected financial institutions, the [IMF](#), the [OECD](#), and the Department of Finance, which relies on a survey of private-sector forecasters when determining its forecast, have estimated that annual economic growth in Canada will be between 2.3% and 2.5% in 2014, and between 2.4% and 2.7% in 2015.

## **B. Changes Proposed by Witnesses Invited to Address “Balancing the Federal Budget to Ensure Fiscal Sustainability and Economic Growth”**

In speaking to the Committee about balancing the federal budget to ensure fiscal sustainability and economic growth, witnesses invited to address this topic made proposals relating to federal budgetary policy, balanced budget legislation and fiscal reporting.

### **1. Federal Budgetary Policy**

The [Canadian Council of Chief Executives](#), the [Fraser Institute](#) and the [Macdonald-Laurier Institute](#) stated that eliminating the federal budgetary deficit should be a priority for the government, and the [Fraser Institute](#) advocated strong fiscal discipline once budgetary balance is achieved.

According to the [Canadian Council of Chief Executives](#), the [Canadian Taxpayers Federation](#), the [Frontier Centre for Public Policy](#) and the [Macdonald-Laurier Institute](#), the government should reduce the level of the federal debt. To encourage debt-reduction efforts, the [Canadian Taxpayers Federation](#) proposed that the 2015 federal budget include a schedule for debt repayment.

In considering its long-term projection – for 2017 and beyond – of Canadian economic growth of 2% annually, the [Conference Board of Canada](#) suggested that economic growth be the core theme of future federal budgets.

The [Canadian Taxpayers Federation](#) and the [Frontier Centre for Public Policy](#) encouraged the government to reduce taxes. The [Conference Board of Canada](#) proposed that the government prioritize debt reduction over tax reductions.

Regarding ways in which federal spending could be reduced, the [Macdonald-Laurier Institute](#) urged the government to undertake a comprehensive review of public-sector compensation, including pensions. With a view to reducing the size of the public sector and enhancing its effectiveness, the [Frontier Centre for Public Policy](#) advocated the adoption of measures that have been implemented in other countries, such as embedded performance management and improved accounting systems. As a means of managing the growing cost of health care and the pressure it exerts on Canadian fiscal sustainability, the [University of Ottawa](#)'s Kevin Page encouraged a national dialogue on health care policy and finance that would involve all stakeholders.

The [Frontier Centre for Public Policy](#) proposed that federal involvement in areas of provincial responsibility end, and that federal taxing powers – particularly in relation to the Goods and Services Tax (GST) and the federal excise tax on gasoline – be transferred to the provinces to offset reduced federal spending in these areas. As well, in commenting that equalization transfers can lead the public sectors in recipient provinces to be large and inefficient, [it](#) called for changes to the equalization program that would occur concurrently with the proposed transfer of federal taxing powers. [Mr. Page](#) suggested that options to reform federal transfers to the provinces/territories be examined.

## **2. Balanced Budget Legislation**

The [Canadian Taxpayers Federation](#) supported the enactment of federal balanced budget legislation, and suggested that the statute be integrated into the *Constitution Act, 1867*. While he recognized that balanced budget legislation can provide a strong signal that the government has a specific fiscal target, [Mr. Page](#) indicated that other countries' experience with such legislation should be analyzed to help identify best practices and measures that would mitigate any potential negative impacts. In [his](#) view, if balanced budget legislation is adopted, it should be designed in a manner that would not limit investments in infrastructure.

## **3. Fiscal Reporting**

In noting the practice of governments in some other OECD countries, [Mr. Page](#) urged the federal government to publish annual fiscal sustainability reports that would provide analysis of the fiscal situation of federal, provincial/territorial and municipal governments. In addition, [he](#) proposed that the government prepare five-year spending plans for each department and agency that would outline spending reductions and corresponding changes to service levels, as these changes may lead to future spending pressures on governments.

## **C. Changes Proposed by Witnesses Invited to Address Topics Other Than “Balancing the Federal Budget to Ensure Fiscal Sustainability and Economic Growth”**

The Committee's witnesses were invited to speak about a particular topic. When they appeared, they often made comments about one of the other five topics selected by the Committee, as indicated below.

### **1. “Supporting Families and Helping Vulnerable Canadians by Focusing on Health, Education and Training” Witnesses**

[YWCA Canada](#) proposed that the government implement gender-based analysis at the earliest possible stage of the process for developing the federal budget.

### **2. “Increasing the Competitiveness of Canadian Businesses Through Research, Development, Innovation and Commercialization” Witnesses**

The [Confédération des syndicats nationaux](#) urged the federal and provincial governments to work together with a view to resolving the fiscal imbalance. [It](#) also asked the federal government to revise the equalization formula, and to improve the Canada Health Transfer and the Canada Social Transfer.

### **3. “Ensuring Prosperous and Secure Communities, Including Through Support for Infrastructure” Witnesses**

In speaking about the equalization program, [Marcelin Joanis](#) – who is with Polytechnique Montréal and appeared as an individual – indicated that the program's

redistributive capacity is limited. [He](#) commented on a properly functioning federation, and questioned the appropriateness of federal insulation from the effects of fluctuating equalization payments.

#### **4. “Improving Canada’s Taxation and Regulatory Regimes” Witnesses**

In commenting on federal budgetary balance, the [Canadian Centre for Policy Alternatives](#) proposed that tax reductions be considered as a third or fourth option to achieve balance.

The [Canadian Bankers Association](#) and the [Chartered Professional Accountants of Canada](#) supported the goal of federal budgetary balance while maintaining a competitive tax environment.

In speaking about the flow of capital, [Tax Executives Institute, Inc.](#) suggested that any federal commitment to budgetary balance be considered in the context of the need to ensure Canada’s corporate tax competitiveness and appropriate levels of foreign investment.

#### **5. “Maximizing the Number and Types of Jobs for Canadians” Witnesses**

[Scott Clark](#) – who is with C.S. Clark Consulting and appeared as an individual – suggested that future federal budgetary surpluses be used to stimulate economic growth and create jobs, mainly through infrastructure spending; measures in these areas should be financed through debt rather than through higher taxes or reduced program spending in other areas.

The [Quebec Employers’ Council](#) requested that future federal budgetary surpluses be used strategically and in a balanced manner; particular mention was made of corporate and personal tax reductions, and investments in programs that influence productivity, innovation, marketing, environmental conservation and infrastructure development.





# CHAPTER THREE: SUPPORTING FAMILIES AND HELPING VULNERABLE CANADIANS BY FOCUSING ON HEALTH, EDUCATION AND TRAINING

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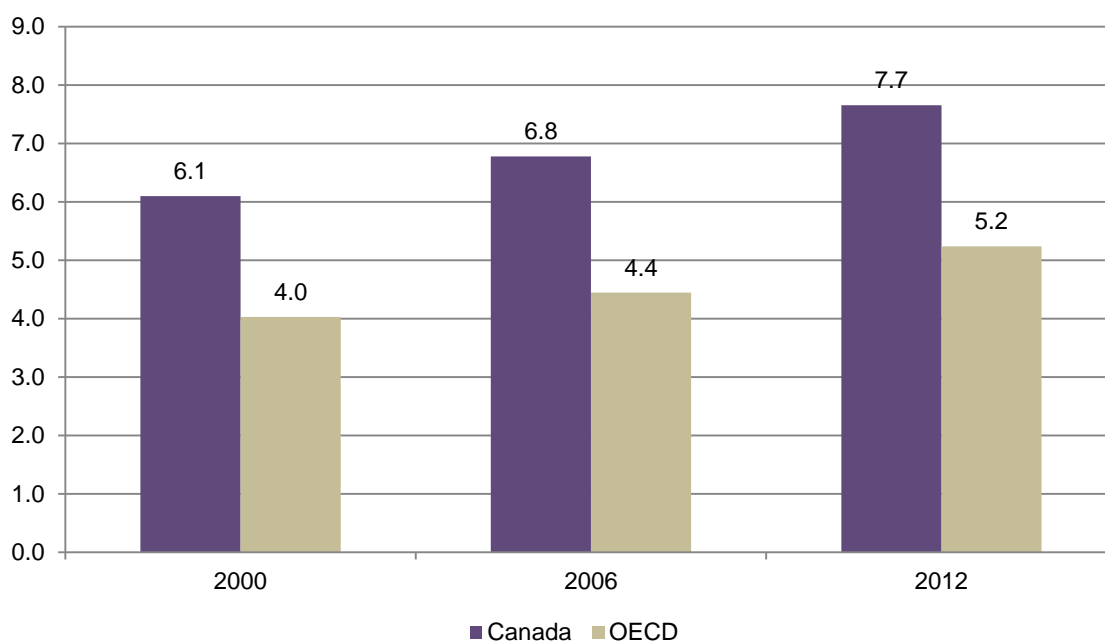
## A. Background

### 1. Health

According to the [Canadian Institute for Health Information](#), Canada consistently ranks near or above peer countries on a range of quality of health care indicators. Relative to an average of 21 member countries of the Organisation for Economic Co-operation and Development (OECD), from 2010 to 2012, Canada performed better in terms of avoidable hospital admissions, as well as cancer screening and survival; that said, the Canadian incidence of trauma related to child delivery and in-hospital fatalities due to stroke tended to be relatively higher.

As shown in Figure 3, public-sector health spending by all governments in Canada represented 7.7% of gross domestic product (GDP) – or \$13.9 billion – in 2012, up from 6.1% in 2000. As a share of GDP, this spending was consistently higher in Canada than was the case for the average of OECD countries from 2000 to 2012, with the gap between Canada and the OECD average growing by about 0.4 percentage points over the period.

**Figure 3 – Public-Sector Health Spending by All Governments as a Percentage of Gross Domestic Product, Canada and the Average for OECD Countries, 2000, 2006 and 2012 (%)**



The OECD average is based on the latest data available in each country. The latest data for Australia, New Zealand, Portugal and Spain is 2011, and for the Netherlands is 2002.

Source: Figure prepared using information from: Organisation for Economic Co-operation and Development, [OECD Health Statistics 2014](#).

Although Canada’s provincial/territorial governments have primary jurisdiction over health care, the federal government provides indirect support in this area through transfer payments to provincial/territorial governments – including the [Canada Health Transfer](#) – and through a range of tax measures for individuals – including the [Disability Tax Credit](#), the non-refundable [tax credit for medical expenses](#), the [refundable medical expense supplement](#), the [caregiver tax credit](#), the [tax credit for infirm dependants aged 18 or older](#), the [family caregiver tax credit](#), the [spouse or common-law partner amount](#), and the [amount for children under 18 years of age](#).

As well, the federal government provides [direct support](#) for health research, surveillance and the development of health information technology. It also funds grants and contributions to individuals and organizations to facilitate their participation in a variety of activities, such as health promotion, health protection, disease prevention and health research.

Finally, the federal government delivers health care to specific groups of people within its [jurisdiction](#), most notably to First Nations people on reserve, Inuit people,

members of the Canadian Armed Forces and their families, and inmates of federal penitentiaries.

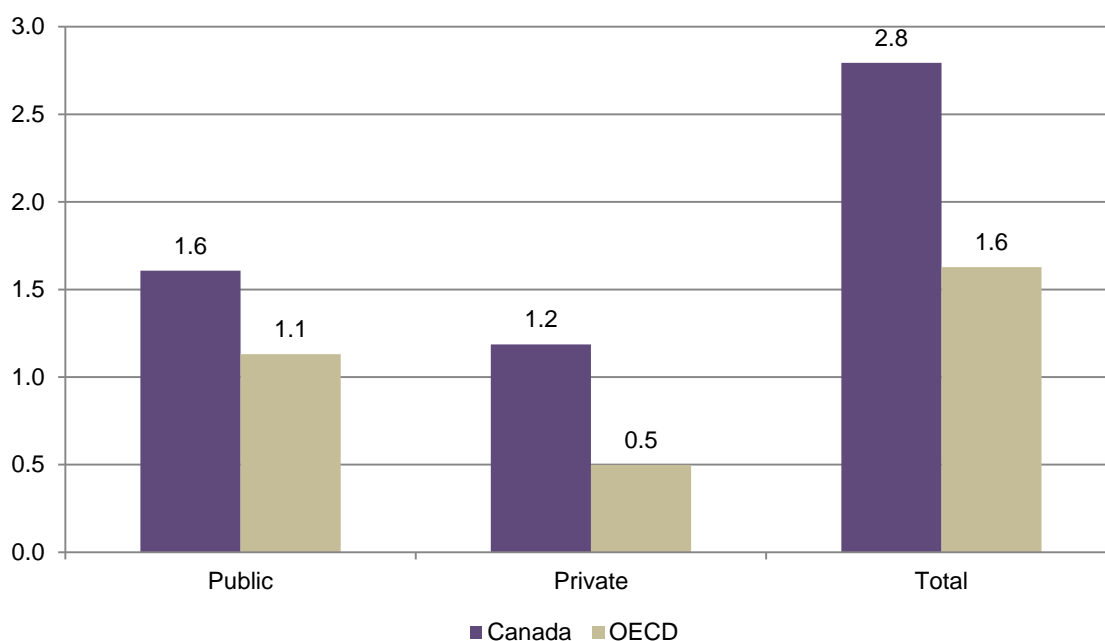
## 2. Education and Training

According to the OECD's [Education at a Glance 2014](#), Canada has one of the most highly educated populations in the world. In 2012, 53% of adults aged 25 to 64 had attained a [tertiary level of education](#), compared to the OECD average of 32%. However, over the 2000 to 2012 period, growth in those attaining a tertiary level of education in Canada did not keep pace with the average of OECD countries; the 2.4% average annual growth rate for Canadian adults was lower than the OECD average of 3.2%.

For all forms of post-secondary education, which is tertiary education plus vocational training and apprenticeship programs, Statistics Canada [reported](#) that, as of 2011, almost two-thirds of Canadian adults held post-secondary education qualifications.

Figure 4 shows that, in 2011, spending on tertiary education in Canada was higher than the OECD average. As well, the private share of funding at the tertiary level, at 42.5% in that year, was above the OECD average of 30.6%. Canada is among the countries with the highest tuition fees, although governments in Canada provide students with financial assistance. According to the [OECD](#), educational support provided by governments to households and other private entities – i.e., charitable organizations, private businesses and business associations – represented 0.38% of GDP in Canada in 2010, compared to the OECD average of 0.31%; 2010 is the latest year for which estimates are available.

**Figure 4 – Spending on Tertiary Education as a Percentage of Gross Domestic Product, by Source of Financing, Canada and the Average for OECD Countries, 2011 (%)**



Source: Figure prepared using information from: Organisation for Economic Co-operation and Development, [Education at a Glance 2014: OECD Indicators](#), Table B2.3, “Expenditure on educational institutions as a percentage of GDP, by source of fund and level of education (2011).”

Although Canada’s provincial/territorial governments have primary jurisdiction over [post-secondary education and training](#), the federal government provides indirect support in this area through the [Canada Social Transfer](#) to provinces/territories, and through tax measures for individuals – including the [education amount](#), a non-refundable [tax credit for eligible tuition fees](#), the [textbook amount](#), a non-refundable [tax credit for interest paid on student loans](#), a [deduction for tools](#) for tradespersons and apprentice mechanics, and a [tax exemption for scholarships](#).

The federal government also supports students, mainly through the [Canada Student Loans Program](#), and provides grants to apprentices – including through the [Apprenticeship Incentive Grant](#) and the [Apprenticeship Completion Grant](#) – and to students from [low-](#) and [middle-income families](#), [students with dependants](#), [part-time students](#) and [students with a permanent disability](#). Other grants include the [Canada Education Savings Grant](#), the [Additional Canada Education Savings Grant](#) and the [Canada Learning Bond](#), which are linked to a [registered education savings plan](#).

## **B. Changes Proposed by Witnesses Invited to Address “Supporting Families and Helping Vulnerable Canadians by Focusing on Health, Education and Training”**

In speaking to the Committee about supporting families and helping vulnerable Canadians by focusing on health, education and training, witnesses commented on a range of issues. In relation to health, they focused on caregiving, a number of specific disorders, management and accountability, the health needs of Aboriginal people, and other health-related issues. Regarding education and training, they mentioned financial and other support for students and educational institutions, the education and training needs of Aboriginal people, and supporting education for people with a visual disability through alternative format materials.

### **1. Health**

#### **a. Caregiving**

[Canadian Doctors for Medicare](#) and the [Canadian Medical Association](#) suggested that the government invest in a national strategy for seniors through which integrated care services would be provided for home care, hospitals, hospices and long-term care facilities. In its [brief](#), the Canadian Medical Association proposed that the \$2.3 billion in annual savings that would occur through improvements to the integration of services across health care sectors be reallocated to continuing care infrastructure; this funding would leverage provincial/territorial investments in the construction, renovation and retrofitting of assisted living units, other innovative residential models and long-term care facilities.

To support the health care needs of low-income families, [Neurological Health Charities Canada](#) and the [Canadian Medical Association](#) encouraged the government to introduce refundability for the caregiver tax credits.

As well, the Neurological Health Charities Canada’s [brief](#) outlined its support in relation to enhancing the Compassionate Care Benefit provided through the Employment Insurance program. In particular, the [brief](#) advocated an increase in the benefit period, broader eligibility criteria, elimination of the mandatory waiting period, and extended eligibility to include caregivers who support those with a chronic or episodic medical condition.

The Canadian Foundation for Healthcare Improvement’s [brief](#) requested funding of \$10 million annually for five years to continue its work on facilitating innovation in all health care sectors – including hospitals, long-term care facilities and health regions – and the integration of caregiving across these sectors.

#### **b. Neurological, Cardiovascular, Eating and Mental Health Disorders**

In its [brief](#), the Alzheimer Society of Canada asked for funding of \$150 million over five years to allow it to collaborate with the Heart and Stroke Foundation of Canada in the creation of a national dementia plan; the plan would facilitate early diagnosis and access

to treatment and support, accelerate dementia research, and promote equal access to health care and services across Canada.

The Neurological Health Charities Canada's [brief](#) requested funding of about \$65.8 million to enable partnerships with the government for two purposes: to address key knowledge gaps identified in the National Population Health Study of Neurological Conditions; and to enhance the Canadian Longitudinal Study on Aging to enable new diagnostic measures, better data analysis and the development of a multi-generational research study.

With a view to fostering innovation, promoting accelerated discovery, and improving efficiency in the application of new cures and disease-modifying treatments, the [Heart and Stroke Foundation of Canada](#), the [Sunnybrook Health Sciences Centre](#) and the Alzheimer Society of Canada's [brief](#) advocated annual funding of \$30 million for enhanced collaboration among researchers and health specialists.

The [National Initiative for Eating Disorders](#) noted that, to reduce the incidence of eating disorders, family doctors need training on appropriate screening methods, and mental health nurses and health care counsellors need to provide guidance to youth within high schools. As well, in its [brief](#), the National Initiative for Eating Disorders requested funding of \$3 million over five years to develop a data collection framework for eating disorders, and to eventually create an action plan to address gaps in information in autism, neurological conditions and mental health in Canada.

In its [brief](#), Partners for Mental Health requested funding of \$100 million over five years for a proposed national youth suicide prevention fund to facilitate collaboration among governments, the private sector, and volunteer and youth groups; matching funding of \$100 million would be raised from other governments and/or the private or philanthropic sectors.

### **c. Management and Accountability**

The Canadian Medical Association's [brief](#) proposed continued funding for the Canada Health Infoway to develop health information technology, and additional funding of \$500 million for projects to improve the management of patient health care through the enhancement of electronic medical records.

To address the long-term care needs of Canadians, the [Canadian Medical Association](#) proposed that federal transfers to the provinces/territories have enhanced accountability mechanisms to enable more direct monitoring of the manner in which this funding is used. In [its](#) view, such mechanisms are an alternative to enhanced transfer funding.

[Canadian Doctors for Medicare](#) urged the government to develop two main initiatives: an accountability framework for the provinces/territories to regulate the extent to which clinics comply with the *Canada Health Act* in terms of user fees and extra billing; and a new health accord that would improve accountability and ensure standardization of

health care across jurisdictions, and that would support the provincial-territorial initiative to develop a national pharmacare program.

#### **d. Health Needs of Aboriginal People**

The [Assembly of First Nations](#) urged the government to consider renewing its funding beyond 2014–2015 for a number of programs that support First Nations health, including the Health Services Integration Fund, the Aboriginal Health Human Resources Initiative, the Aboriginal Diabetes Initiative, maternal and child health, the Children's Oral Health Initiative, and the National Aboriginal Youth Suicide Prevention Strategy. More generally, [it](#) proposed the creation of new funding mechanisms that would replace contribution agreements with a fiscal mechanism that recognizes First Nations titles and rights, including a renegotiation of the 2% escalator established in 1996–1997 for federal financing to First Nations.

According to the Assembly of First Nation's [brief](#), the government should develop a long-term strategy that provides increased funding for Health Canada's Non-Insured Health Benefits program, and Aboriginal Affairs and Northern Development Canada's Family Violence Prevention program, and restored funding for the Aboriginal Healing Foundation.

To improve child protection and development, the Assembly of First Nation's [brief](#) urged the government to take a variety of actions: enhance funding for the First Nations Child and Family Services program by adding \$108 million to the program's base funding and increasing that support by 3% annually; change Aboriginal Affairs and Northern Development Canada's policy so that support is provided to First Nations agencies operating in reserve communities with fewer than 1,000 children; and enhance existing federal support for First Nations reserve communities in which more than 6% of children are in care.

[YWCA Canada](#) encouraged the creation of a national action plan in relation to violence against women; the plan would set national standards for prevention, support services, legal services, and access to justice and social policies. In relation to Aboriginal women, and with the support of the Assembly of First Nations, [it](#) also asked the government to initiate a national inquiry and action plan on missing and murdered indigenous women.

In relation to its partnership with Aboriginal organizations and communities to improve health for those with cardiovascular disease, the [Heart and Stroke Foundation of Canada](#) requested funding of \$50 million to support locally based programs delivered within Aboriginal communities that aim to improve health for Aboriginal people.

#### **e. Other Health-related Issues**

In its [brief](#), the Canadian Medical Association advocated an increase in incentives for tax-sheltered savings vehicles to help Canadians deal with rising out-of-pocket costs for health care; specific mention was made of Tax-Free Savings Accounts. As well, the

[brief](#) proposed funding of \$5 million annually to expand the New Horizons for Seniors Program to include initiatives that promote healthy aging activities for seniors.

[Hope Air](#) requested an amendment to the *Air Travellers Security Charge Act* to ensure that the Air Travellers Security Charge is not levied on flights provided without charge by a registered charity to low-income Canadians travelling to required medical appointments. As well, [it](#) proposed that the charge also not apply to non-air ambulance flights purchased from an air carrier using charitable funds donated to Hope Air.

The Centre for Drug Research and Development's [brief](#) suggested that, in order to assist Canadian families with appropriate treatments and to help the Centre's ongoing sustainability as a large-scale national endeavour, funding of \$153 million is needed to support the Centre's next five years of operation.

## **2. Education and Training**

### **a. Financial and Other Support for Students and Educational Institutions**

In its [brief](#), the Canadian Alliance of Student Associations proposed a variety of changes to the Canada Student Loans Program, including: an increase in the loan limit; and, when assessing eligibility, an exemption for all income earned while studying and elimination of the parental contributions policy or, short of this change, inclusion of the real contributions that parents make to their child's education. As well, the Canadian Alliance of Student Associations' [brief](#) requested a 9.4% increase in the Canada Student Grants program's funding to account for inflation since 2009, and an extension of the program to graduate students who have significant financial need.

With a focus on reducing student debt, the Canadian Federation of Students' [brief](#) suggested that the government eliminate current federal tax expenditures on education-related tax credits and support through the registered education savings plans, with the amount of such expenditures used to increase non-repayable grants to students through the Canada Student Grants program.

To facilitate the transition from school to work for youth, [Mitacs](#) and the [Association of Universities and Colleges of Canada](#) urged an increase in funding for Mitacs research internships, particularly the Mitacs-Accelerate program.

In an effort to increase accountability, and thereby facilitate long-term objectives regarding educational quality and affordability, the [Canadian Federation of Students](#) requested the implementation of a federal post-secondary education act that would be established in cooperation with the provinces; modeled on the *Canada Health Act*, it should include a dedicated transfer payment for post-secondary education.



## **b. Education and Training Needs of Aboriginal People**

Due to the potential increase in federal revenue resulting from the education and employment of Aboriginal people, [Indspire](#) and the Association of Universities and Colleges of Canada's [brief](#) proposed that the 2013 federal budget's commitment of \$10 million over two years for the Building Brighter Futures: Bursaries and Scholarship Awards program be increased to meet the estimated need of \$40 million annually, with 50% of this amount raised through Indspire's efforts to attract private donations.

To enhance access to – and success in – higher education for Aboriginal students, the [Association of Universities and Colleges of Canada](#) requested direct financial support for those students, as well as support for educational institutions – working with local communities – to ensure both increased access to education and training and successful transitions to work. Moreover, the Association of Universities and Colleges of Canada's [brief](#) urged increased support for Aboriginal Affairs and Northern Development Canada's Postsecondary Partnerships Program and the creation of 500 graduate scholarships for Aboriginal students. Similarly, the [Canadian Federation of Students](#) requested removal of the funding cap on increases to the Post-Secondary Student Support Program in order to reduce financial barriers and assist with the learning needs of Aboriginal people.

The [Assembly of First Nations](#) indicated that it wants to work with the government to develop a new financial framework for education that provides predictable and sustainable transfer payments to First Nations schools. In [its](#) view, the framework should include implementation of the additional \$1.9 billion in funding that was mentioned in the 2014 federal budget and renegotiation of the 2% escalator for federal funding that was established in 1996–1997.

As well, the Assembly of First Nation's [brief](#) urged new funding of \$500 million annually for five years to support First Nations training and employment, and renewal of the Aboriginal Skills Employment and Training Strategy for an additional five years, including increased resources for essential skills and literacy training and for child care for young parents entering the workforce.

## **c. Supporting Education for People with a Visual Disability through Alternative Format Material**

The [Canadian National Institute for the Blind](#) requested funding of \$3.25 million annually for the next three years to cover the cost of producing alternative format print materials, as this service is not eligible for public funding. [It](#) also proposed that existing annual funding for the Literature for the Blind program be reallocated to digital delivery of print material, which would allow Canadians who have difficulty reading standard print material to download accessible reading materials.

### **C. Changes Proposed by Witnesses Invited to Address Topics Other Than “Supporting Families and Helping Vulnerable Canadians by Focusing on Health, Education and Training”**

The Committee’s witnesses were invited to speak about a particular topic. When they appeared, they often made comments about one of the other five topics selected by the Committee, as indicated below.

#### **1. “Balancing the Federal Budget to Ensure Fiscal Sustainability and Economic Growth” Witnesses**

The [National Association of Federal Retirees](#) and the [Veterans Ombudsman](#) proposed that the government address deficiencies in the *New Veterans Charter*. In particular, the [Veterans Ombudsman](#) urged implementation of the recommendations in the June 2014 report by the House of Commons Standing Committee on Veterans Affairs, entitled *The New Veterans Charter: Moving Forward*. In addition, the [Veterans Ombudsman](#) encouraged the government to consider measures that would help healthy veterans transition from military to civilian life, such as training programs – developed in collaboration with post-secondary education institutions – that would direct veterans to occupations in which there is a shortage of labour. Lastly, the [Veterans Ombudsman](#) proposed an increase in the amount of the Permanent Impairment Allowance and measures to make the allowance more accessible.

To support research on the health of military personnel, veterans and their families, the [National Association of Federal Retirees](#) advocated funding of \$1 million annually for five years for the Canadian Institute for Military and Veteran Health Research.

With a focus on improving the income security of future retirees, the [Canadian Union of Public Employees](#) and the [National Association of Federal Retirees](#) proposed an expansion of the Canada Pension Plan. The [Canadian Union of Public Employees](#) also supported an increase in the amount of the Guaranteed Income Supplement, and cancellation of the change in the age of eligibility for this benefit and for the Old Age Security pension.

The [Canadian Union of Public Employees](#) urged the government to negotiate a 10-year agreement with respect to the Canada Health Transfer; in its view, the agreement should include an annual escalator of at least 6%. [It](#) also advocated the creation of a national prescription medicine plan, a national community residential and home care program, and additional funding for community health care centres and clinics. Similarly, with a view to ensuring that Canadians have continuous access to medically necessary drugs, the [National Association of Federal Retirees](#) supported the development of a national home care strategy and a national pharmaceuticals strategy.

The [Canadian Union of Public Employees](#) requested that the government, in collaboration with the provinces/territories and other stakeholders, develop a national early childhood education and care program.

The [Conference Board of Canada](#) encouraged the government to invest in education and training as a means of supporting economic growth.

The [University of Ottawa](#)'s Kevin Page supported improvements in the performance reporting of universities that are receiving funds from the Canada Social Transfer.

In order to ensure that apprenticeship is perceived as a viable option for post-secondary education and to encourage more people to pursue trades as a career path, the [Canadian Council of Chief Executives](#) proposed that apprentices be awarded diplomas, rather than certificates or other types of degrees.

## **2. “Increasing the Competitiveness of Canadian Businesses Through Research, Development, Innovation and Commercialization” Witnesses**

In its [brief](#), Canada's Research-Based Pharmaceutical Companies urged the government to implement the recommendations in the 2011 report by the Standing Senate Committee on Social Affairs, Science and Technology, entitled *Canada's Clinical Trial Infrastructure: A Prescription for Improved Access to New Medicines*.

In commenting that it has adequate resources to continue its activities until 2017, the [Mental Health Commission of Canada](#) called for funding that would allow it to pursue its activities until 2025.

The [Information Technology Association of Canada](#) supported continuing investments in the Canada Health Infoway.

[Polytechnics Canada](#) advocated the creation of a tax credit for employers that participate in Employment and Social Development Canada's Red Seal Program and whose apprentices successfully complete the program and obtain a certification.

## **3. “Ensuring Prosperous and Secure Communities, Including Through Support for Infrastructure” Witnesses**

The [Canadian Life and Health Insurance Association](#) proposed the creation of a 15% non-refundable tax credit for premiums paid for long-term care insurance.

## **4. “Improving Canada's Taxation and Regulatory Regimes” Witnesses**

[Arthur Cockfield](#) – who is with Queen's University and appeared as an individual – requested that tax credits for low-income individuals be both simplified and harmonized with provincial income support programs.

Regarding administration of the Universal Child Care Benefit and the Goods and Services Tax/Harmonized Sales Tax credit, [Mike Moffat](#) – who is with Western University and appeared as an individual – suggested that these measures be merged so that Canadians receive a single cheque.

The [Institute of Marriage and Family Canada](#) advocated an increase in the amount of the Universal Child Care Benefit and the Canada Child Tax Benefit, and opposed the creation of a federally subsidized national day care program that could lead to the loss of government-provided benefits.

Regarding the Canada Child Tax Benefit, [Frances Woolley](#) – who is with Carleton University and appeared as an individual – highlighted the penalty for single parents receiving this benefit, and advocated rules for eligibility and a benefit amount that would be similar to the Working Income Tax Benefit.

## **5. “Maximizing the Number and Types of Jobs for Canadians” Witnesses**

The [Quebec Employers’ Council](#) urged the government to undertake reviews in two areas: its recent decision to link increases in the amount of the Canada Health Transfer to the rate of growth in the country’s gross domestic product; and the *Canada Health Act*. According to its [brief](#), a review of the *Canada Health Act* should assess the feasibility of giving the provinces/territories more financial resources and flexibility to comply with the Act’s regulatory requirements, as well as its accessibility and universality provisions.

Moreover, the [Quebec Employers’ Council](#) suggested that the government combat tobacco smuggling more effectively, and increase innovation in the tobacco manufacturing sector to reduce smoking-related health risks.

# CHAPTER FOUR: INCREASING THE COMPETITIVENESS OF CANADIAN BUSINESSES THROUGH RESEARCH, DEVELOPMENT, INNOVATION AND COMMERCIALIZATION

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## A. Background

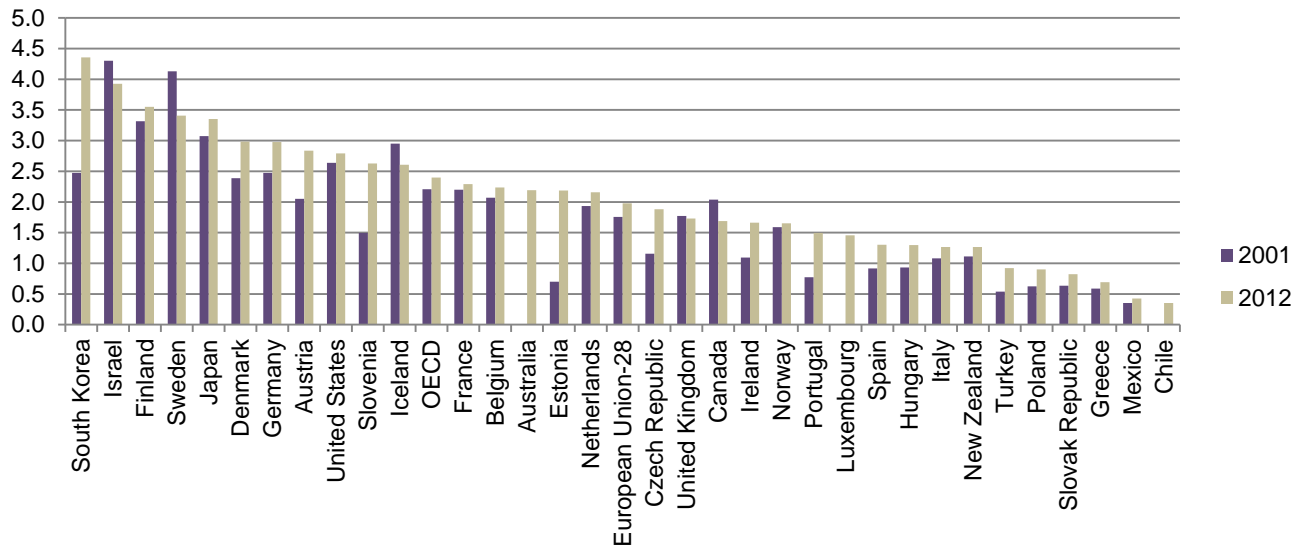
The Organisation for Economic Co-operation and Development (OECD) defines the term “[research and development](#)” (R&D) as “[a]ny creative systematic activity undertaken in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this knowledge to devise new applications.” It includes basic and applied research, as well as experimental development.

According to the OECD, the term “[basic research](#)” is defined as “experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any particular application or use in view”; the term “[applied research](#)” is defined as “original investigation undertaken in order to acquire new knowledge. It is, however, directed primarily towards a specific practical aim or objective.” Finally, the OECD considers [experimental development](#) to be “systematic work, drawing on existing knowledge gained from research and/or practical experience, that is directed to producing new materials, products or devices; to installing new processes, systems and services; or to improving substantially those already produced or installed.”

In the view of the Canada Business Network, [innovation](#) refers to finding creative new ways to solve problems, react to change or produce something better. In the business context, innovation enables new or improved goods or services to be produced, licensed or sold; as well, processes that reduce production costs while improving productivity can be developed. Finally, innovation helps businesses to improve their ability to compete in Canadian and global markets. [Commercialization](#), which is characterized as one of the most difficult steps in the innovation process because it is resource-intensive, refers to the introduction of new goods or services into the marketplace.

Figure 5 presents gross domestic expenditures on R&D in selected countries as a percentage of gross domestic product (GDP) for 2001 and 2012. For the average of OECD countries, this percentage rose from 2.21% in 2001 to 2.40% in 2012; however, the percentage for Canada fell from 2.04% in 2001 to 1.70% in 2012.

**Figure 5 – Gross Domestic Expenditures on Research and Development as a Percentage of Gross Domestic Product, Selected Countries, 2001 and 2012 (%)**

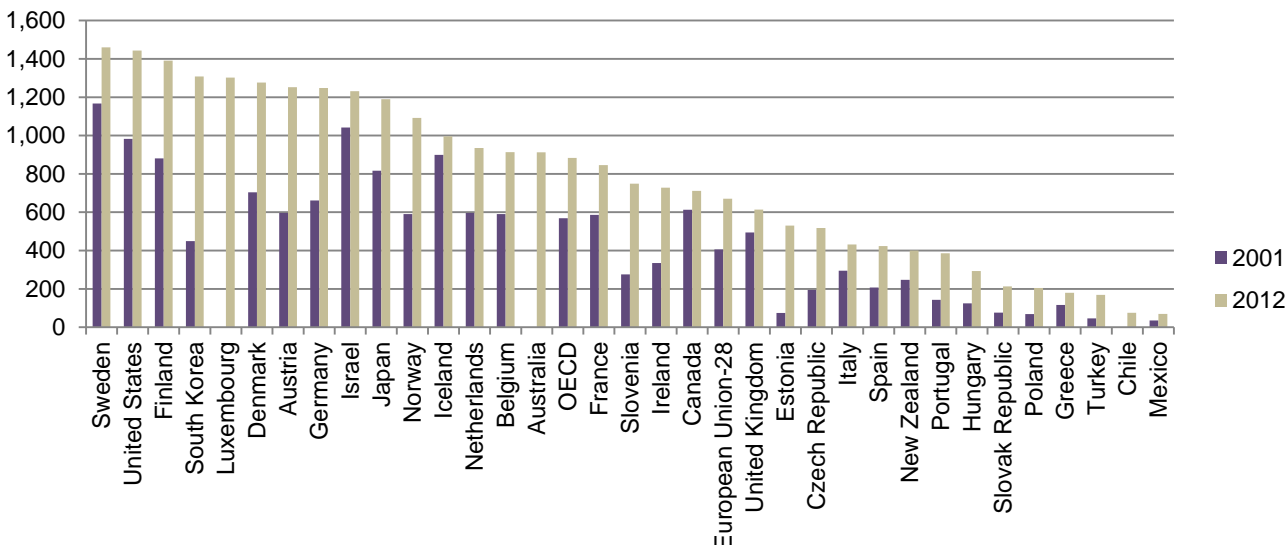


Note: For Australia, the latest available data are for 2010. For Iceland, Mexico and New Zealand, the latest available data are for 2011.

Source: Figure prepared using data from: Organisation for Economic Co-operation and Development, “Gross Domestic Expenditure on Research and Development as a percentage of Gross Domestic Product,” [Main Science and Technology Indicators Database](#), accessed 27 October 2014.

Figure 6 shows per capita gross domestic expenditures on R&D in 2001 and 2012 for selected countries; the expenditures are presented in current dollars, adjusted for purchasing power parity. Per capita expenditures for the average of OECD countries grew by 55.2% from 2001 to 2012, rising from \$569 to \$883. With per capita expenditures of \$613 in 2001, Canada exceeded the OECD average; however, with an increase of 16.0% between 2001 and 2012, these expenditures – at \$711 – were, in 2012, 19% lower than the OECD average.

**Figure 6 – Per Capita Gross Domestic Expenditures on Research and Development, Selected Countries, 2001 and 2012 (current \$, adjusted for purchasing power parity)**



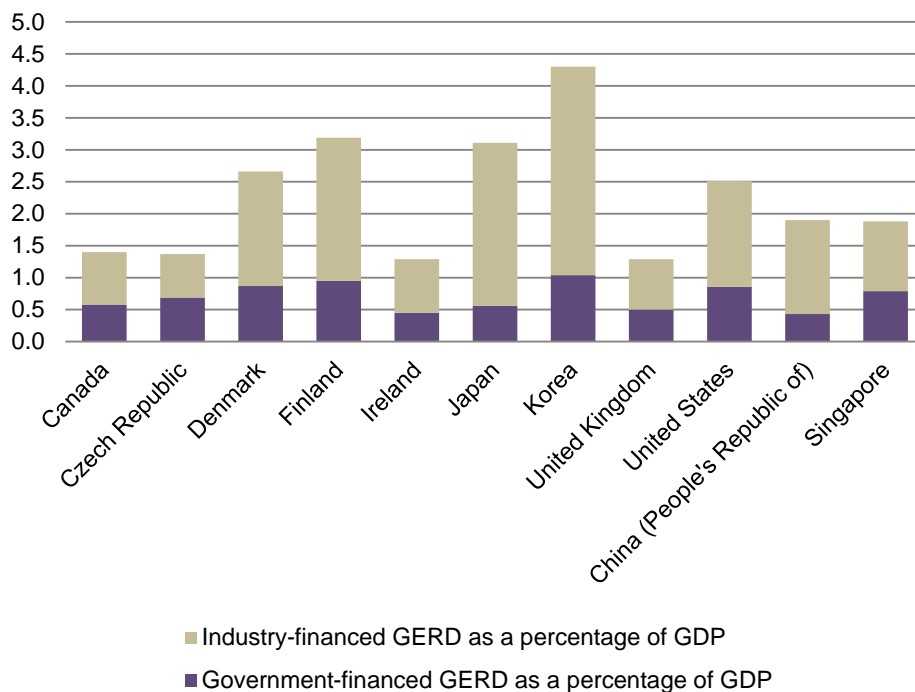
Notes: For Australia, the latest available data are for 2010. For Iceland, Mexico and New Zealand, the latest available data are for 2011.

According to the OECD, “purchasing power parity” refers to “the rates of currency conversion that equalize the purchasing power of different currencies by eliminating the differences in price levels between countries. In their simplest form, (purchasing power parities) are simply price relatives that show the ratio of the prices in national currencies of the same good or service in different countries.”

Source: Figure prepared using data from: Organisation for Economic Co-operation and Development, “Gross Domestic Expenditure on Research and Development Per Capita Population (current PPP \$),” [Main Science and Technology Indicators Database](#), accessed 27 October 2014.

Figure 7 shows, for 2012, gross domestic expenditures on R&D as a percentage of GDP by governments and by the private sector in selected countries. In almost all of these countries, R&D expenditures by the private sector exceeded such expenditures by governments in that year.

**Figure 7 – Gross Domestic Expenditures on Research and Development as a Percentage of Gross Domestic Product, by Source, Selected Countries, 2012 (%)**



Notes: For the United States, gross expenditures do not include capital expenditures and all state government expenditures.

“GERD” means gross domestic expenditures on research and development.

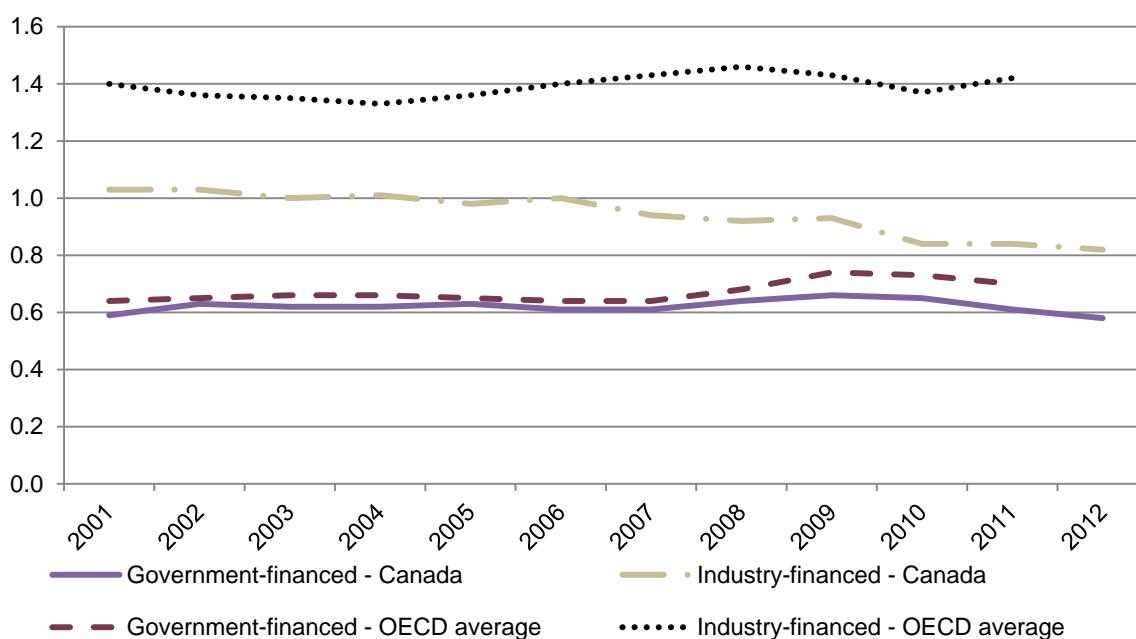
“GDP” means gross domestic product.

Source: Figure prepared using data from: Organisation for Economic Co-operation and Development, [Main Science and Technology Indicators Database](#), accessed 27 November 2014.

Figure 8 shows, for Canada and the OECD average, gross domestic expenditures on R&D as a percentage of GDP by governments and by the private sector over the 2001–2012 period. In Canada, the percentage for the private sector fell from 1.03% in 2001 to 0.82% in 2012, while that for governments was relatively stable.



**Figure 8 – Gross Domestic Expenditures on Research and Development as a Percentage of Gross Domestic Product, by Source, Canada and OECD Countries, 2001–2012 (%)**



Note: For the OECD average, the latest available data are for 2011.

Source: Figure prepared using data from: Organisation for Economic Co-operation and Development, [Main Science and Technology Indicators Database](#), accessed 27 November 2014.

In Canada, tax measures – such as the [Scientific Research & Experimental Development investment tax credit](#) – and the activities of the federal granting councils – the [Social Sciences and Humanities Research Council of Canada](#), the [Natural Sciences and Engineering Research Council of Canada](#) and the [Canadian Institutes of Health Research](#) – are examples of federal support for basic and applied research, as well as experimental development. As well, there are a range of programs and other initiatives – including the [Centres of Excellence for Commercialization and Research](#), as well as the [National Research Council–Industrial Research Assistance Program](#) – that support commercialization.

**B. Changes Proposed by Witnesses Invited to Address “Increasing the Competitiveness of Canadian Businesses Through Research, Development, Innovation and Commercialization”**

Witnesses invited by the Committee to speak about the topic of increasing the competitiveness of Canadian businesses through research, development, innovation and commercialization advocated tax measures, federal funding, and other supports and measures.

## 1. Tax Measures

[Clean Energy Canada](#) called for an expansion of capital cost allowance Classes 43.1 and 43.2 to include photovoltaics, investments that are designed to make buildings solar-panel ready, and power storage technologies.

In commenting that the 2012 changes to the Scientific Research and Experimental Development investment tax credit reduced the incentive to undertake new R&D in Canada, the [Canadian Vehicle Manufacturers' Association](#) discussed the need to make the investment tax credit more competitive with incentives offered in other jurisdictions. The [Information Technology Association of Canada](#) suggested an increase in the tax rate on expenditures that qualify for the investment tax credit from 15% to 17%, as well as a reversal of the decision to exclude capital expenditures from eligible deductible Scientific Research and Experimental Development expenses.

[Canadian Manufacturers & Exporters](#) called for unused Scientific Research and Experimental Development tax credits to be converted to a direct expenditure program that would support R&D and could assist small manufacturing companies facing difficulties with product development.

The [Prospectors and Developers Association of Canada](#) proposed renewal of the Mineral Exploration Tax Credit for an additional three years.

## 2. Federal Funding

In relation to federal funding, witnesses advocated increased funding for federal granting councils, as well as for existing funds or initiatives, and the creation of new measures in specific areas.

[Polytechnics Canada](#) noted that the Natural Sciences and Engineering Research Council of Canada's College and Community Innovation Program is the Council's only program that supports applied research at the college level, and proposed more funding for that program. As well, [it](#) asked for increased funding for the indirect costs of research programs, and for the College and Community Innovation Program to be eligible for that funding.

While highlighting the importance of investments in fundamental basic research to maintain research excellence, the [U15 Group of Canadian Research Universities](#) advocated predictable and sustained funding for the three federal granting councils and the Canada Foundation for Innovation.

The [Canadian Vehicle Manufacturers' Association](#) suggested that repayable loans provided to automotive firms under the Automotive Innovation Fund be non-repayable and, in supporting Canadian incentives that are comparable to those in other jurisdictions, [it](#) proposed that some aspects of that fund – such as its taxation rules – be modified.

The [Prospectors and Developers Association of Canada](#) asked that funding for the Targeted Geoscience Initiative be maintained and that the initiative be renewed for an

additional five years. [It](#) also proposed that this initiative include more participation by industry at the planning and design stages, and advocated higher discovery rates as an explicit objective of the initiative.

The [Canadian Water Network](#) called for funding of \$60 million over 10 years to support R&D, with this investment attracting funds from businesses and other levels of government.

The [Forest Products Association of Canada](#) advocated the creation of a \$60 million fund over five years to support R&D activities conducted in universities and colleges. [It](#) also suggested that Sustainable Development Technology Canada's NextGen Biofuels Fund be changed to a biorefinery fund that would be available to a wider range of sectors, including forestry, agriculture, biochemical, textile and biofuel.

In highlighting the limited research in Canada regarding the development of energy-efficient products and technologies, the [Canada Green Building Council](#) proposed federal investments in commercialization activities in relation to those products.

[Downsview Aerospace Innovation and Research](#) requested funding of \$60 million over five years to transform the existing facilities at Downsview Park into an aerospace hub. As well, in its [brief](#), it suggested that Canada Lands Company be given the mandate to work with it under the terms of a public-private partnership to develop this hub.

The [Canadian Rare Earth Element Network](#) asked for funding of \$25 million over five years to leverage Canada's rare earth resource position and reputation, improve international trade, develop highly qualified personnel, and create and sustain jobs.

In its [brief](#), TRIUMF advocated funding of \$68 million over five years to strengthen business competitiveness in isotope R&D, nuclear medicine and materials science. In particular, [it](#) mentioned the establishment of a laboratory – Canada's accelerator platform to unleash research excellence, or CAPTURE – that would support TRIUMF's work and the completion of its new facility, which is called the Advanced Rare Isotope Laboratory, or ARIEL.

[Co-operatives and Mutuals Canada](#) proposed funding of \$50 million for the Canadian Co-operative Investment Fund that is being created by the co-operative sector to foster innovation, as well as to support small- and medium-sized businesses and co-operatives.

The [National Angel Capital Organization](#) called for funding of \$5 million over three years for the implementation of a mobilization campaign to create awareness about angel investing among private investors. As well, [it](#) encouraged the creation of mechanisms that support the growth of companies that receive investments.

The [Société de promotion économique de Rimouski](#) requested assistance to build networks among researchers, academic institutions and businesses in the marine biotechnology sector, which could help researchers obtain funding for the commercialization of their research.

### 3. Other Supports and Measures

Witnesses spoke about types of support unrelated to taxation or program spending, as well as other measures that they believe would lead to R&D, innovation and/or commercialization.

The [Canadian Vehicle Manufacturers' Association](#) proposed the creation of a Canadian automotive research institute that would support research, development, innovation and commercialization of new products and manufacturing processes relating to the automobile sector.

The [Confédération des syndicats nationaux](#) highlighted the need for the government to develop an industrial strategy, with infrastructure investments that would promote and support the manufacturing sector.

[Canada's Research-Based Pharmaceutical Companies](#) advocated more accurate reporting by the Patented Medicine Prices Review Board on R&D conducted by Canada's pharmaceutical industry.

[Clean Energy Canada](#) called for a federal rebate of up to \$7,500 for the purchase of electric vehicles; this rebate level would be comparable to that provided by the United States' federal government.

#### **C. Changes Proposed by Witnesses Invited to Address Topics Other Than "Increasing the Competitiveness of Canadian Businesses Through Research, Development, Innovation and Commercialization"**

The Committee's witnesses were invited to speak about a particular topic. When they appeared, they often made comments about one of the other five topics selected by the Committee, as indicated below.

##### **1. "Balancing the Federal Budget to Ensure Fiscal Sustainability and Economic Growth" Witnesses**

The [Canadian Council of Chief Executives](#) proposed the creation of a direct support program for R&D to encourage innovation and improve productivity in the private sector.

##### **2. "Supporting Families and Helping Vulnerable Canadians by Focusing on Health, Education and Training" Witnesses**

Regarding investments in research capacity, the [Association of Universities and Colleges of Canada](#) requested long-term and sustained funding for the federal granting councils, as well as predictable and multi-year funding for research infrastructure through the Canada Foundation for Innovation.

Similarly, the Canadian Federation of Students' [brief](#) proposed that, in order to promote long-term innovation and skills development, the government redirect granting council funding that is targeted to short-term private-sector priorities to research that has

been determined, by a peer review process, to be of academic merit. As well, in order to promote graduate research and to increase graduate study enrolment and completion rates, the [brief](#) suggested that the number of Canada Graduate Scholarships increase at the same rate as the average rate of growth in federal funding for research, and distributed among the granting councils according to enrolment.

### **3. “Ensuring Prosperous and Secure Communities, Including Through Support for Infrastructure” Witnesses**

With a view to increasing the competitiveness of the transit sector, the [Canadian Urban Transit Association](#) proposed the establishment of a partnership between the government and the Canadian Urban Transit Research Innovation Consortium that would make investments in R&D in that sector.

The [Mowat Centre](#) encouraged the federal government to collaborate with provincial governments in the development of a strategy for the manufacturing sector; among other things, that strategy would focus on opportunities in advanced manufacturing.

The [Canadian Electricity Association](#) proposed renewal of the Automotive Partnership Canada, which provides funding for R&D activities in the automotive sector, including electric vehicles.

### **4. “Improving Canada’s Taxation and Regulatory Regimes” Witnesses**

The [Chartered Professional Accountants of Canada](#) proposed the creation of a “patent box” tax incentive that would reward innovative companies with a lower corporate tax rate on profits earned through the commercialization of patents in Canada.

### **5. “Maximizing the Number and Types of Jobs for Canadians” Witnesses**

The [Canadian Chamber of Commerce](#) proposed that the Scientific Research and Experimental Development investment tax credit be replaced with a system that targets innovation more directly through lower tax rates for business revenue derived from patents or innovations developed in Canada; in particular, the systems in the United Kingdom, the Netherlands, Ireland and Switzerland were mentioned. To limit the potential abuse of the tax system, such as through businesses periodically modifying an existing patent to take advantage of the tax credit on a continual basis, [it](#) suggested that a limit be placed on the amount of revenue that could be claimed against the tax credit and that strict guidelines regarding eligibility for the tax credit be established.



# CHAPTER FIVE: ENSURING PROSPEROUS AND SECURE COMMUNITIES, INCLUDING THROUGH SUPPORT FOR INFRASTRUCTURE

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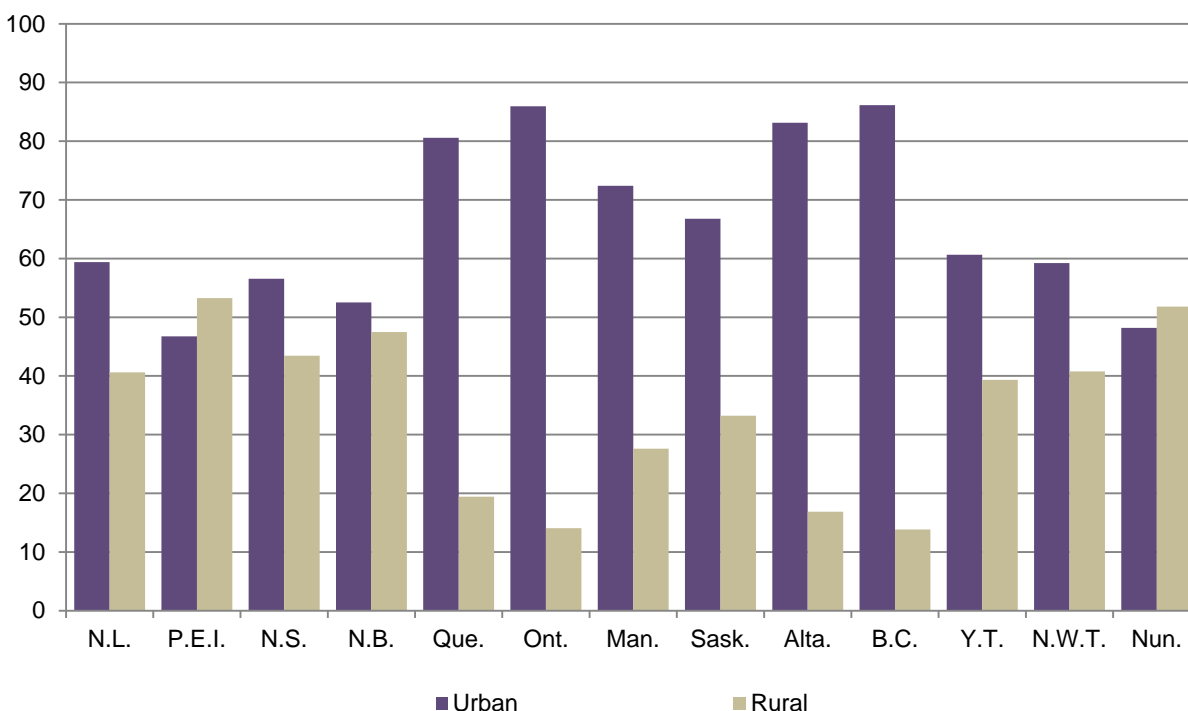
## A. Background

### 1. Urban and Rural Communities

Since 1851, the percentage of Canadians living in urban areas has been rising; it was 81.1% in 2011, representing approximately 27.1 million individuals. Nearly 11.6 million of these individuals – 34.5% of the population – were living in one of Canada’s three largest [census metropolitan areas](#): Toronto, Montreal and Vancouver; a census metropolitan area must have a total population of at least 100,000 individuals, of whom 50,000 or more people must live in the area’s “core.” In 2011, 6.3 million people resided in Canada’s rural areas, a figure that has remained relatively stable since 1991. As the urban population has grown consistently over the last two decades, the proportion of Canadians living in rural areas has declined, falling from 23.4% in 1991 to 18.9% in 2011.

As shown in Figure 9 for 2011, the proportion of the Canadian population living in rural areas was higher in the Atlantic provinces and the territories than in the rest of Canada; Canada’s four most populated provinces – Ontario, Quebec, British Columbia and Alberta – had the highest proportions of their residents living in urban areas. With the exception of Manitoba, the proportion of residents residing in rural areas has been decreasing in all provinces/territories since 1991; in Manitoba, the proportion has been stable.

**Figure 9 – Proportion of the Population Living in Urban and Rural Areas, by Province/Territory, 2011 (%)**



Notes: “Rural population” refers to persons living outside centres that have a population of 1,000 and outside areas that have 400 persons per square kilometre.

“Urban population” refers to the remaining population.

Source: Figure prepared using information from: Statistics Canada, [“Population, urban and rural, by province and territory.”](#)

A number of federal departments, agencies and Crown corporations – such as the [regional development agencies](#), [Infrastructure Canada](#) and the [Canada Mortgage and Housing Corporation](#) – support the development of prosperous and secure urban and rural communities, including through funding for infrastructure and affordable housing.

## 2. Infrastructure

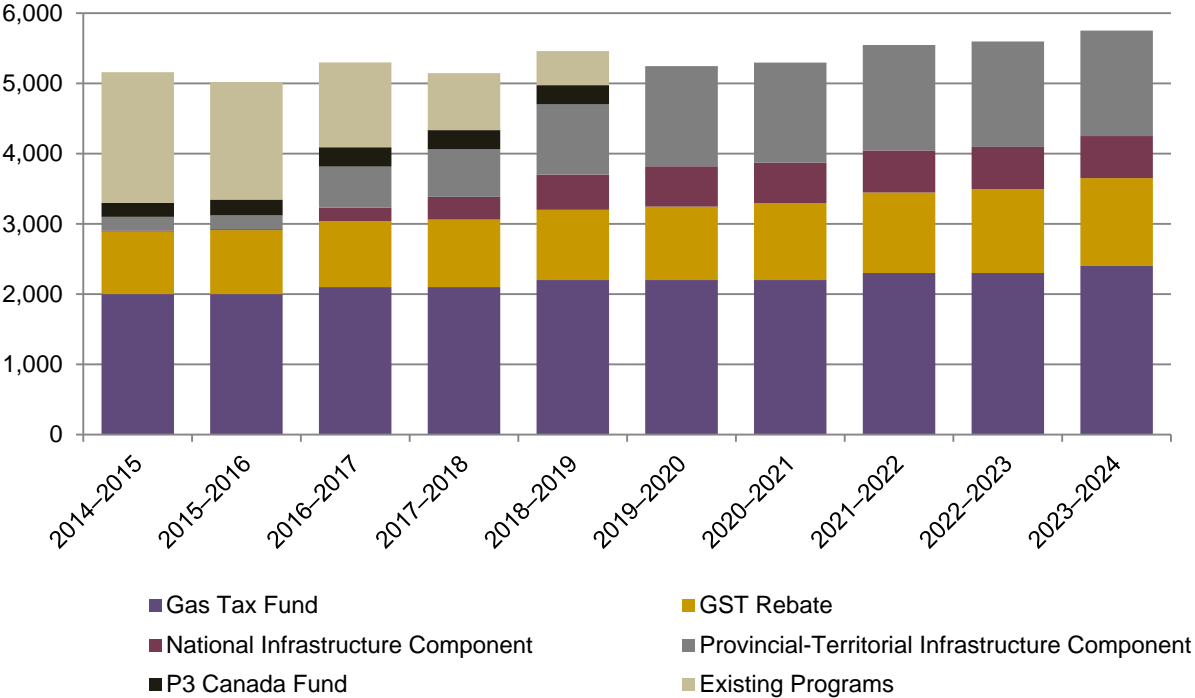
Public infrastructure that is in good condition is thought to be essential to both the development of prosperous communities and the well-being of inhabitants. According to [Infrastructure Canada](#), significant investments in core public infrastructure – bridges, roads, water and wastewater systems, public transit, and cultural and recreational facilities – by all levels of government have resulted in a decrease in that infrastructure’s “average age,” defined as the percentage of its useful life that is spent. That said, sustained investments are needed in order to maintain the quality and adequacy of public infrastructure.



As most public infrastructure is owned by the provinces/territories and municipalities, the federal government’s role in relation to that infrastructure consists primarily in providing financial support for infrastructure projects. To that end, Infrastructure Canada administers a number of funding programs, although other federal departments and agencies also provide support.

The [2013 federal budget](#) proposed the [New Building Canada Plan](#), which is a 10-year funding commitment for provincial/territorial and municipal infrastructure that covers the 2014–2015 to 2023–2024 period and replaces the Building Canada Plan. The plan has three key funds: the [P3 Canada Fund](#); the [Community Improvement Fund](#), which includes the [Gas Tax Fund](#) and the incremental Goods and Services Tax Rebate for Municipalities; and the [New Building Canada Fund](#), which includes the [National Infrastructure Component](#) and the [Provincial-Territorial Infrastructure Component](#), part of which is the [Small Communities Fund](#). Figure 10 provides a breakdown of planned federal spending, through the New Building Canada Plan, for provincial/territorial and municipal infrastructure over the 2014–2015 to 2023–2024 period.

**Figure 10 – Planned Federal Spending through the New Building Canada Plan, 2014–2015 to 2023–2024 (\$ millions)**



Notes: “GST” means Goods and Services Tax.

“Existing programs” includes other programs administered by Infrastructure Canada, as well as programs administered by other federal departments and agencies.

Source: Figure prepared using information from: Department of Finance, [Jobs, Growth and Long-Term Prosperity – Economic Action Plan 2013](#), 21 March 2013, p. 178, and Office of the Parliamentary Budget Officer, [A Cost Estimate of Federal Infrastructure](#), 11 April 2013, p. 6.

In addition to the funding provided for provincial/territorial and municipal infrastructure, the federal government owns and maintains a large portfolio of public infrastructure, including bridges, airports, ports and border infrastructure. All federal infrastructure projects with capital costs exceeding \$100 million are subject to a public–private partnership screening process.

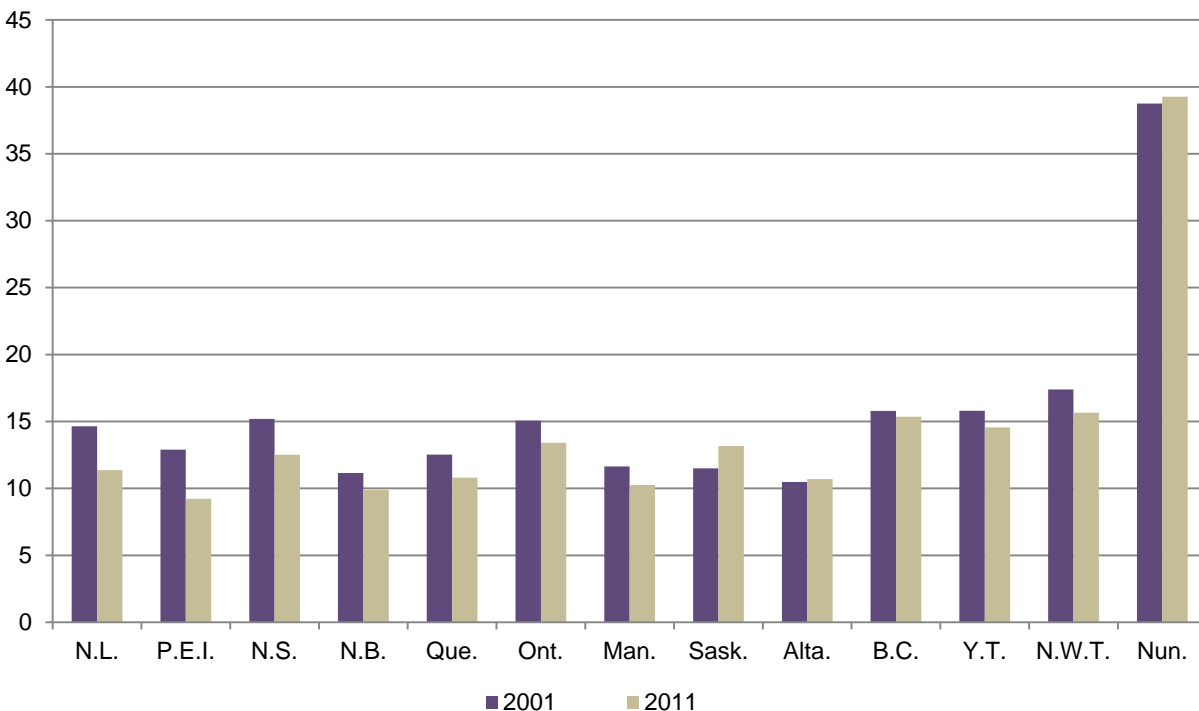
Finally, the federal government also supports on-reserve First Nations public infrastructure through a number of programs administered by [Aboriginal Affairs and Northern Development Canada](#). These programs include the [Capital Facilities and Maintenance Program](#), the [First Nations Infrastructure Fund](#) and the [First Nations Water and Wastewater Action Plan](#).

### **3. Housing**

According to the [Canada Mortgage and Housing Corporation](#), housing is “acceptable” when it is adequate in quality and suitable in size, and can be obtained without spending 30% or more of before-tax household income; households whose shelter does not satisfy these criteria and that are unable to access acceptable housing are considered to be in core housing need. The availability of acceptable housing can affect the well-being of individuals and communities, as it can positively affect health outcomes, educational achievement and labour market attachment.

In 2011, the latest year for which data are available, the percentage of Canadian households that were considered to be in core housing need was 12.5%, down from 13.7% in 2001. As shown in Figure 11, in 2011, the proportion of households in core housing need was highest in Nunavut, followed by the Northwest Territories, British Columbia and Yukon; it was lowest in Prince Edward Island, followed by New Brunswick. Over the 2001–2011 period, Saskatchewan, Nunavut and Alberta were the only provinces/territories to have an increase in the proportion of households in core housing need.

**Figure 11 – Proportion of Households in Core Housing Need, by Province/Territory, 2001 and 2011 (%)**



Source: Figure prepared using information from: Canada Mortgage and Housing Corporation, [“Households in Core Housing Need, Canada, Provinces, Territories and Metropolitan Areas, 1991–2011.”](#)

Through the [Investment in Affordable Housing](#) initiative, the federal government provides funding to provinces/territories to support the design and delivery of affordable housing programs; the federal contributions are matched by provincial/territorial contributions. In addition, through the [Canada Mortgage and Housing Corporation](#), the federal government makes investments to support the federal portfolio of existing social housing on- and off-reserve; most of this housing was built between 1946 and 1993. Lastly, Canada Mortgage and Housing Corporation’s [Affordable Housing Centre](#) provides advisory and financial services to private, public and not-for-profit developers to help them deliver new affordable housing projects without long-term federal financial assistance.

Regarding support for affordable housing on-reserve, the Canada Mortgage and Housing Corporation delivers a number of initiatives, including the [On-Reserve Non-Profit Housing Program](#) and [direct lending](#) for eligible social housing projects. As well, [Aboriginal Affairs and Northern Development Canada](#) provides support for housing on-reserve.

In order to prevent and reduce homelessness, the federal government provides financial and other support to communities across Canada – including Aboriginal and those that are remote – through the [Homelessness Partnering Strategy](#).

## **B. Changes Proposed by Witnesses Invited to Address “Ensuring Prosperous and Secure Communities, Including Through Support for Infrastructure”**

Witnesses invited by the Committee to speak about the topic of ensuring prosperous and secure communities, including through support for infrastructure, focused their remarks on funding programs for provincial/territorial and municipal infrastructure, federal procurement rules for infrastructure, public–private partnerships and other types of private-sector involvement in infrastructure. Moreover, they commented on electricity infrastructure, climate change adaptation and disaster mitigation, airport infrastructure and tourism, and housing and homelessness.

### **1. Funding Programs for Provincial/Territorial and Municipal Infrastructure**

In highlighting the economic, social and environmental benefits of public transit, the [Amalgamated Transit Union](#) advocated permanent and dedicated funding for public transit, including through a share of the Gas Tax Fund, a portion of the Goods and Services Tax and/or an employer payroll tax. According to the [Canadian Urban Transit Association](#), the government should work with the provinces and municipalities to increase the share of infrastructure funding that is allocated to public transit. Moreover, to improve the effectiveness of federal investments in public transit, [it](#) supported better integration of land-use planning into investment decisions and fiscal incentives to encourage the use of public transit.

Recognizing that new federal regulations will require municipalities to upgrade their wastewater systems, the [Federation of Canadian Municipalities](#) requested a 20-year federal commitment to assist municipalities with the costs of these upgrades. [It](#) mentioned the creation of a fund dedicated to wastewater infrastructure projects that would receive contributions from all levels of government, including \$300 million annually from the federal government.

The [Canadian Parks and Recreation Association](#) noted the health and social benefits of recreational and sports infrastructure, and proposed that the federal government work with provincial and municipal governments to establish a program that would fund critical repairs, maintenance, adaptation or replacement of this type of infrastructure. According to [it](#), the federal contribution to the program should be \$925 million annually for three years.

Regarding the New Building Canada Fund, the [Saskatchewan Association of Rural Municipalities](#) asked that applications for rural road and bridge projects that support the natural resources sector be considered in the context of their economic impact. Moreover, [it](#) proposed that a share of the Provincial-Territorial Infrastructure Component of the New Building Canada Fund be dedicated to rural communities, and that future federal infrastructure programs include a small communities component with a population

threshold that is lower than that currently in place. The [Union of Quebec Municipalities](#) noted that the federal government and the Province of Quebec have not yet reached an agreement regarding the New Building Canada Fund; it encouraged them to do so promptly, as a number of New Building Canada Fund components – including the Small Communities Fund – have not yet been implemented in Quebec as a result of the lack of agreement.

In commenting on the federal approach to investments in provincial/territorial and municipal infrastructure, the [Mowat Centre](#) advocated a more strategic and coordinated approach that better integrates provincial and municipal priorities, as well as a wide range of policy considerations.

## **2. Public–Private Partnerships and Other Types of Private-Sector Involvement in Infrastructure**

The [Canadian Council for Public-Private Partnerships](#) encouraged the government to address a specific disincentive that exists when using a public–private partnership procurement process for a particular project: the maximum share contributed by the federal government to a project funded through the P3 Canada Fund is 25%, while it is 33% for the New Building Canada Fund. The [Canadian Urban Transit Association](#) advocated an increase in the maximum federal share in relation to the P3 Canada Fund from 25% to 33%.

According to the [Canadian Council for Public-Private Partnerships](#), municipalities and Aboriginal communities generally lack the capacity to participate in a public–private partnership project, which can be complex; consequently, [it](#) proposed the development of a “single window” that would provide integrated legal, technical and advisory services to these communities to help with the management of such a project. In noting that the complexity of a public–private partnership process results in up-front costs that are relatively high for small projects, the [Canadian Life and Health Insurance Association](#) proposed that P3 Canada develop standardized public–private partnership documentation for projects valued at less than \$50 million.

The [Saskatchewan Association of Rural Municipalities](#) suggested that modifications to the P3 Canada Fund eligibility criteria are needed in order to make it easier for rural communities to access funding.

Regarding ways to stimulate private and/or pension fund investments in infrastructure, the [Large Urban Mayors' Caucus of Ontario](#) advocated changes to Canadian tax policy, while the [Mowat Centre](#) encouraged the government to involve pension funds as part of a national infrastructure strategy and to study other ways – including asset recycling, infrastructure banks and community benefit agreements – to fund infrastructure. [KPMG](#) supported adaptations to the Australian Asset Recycling Initiative to make it relevant for the Canadian context.

### 3. Federal Procurement Rules for Infrastructure

In suggesting that closed tendering in public procurement processes for construction projects restricts competitive bidding, which results in higher costs, [Merit Canada](#) called for a ban on closed tendering and the implementation of open tendering for federally funded projects, including those for infrastructure. According to [it](#), competitive bidding processes are also undermined by "job targeting funds," which are used by unions to subsidize the wages paid by employers that hire unionized workers, thereby providing these employers with an unfair advantage over non-unionized employers against which they may be competing; it urged an examination of these funds by the Commissioner of Competition and the Canada Revenue Agency to determine whether they comply with the *Competition Act* and the *Income Tax Act* respectively.

[Marcelin Joanis](#) – who is with Polytechnique Montréal and appeared as an individual – supported public procurement rules that reward innovation and that maximize the rate of return on each dollar invested in infrastructure. Noting the importance of academic research in this area, [he](#) urged governmental organizations to disclose more infrastructure-related data.

### 4. Electricity Infrastructure

To protect Canada's electricity infrastructure better, the [Canadian Electricity Association](#) proposed an increase in funding for the Canadian Cyber Incident Response Centre. [It](#) also called for amendments to the *Criminal Code* to include new sentencing options for copper theft that would better reflect the potentially high damage that such theft can cause to electricity infrastructure.

With a view to supporting R&D that contributes to the modernization of the electricity grid's infrastructure, the [Canadian Electricity Association](#) requested the renewal of funding for the Clean Energy Fund and the ecoENERGY Innovation Initiative.

### 5. Climate Change Adaptation and Disaster Mitigation

In speaking about the need for governments and businesses to improve the extent to which they anticipate and adapt to extreme weather events, the [Canadian Climate Forum](#) advocated the development of a better understanding of changing weather patterns and climatic trends, and supported increased investments in that regard. In particular, [it](#) proposed extending and/or increasing the funding for the Climate Change and Atmospheric Research program.

The [Canadian Climate Forum](#) and the [Large Urban Mayors' Caucus of Ontario](#) urged the development of infrastructure planning strategies that incorporate adaptation to climate change. To that end, the [Large Urban Mayors' Caucus of Ontario](#) called for additional investments in storm water and electricity infrastructure to improve resistance to extreme weather events, while the [Canadian Climate Forum](#) proposed the creation of incentives to encourage governmental organizations, businesses and communities to incorporate the concept of "climatic resilience" in their strategic planning. The [Canadian](#)

[Electricity Association](#) requested that funding for Natural Resources Canada's Adaptation Platform be renewed.

The [Saskatchewan Association of Rural Municipalities](#) urged the creation of a national disaster mitigation program which, with funds of \$200 million over five years, would finance structural and non-structural mitigation projects; structural projects would include the construction of dykes, the raising of properties and the digging of flood diversion channels, while non-structural projects would include flood mitigation strategies. [It](#) also asked that municipally owned gravel be included as an eligible expense for cost-sharing in relation to the Disaster Financial Assistance Arrangements' guidelines.

## **6. Airport Infrastructure and Tourism**

In noting that funding for the Canadian Air Transport Security Authority has not kept pace with growth in the number of air passengers, the [Canadian Airports Council](#) proposed that funding for the authority be adjusted accordingly. [It](#) also requested that funding for the Canada Border Services Agency be increased to allow the deployment of additional automated border clearance kiosks, and that support for trusted traveller programs – such as NEXUS – be increased. As well, the [Canadian Airports Council](#) called for changes to the Airports Capital Assistance Program that would make small National Airport System airports eligible for funding.

The [Canadian Airports Council](#) also urged a comprehensive study of taxes and fees in relation to air travel and their impacts on the competitiveness of Canadian airports. While the [Canadian Airports Council](#) said that these taxes and fees should not be increased further, the [Tourism Industry Association of Canada](#) indicated that they should be reduced.

In noting that growth in the tourism sector has been much lower in Canada than in other countries, the [Tourism Industry Association of Canada](#) requested annual investments of \$35 million for three years in a national marketing campaign designed to attract visitors from the United States.

## **7. Housing**

The [Federation of Canadian Municipalities](#) and the [Large Urban Mayors' Caucus of Ontario](#) encouraged the government to maintain or expand funding for affordable housing. The [Wellesley Institute](#) proposed a doubling of the funding for the Canada Mortgage and Housing Corporation's Investment in Affordable Housing initiative, and requested that the government reverse the decline in its support for affordable housing. Moreover, the [Large Urban Mayors' Caucus of Ontario](#) suggested that tax measures to support home ownership by low-income families be explored, while the [Wellesley Institute](#) called for a 10% increase in the funding for the Homelessness Partnering Strategy.

In speaking about ways in which the government could make home ownership more affordable, the [Canadian Home Builders' Association](#) proposed a number of measures: maintain federal spending on core municipal infrastructure, as the result is lower municipal taxes; exempt provincial and municipal taxes on new homes from the

Goods and Services Tax; and increase the maximum amortization period for government-backed insured mortgages to 30 years for qualified first-time home buyers.

Regarding the home renovation sector, the [Canadian Home Builders' Association](#) advocated the creation of a tax credit for home renovation that would combat the underground economy in that sector. [It](#) also supported reinstatement of the ecoENERGY Retrofit-Homes program.

### **C. Changes Proposed by Witnesses Invited to Address Topics Other Than “Ensuring Prosperous and Secure Communities, Including Through Support for Infrastructure”**

The Committee’s witnesses were invited to speak about a particular topic. When they appeared, they often made comments about one of the other five topics selected by the Committee, as indicated below.

#### **1. “Balancing the Federal Budget to Ensure Fiscal Sustainability and Economic Growth” Witnesses**

As a means of supporting economic growth, the [Canadian Council of Chief Executives](#), the [Conference Board of Canada](#) and the [University of Ottawa](#)’s Kevin Page supported increased federal investments in infrastructure.

#### **2. “Supporting Families and Helping Vulnerable Canadians by Focusing on Health, Education and Training” Witnesses**

As part of its efforts to secure additional funding for First Nation reserves, including for housing, the [Assembly of First Nations](#) urged First Nations and the federal government to implement a funding framework that respects and fulfills First Nations treaty and inherent rights and that responds to the needs of its people.

[YWCA Canada](#) stated that the shift of major funding from the former Homelessness Partnering Secretariat – operated through Human Resources and Skills Development Canada – to the Housing First model – a federally funded research demonstration project – needs to be accompanied by a gender-based analysis and resulting strategy to ensure the model is adapted to fit women's homelessness.

#### **3. “Increasing the Competitiveness of Canadian Businesses Through Research, Development, Innovation and Commercialization” Witnesses**

The [Confédération des syndicats nationaux](#) urged the government to adopt measures that would support the transition to an economy that produces fewer greenhouse gas emissions.



#### 4. “Maximizing the Number and Types of Jobs for Canadians” Witnesses

In stating that public infrastructure projects are largely self-financing, the [Canadian Labour Congress](#) suggested that initial investments in such projects could be financed by increasing the federal corporate income tax rate to 19.5%.

In its [brief](#), the Canadian Chamber of Commerce called for a long-term federal infrastructure strategy that would ensure predictable and transparent funding, encourage the use of asset management plans, increase coordination with the provincial/territorial governments and the private sector, and focus on areas that produce the highest returns on investment for businesses and governments, such as trade-enabling infrastructure.

To support communities, the [Green Budget Coalition](#) proposed a tax credit of up to \$3,000 to assist with renovation costs when a certified agent ascertains that the radon in a home presents a health risk. To examine, assess and identify mechanisms to ensure equitable environmental protection and benefits, its [brief](#) requested funding of \$30 million over three years for a commission of inquiry on ensuring healthy environments for Canadians, and \$30 million annually for a federal-provincial/territorial committee and a federal office of environmental health equity.

The [Green Budget Coalition](#) also suggested that the government fund fast-charging stations for electric vehicles around major urban centres, provide accelerated capital cost allowance rates for all forms of power storage, and integrate environmental adaptation considerations into all infrastructure project planning and assessment under the Building Canada Plan.

In indicating that the government’s borrowing costs are currently very low, [Scott Clark](#) – who is with C.S. Clark Consulting and appeared as an individual – supported the creation of a new national infrastructure strategy that would be financed through borrowing; such a strategy could potentially include partnerships with pension funds. As well, to facilitate provincial investments in infrastructure, [he](#) advocated the creation of a federal financing agency that would lend to the provinces at federal borrowing rates.

The Quebec Employers’ Council’s [brief](#) urged the federal and Quebec governments, as well as local stakeholders, to collaborate on appropriate financing solutions for major infrastructure projects in Quebec; in [its](#) view, the use of public–private partnerships should be explored.

In mentioning the 2013 report entitled *Forging Partnerships, Building Relationships*, the Canadian Association of Petroleum Producers’ [brief](#) highlighted the need for the government to consult with Aboriginal communities in a manner consistent with the recommendations in that report. In [its](#) view, reconciliation needs to occur among Aboriginal communities, industry and all governments in Canada to address land claims issues and to engage Aboriginal entrepreneurs in resource development projects.

[Solidarité rurale du Québec](#) requested that, in development and employment assistance programs for training or support for business innovation, the government consider community size, population density, the types of natural resources, remoteness

from major centres, and accessibility to services and infrastructure. [It](#) also proposed that, as part of a possible federal rural policy, the government establish an agreement with each regional county or municipality to strengthen and support rural development through decentralized financing; the rural pact in Quebec's national policy on rurality was cited as a possible model.

In addition, [Solidarité rurale du Québec](#) urged the government to support local businesses and rural community development by limiting free trade with international agricultural markets, investing in the local forest biomass sector, and increasing local access to affordable, high-speed Internet.

# CHAPTER SIX: IMPROVING CANADA'S TAXATION AND REGULATORY REGIMES

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## A. Background

### 1. Personal Income Taxation

Progressive marginal income tax rates for income earned by an individual have been part of the Canadian tax system since personal income taxes were created in the *Income War Tax Act, 1917*. Personal income taxes make the largest contribution to federal tax revenue, and comprised approximately 62% of total federal tax [revenue](#) in 2013–2014. For the 2014 taxation year, federal personal income tax rates range from 15% to 29%. These rates are applied on taxable income, which is total income minus deductions, with non-refundable tax credits subtracted from the tax that is payable. Refundable tax credits, which are available even in the absence of taxable income and are calculated separately from non-refundable credits, are based on family income.

In Canada, taxation is based on an individual, rather than on a family. That said, tax incentives may be shared between spouses or common-law partners, such as with personal tax credits, and family income may be considered in determining eligibility for certain government programs, such as the Canada Child Tax Benefit.

### 2. Corporate Income Taxation

In Canada, corporations have had their annual net income taxed since 1916; corporate income taxes are the second most significant contributor to federal tax revenue, and represented approximately 17% of total federal tax [revenue](#) in 2013–2014. Canadian-resident corporations are obliged to pay tax on their taxable income earned worldwide, while foreign corporations pay tax on their taxable income earned in Canada. Provided that there is a reasonable expectation of profit, companies may deduct – from their accrued revenue – the expenses incurred in producing goods and services. Current expenditures are deductible in the year in which they are incurred, while the cost of purchasing capital goods can be deducted from revenue over time in accordance with prescribed rates of deduction, or capital cost allowance rates. As well, interest on borrowings for the purpose of earning income from a business is deductible, as are business losses.

Table 1 shows federal corporate income tax rates for the 2000 to 2014 taxation years. The corporate tax rate on general income is applied on corporations that are not eligible for size- and/or sector-specific corporate income tax rate reductions; it includes the general rate reduction for that taxation year, with this rate available to all Canadian-resident corporations. Two of the most common reductions are the manufacturing and processing credit and the small business deduction.

**Table 1 – Federal Corporate Income Tax Rates, Canada,  
2000–2014 (%)**

	<b>Corporate Tax Rate on General Income</b>	<b>Corporate Tax Rate on Manufacturing and Processing Income</b>	<b>Corporate Tax Rate Including Small Business Deduction</b>	<b>Corporate Surtax Rate</b>
<b>2000</b>	28.0	21.0	12.0	1.12
<b>2001</b>	27.0	21.0	12.0	1.12
<b>2002</b>	25.0	21.0	12.0	1.12
<b>2003</b>	23.0	21.0	12.0	1.12
<b>2004 to 2007</b>	21.0	21.0	12.0	1.12
<b>2008</b>	19.5	19.5	11.0	0.00
<b>2009</b>	19.0	19.0	11.0	0.00
<b>2010</b>	18.0	18.0	11.0	0.00
<b>2011</b>	16.5	16.5	11.0	0.00
<b>2012 to 2014</b>	15.0	15.0	11.0	0.00

Source: Table prepared using information from: *Income Tax Act*, R.S.C. 1985, c. 1 (5<sup>th</sup> Supplement), various years.

### **3. Consumption and Excise Taxes**

Since 1991, the federal government has imposed the Goods and Services Tax (GST) on almost every sale of goods and services in, and import of such goods and services into, Canada. The GST, which is a value-added tax that is currently applied at the rate of 5%, is a tax on final consumption; businesses may be able to claim an input tax credit for purchases that are related to their business activities. That said, the [tax](#) is not imposed on GST-exempt goods and services, and it is applied at a rate of 0% on certain goods and services, such as basic groceries and exports; in relation to the latter, the term “zero-rated” is sometimes used. Retailers of the former are not allowed to claim an input tax credit for purchases that are related to the production of those goods and services, while retailers of the latter are allowed to claim the credit.

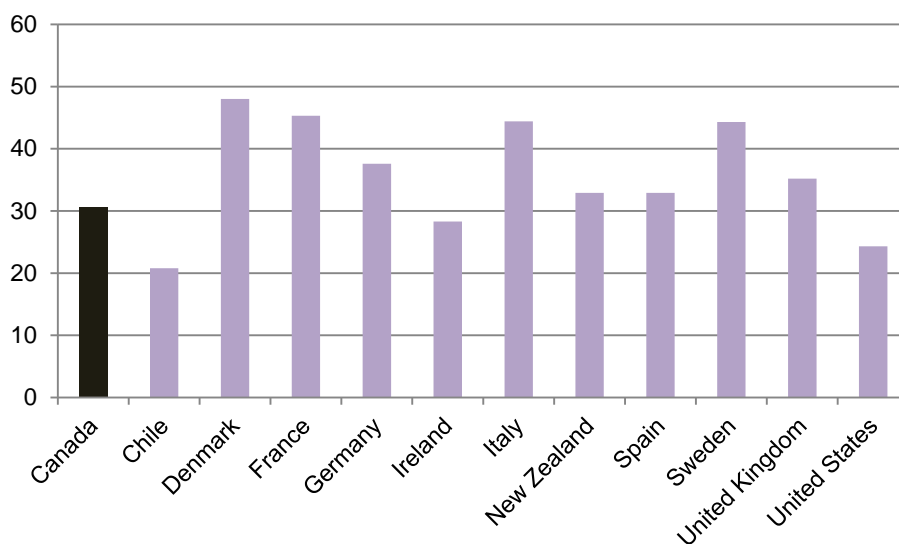
As well, the federal government obtains revenue from the excise taxes or duties applied on the sale and import of specific goods, including [alcohol, tobacco, gasoline and](#)

[diesel fuel](#), and certain other [goods](#) and [services](#). Customs duties may also be applied on [goods](#) imported into Canada.

#### 4. Tax Competitiveness

Some commentators use tax competitiveness – the tax burden imposed on businesses and individuals resident in one country relative to that burden in one or more other countries – to assess the extent to which businesses and people might find a particular country desirable as a destination for foreign investment or residency respectively. Figure 12 shows, for 2012, total tax revenue at the national and subnational level as a percentage of gross domestic product in selected countries.

**Figure 12 – Total Tax Revenue as a Percentage of Gross Domestic Product, Selected Countries, 2012 (%)**



Notes: “Total tax revenue” includes subnational taxes, social security contributions and payroll taxes.

“GDP” means gross domestic product.

Source: Figure prepared using information from: Organisation for Economic Co-operation and Development, [Tax Statistics](#).

#### 5. Tax Compliance

Like a number of other countries, Canada wants a tax system that is fair for taxpayers and that protects the revenue base. To ensure that the tax system meets these goals, taxpayers must comply with tax laws, which give rise to a compliance burden.

The [Canada Revenue Agency](#) has estimated that, for 2010–2011, 17.6% of “key tax credits or deductions” claimed by individuals were disallowed following a review of eligibility for, or the amount of, the credit or deduction. Regarding audits of small- and

medium-sized companies, for 2007–2008, the [Agency](#) adjusted the tax returns of 27.5% of these companies; the adjustments averaged \$6,000.

In general, countries use a territorial system of taxation for foreign branches of domestic companies; this system defers the domestic taxation of income earned by a foreign branch until that income is repatriated as dividends paid to an individual taxpayer. Governments are concerned about the international taxation of multinational companies, as these companies may attempt to access favourable tax laws in certain jurisdictions in an effort to reduce their overall tax liability. In September 2014, the Organisation for Economic Co-operation and Development (OECD) and the Group of Twenty nations released recommendations that address [base erosion and profit shifting](#) by multinational companies.

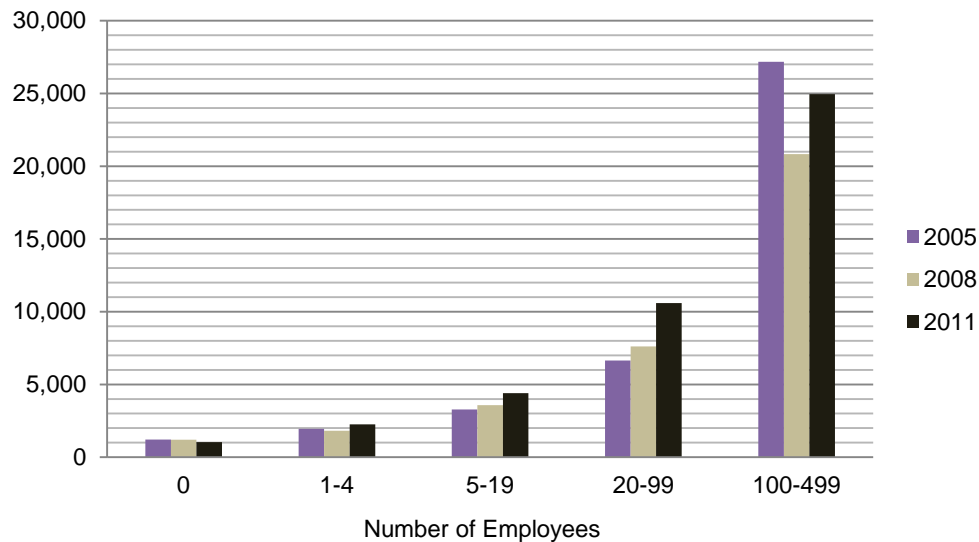
## **6. The Costs of Regulation to Businesses**

Regulations, which are a main instrument used by governments to achieve policy objectives, contain principles, rules or conditions that govern the behaviour of residents and businesses. According to the Standard Cost Model that is used by the OECD, businesses incur two types of costs as a result of regulations: financial and compliance.

In Canada, the [Cabinet Directive on Regulatory Management](#) provides the primary policy framework for making federal regulations. According to the Directive, when new regulations are implemented, departments and agencies must maintain the net number of regulations and the net administrative burden on businesses, a practice that is known as the “one-for-one” rule. Additionally, when regulations are being designed, departments and agencies must consider the impact of the proposed regulations on small businesses.

Figure 13 shows the average annual cost of regulatory compliance for Canadian businesses of various sizes in 2005, 2008 and 2011.

**Figure 13 – Average Annual Cost of Regulatory Compliance for Businesses, Canada, by Number of Employees in the Business, 2005, 2008 and 2011 (constant dollars 2011)**



Note: The regulatory compliance cost includes the administrative costs associated with: payroll remittances for Employment Insurance and Canada Pension Plan contributions; Government of Canada Record of Employment; T4 and RL forms for employee income taxes; workers' compensation remittances and claims; federal/provincial income tax and sales tax filings; corporate registration; Statistics Canada surveys; municipal and provincial licences and permits; and other regulations.

Source: Figure prepared using information from: Government of Canada, [SME Regulatory Compliance Cost Report](#), September 2013.

## **B. Changes Proposed by Witnesses Invited to Address “Improving Canada’s Taxation and Regulatory Regimes”**

Witnesses invited by the Committee to speak about the topic of improving Canada’s taxation and regulatory regimes commented on a range of issues. In relation to the tax system, they focused on tax revenue, tax simplification, reform and compliance, international taxation, and the tax treatment of certain businesses, entities and individuals. Regarding Canada’s regulatory regime, they mentioned credit card transaction fees, securities, charities, and financial services provided by the federal government.

### **1. Tax System**

#### **a. Tax Revenue**

In highlighting methods to increase federal tax revenue, the [Canadian Centre for Policy Alternatives](#) requested a broadening of the tax base by: extending the Goods and Services Tax to financial activities and services; capping lifetime contributions to tax

shelters, such as Tax-Free Savings Accounts; introducing an inheritance tax; eliminating the deduction for stock options and for capital gains; increasing tax compliance; and improving the identification and prosecution of tax crimes.

Similarly, [Canadians for Tax Fairness](#) supported measures to increase federal tax revenue, and proposed that tax loopholes that disproportionately benefit high-net-worth individuals and raise income inequality be closed; particular mention was made of the deduction for employee stock options. [It](#) also called for an evaluation of previous tax incentives to determine their effectiveness, with this evaluation occurring prior to the introduction of new measures.

## **b. Tax Simplification, Reform and Compliance**

In commenting on the increase in the number of tax provisions since 1987, and on the United Kingdom's permanent and independent tax simplification office, [Arthur Cockfield](#) – who is with Queen's University and appeared as an individual – advocated the creation of an independent expert panel to provide advice on short- and long-term options to streamline Canada's tax system. The [Chartered Professional Accountants of Canada](#) made a similar proposal.

[Mr. Cockfield](#) also spoke about the level of taxation, suggesting that the tax base be broadened, and the number of tax shelters and loopholes be reduced; the tax rate could perhaps be reduced at the same time. [Mike Moffat](#) – who is with Western University and appeared as an individual – proposed a reduction in tax rates, especially for the lowest tax bracket, instead of multiple tax incentives for low-income individuals.

The [Chartered Professional Accountants of Canada](#) mentioned what is commonly known as the Carter Commission, which comprehensively examined the *Income Tax Act* in the 1960s, and suggested that – due to the increased mobility of capital – the entire tax system be examined to determine whether the existing balance among consumption, corporate income and personal income taxes is appropriate.

In speaking about tariffs and the high administrative burden imposed on businesses – especially small- and medium-sized businesses – to obtain the most-favoured-nation rate, [Mr. Moffat](#) proposed that this rate be reduced to zero for tariff items with a very low effective tariff rate.

Regarding the administrative burden imposed on non-residents that provide services to Canadian corporations, [Tax Executives Institute, Inc.](#) highlighted that the *Income Tax Act* requires the non-resident to pay the withholding tax unless a form is filed with the Canada Revenue Agency. [It](#) asked for a self-certification system for non-residents in cases where there is an applicable tax treaty that reduces the withholding tax to zero.

Moreover, [Tax Executives Institute, Inc.](#) identified electronic filing as an important means by which to reduce compliance costs for businesses, and proposed that taxpayers be permitted to file the T-106 and T-1134 forms electronically. The [Chartered Professional](#)



[Accountants of Canada](#) requested that business financial data be standardized for electronic filing, which would reduce the compliance burden for businesses.

In speaking about disputes between taxpayers and the Canada Revenue Agency, [Tax Executives Institute, Inc.](#) noted that such disputes cause delays and uncertainty, and requested that the Agency be permitted to settle disputes based on an assessment of the likelihood that the Minister of National Revenue would be unsuccessful in legal proceedings.

### **c. International Taxation**

In suggesting that significant federal tax revenue is located in offshore jurisdictions, [Mr. Cockfield](#) requested that the government invest in identifying offshore tax evaders. Similarly, [Canadians for Tax Fairness](#) encouraged greater federal efforts to reduce the use of tax havens by Canadians, including through increased disclosure of offshore investments.

[Brigitte Alepin](#) – who is with Agora Fiscalité and appeared as an individual – noted the lowering of corporate tax rates in a number of jurisdictions; [she](#) called for the convening of a conference that would enable discussions among Canada and other countries, perhaps leading to the harmonization of tax rates across countries. The [Canadian Bankers Association](#) supported a Canadian corporate tax rate that is internationally competitive.

[Tax Executive Institute, Inc.](#) highlighted the recommendations made by the Organisation for Economic Co-operation and Development in relation to base erosion and profit shifting, and urged the government to implement recommendations only after assessing their potential impact on the Canadian economy. [Deloitte](#) proposed that changes occur only if Canada's trading partners are implementing similar measures, and advocated targeted – rather than broadly worded – provisions. Finally, [Canadians for Tax Fairness](#) urged the government to implement these recommendations.

### **d. Tax Treatment of Certain Businesses, Entities and Individuals**

In speaking about increased lending by credit unions, and their ability to raise capital for expansion when compared to corporations with publicly traded shares, [Credit Union Central of Canada](#) asked for the creation of a 5% capital growth tax credit; in its view, in the absence of this measure, credit unions would pay a higher effective tax rate than banks by 2017.

The [Investment Funds Institute of Canada](#) indicated that group registered retirement savings plans and pooled registered pension plans are treated differently for tax and regulatory purposes; [it](#) requested that they be treated similarly with respect to payroll tax measures, auto-enrolment and the locking-in of employer contributions.

To ensure that mutual funds are treated in the same manner as other businesses, the [Investment Funds Institute of Canada](#) suggested that such funds be treated more fairly

for purposes of the Goods and Services Tax/Harmonized Sales Tax. [It](#) also proposed that interest income and income from foreign sources be eligible for the 13% corporate general rate reduction.

The [Portfolio Management Association of Canada](#) believed that consumption taxes should not be imposed on retirement savings, and urged an exemption for investment management services or, in the alternative, efforts by the federal and provincial governments to remove or mitigate provincial disparities in relation to the provincial portion of the Harmonized Sales Tax.

As a means of allowing individuals to save for longer periods of retirement, the [Investment Funds Institute of Canada](#) advocated a reduction in the mandatory minimum withdrawal amounts for registered retirement income funds and/or an increase in the age by which the initial mandatory withdrawal must occur. Similarly, the [Conference for Advanced Life Underwriting](#) asked for an increase in this age, and [it](#) provided various formulae for calculating the mandatory withdrawal amount.

In highlighting the large amount of money that is being held by private foundations rather than used for charitable purposes, [Ms. Alepin](#) supported an increase in the annual disbursement rate by such foundations from 3.5% to 8%.

Regarding the rules for investments in tax-sheltered savings plans, the [Portfolio Management Association of Canada](#) proposed that the *Income Tax Act's* list of designated exchanges be expanded to include shares listed on stock exchanges in South Korea, Russia and Brazil.

#### **e. Tax Incentives for Individuals and Families**

In commenting on tax relief, [Frances Woolley](#) – who is with Carleton University and appeared as an individual – and the [Canadian Centre for Policy Alternatives](#) urged the government not to proceed with tax reductions.

The [Investment Funds Institute of Canada](#) focused on tax incentives for retirement saving, and advocated an increase in the contribution limit for Tax-Free Savings Accounts to \$10,000 annually once the federal budget is balanced.

To increase investments by individuals in small businesses, the [Investment Industry Association of Canada](#) proposed the creation of a capital gains rollover for individuals who sell shares in and, within six months, purchase shares in a small Canadian business.

[Jennifer Robson](#) – who is with Carleton University and appeared as an individual – noted that the current tax incentives for personal savings favour high-income individuals, and advocated more tax assistance for households with low or modest wealth.

The [Conference for Advanced Life Underwriting](#) urged the government to educate Canadians about their financial obligations relating to long-term care services, and to ensure that tax rules encourage more Canadians to purchase individual long-term health

care insurance. [It](#) mentioned, in particular, tax-exempt registered retirement savings plan withdrawals to purchase such insurance.

[Imagine Canada](#) requested the creation of a “stretch tax credit” that would provide an enhanced charitable donation tax credit to individuals who donate an amount in a given taxation year that exceeds their donation in the immediately preceding taxation year.

In the view of [Mr. Moffat](#), the administrative burden associated with tax expenditures is high, and numerous personal tax expenditures could be repealed and replaced with lower income tax rates, a higher Universal Child Care Benefit and/or a more generous Goods and Services Tax/Harmonized Sales Tax credit.

In speaking about the Goods and Services Tax/Harmonized Sales Tax credit, [Mr. Cockfield](#) noted that low-income individuals who do not file a tax return do not receive the credit; [he](#) urged the creation of a program for Canada that is similar to the United States’ volunteer tax assistance program.

[Ms. Robson](#) highlighted that tax relief can be provided in a range of ways, and urged consultation and widespread agreement among Canadians – and an analysis of the administrative and implementation burden – before a fundamental shift occurs in the calculation of the tax liability of individuals with families.

[Ms. Woolley](#) noted that family income splitting raises the marginal tax rate imposed on the lower-earning spouse, and – as an alternative – advocated a new program for families with children that would combine the best features of the Canada Child Tax Benefit and the Universal Child Care Benefit.

The [Institute of Marriage and Family Canada](#) supported family income splitting as a measure that would – in its opinion – establish horizontal equity among families.

## **2. Regulatory Regime of Certain Sectors**

### **a. Credit Card Transaction Fees**

In highlighting that high credit card transaction fees affect the amount of donations received by charities, [Imagine Canada](#) urged the involvement of the charitable sector in negotiations for a voluntary arrangement to regulate transaction fees.

[Restaurants Canada](#) highlighted the existence of high credit card transactions fees and the application of those fees on the sales tax portion of restaurant bills. [It](#) advocated a regulatory cap on interchange fees, with rules to prevent the introduction of other merchant fees to replace the revenue that is lost and to prohibit credit card companies from earning a fee from the collection of sales tax, as well as Goods and Services Tax/Harmonized Sales Tax, by businesses.

## **b. Securities**

With a focus on securities regulation in Canada, the [Portfolio Management Association of Canada](#) highlighted the co-operative capital markets regulatory system; [it](#) urged the government to continue working towards participation in this system by all provincial securities regulators. Similarly, the [Canadian Bankers Association](#) supported the government's efforts to harmonize securities regulation in Canada.

## **c. Charities**

In the view of [Gareth Kirkby](#) – who appeared as an individual – the Canada Revenue Agency is auditing charities that have public policy preferences that differ from those of the government. [He](#) called for abolition of the Agency's political activities audit program, encouraged greater clarity in the *Income Tax Regulations* definitions that pertain to charities, and proposed that the Canada Revenue Agency provide charities with the criteria it uses to evaluate charitable activities.

## **d. Financial Services Provided by the Federal Government**

[Imagine Canada](#) suggested that charitable organizations face regulatory and administrative restrictions that limit their access to federal business development services provided to private-sector businesses; [it](#) called for these restrictions to be removed.

## **C. Changes Proposed by Witnesses Invited to Address Topics Other Than “Improving Canada’s Taxation and Regulatory Regimes”**

The Committee's witnesses were invited to speak about a particular topic. When they appeared, they often made comments about one of the other five topics selected by the Committee, as indicated below.

### **1. “Balancing the Federal Budget to Ensure Fiscal Sustainability and Economic Growth” Witnesses**

The [Canadian Council of Chief Executives](#), the [Conference Board of Canada](#) and the [Canadian Taxpayers Federation](#) called for a comprehensive review of the tax system with a view to simplifying it and supporting economic growth.

As a way to increase financing for new businesses, the [Fraser Institute](#) proposed the elimination of – or, under certain conditions, the deferral of – taxes on capitals gains. The [Canadian Taxpayers Federation](#) supported a mechanism that would allow the averaging of capital gains income over a number of years so as to avoid taxation of the full amount of the gains when assets are sold.

The [Canadian Taxpayers Federation](#) advocated a reduction in both personal income tax rates and the number of tax brackets. Both [it](#) and the [Frontier Centre for Public Policy](#) advised against the introduction of new “boutique tax credits.” The [Fraser Institute](#)

proposed the creation of a medium-term plan to increase the competitiveness – relative to other countries – of personal income taxation.

The Canadian Union of Public Employees' [brief](#) outlined a series of measures that would increase federal revenue. In particular, the [brief](#) proposed that the federal corporate tax rate be restored to 22% and that a number of tax measures be eliminated, including the stock option deduction, the capital gains deduction, the deduction for business meals and entertainment expenses, and those that favour the oil and gas and mining sectors. The [brief](#) also suggested that tax laws be enforced to a greater extent in order to combat tax evasion and the use of tax havens, a new personal income tax rate of 35% be introduced for income exceeding \$250,000, the banking and financial sectors be taxed at a higher rate, and an inheritance tax on estates valued at more than \$5 million be introduced.

According to the [Canadian Taxpayers Federation](#), in the event that the government decides to provide tax reductions to families, a \$10,000 child care deduction available to stay-at-home parents should be considered, with the working parent remunerating the stay-at-home parent, who would claim the deduction.

## **2. “Supporting Families and Helping Vulnerable Canadians by Focusing on Health, Education and Training” Witnesses**

As a means of increasing the maximum amount of the National Child Benefit, [YWCA Canada](#) said that federal tax expenditures in relation to tax credits that support families – such as the Universal Child Care Benefit and the Child Fitness Tax Credit – should be reallocated to the National Child Benefit.

## **3. “Increasing the Competitiveness of Canadian Businesses Through Research, Development, Innovation and Commercialization” Witnesses**

[Canada's Research-Based Pharmaceutical Companies](#) urged immediate implementation of the intellectual property provisions in the comprehensive economic and trade agreement concluded by Canada and the European Union, and indicated that any additional measures regarding dual litigation should be subject to a policy consultation process with stakeholders. [It](#) also called for changes to the amendment contained in Bill C-17, An Act to amend the Food and Drugs Act, that would reduce the threshold for disclosure of confidential business information by Health Canada.

The [Canadian Vehicle Manufacturers' Association](#) mentioned the need to make the accelerated capital cost allowance competitive with comparable incentives in other jurisdictions. Similarly, in highlighting the difference in capital cost allowance rates between Canada and the United States, [Canadian Manufacturers & Exporters](#) suggested that the current 50% depreciation rate for manufacturing and processing machinery and equipment be made permanent.

The [Confédération des syndicats nationaux](#) requested that the government reverse its decision regarding gradual elimination of the Labour-Sponsored Venture Capital Corporations Tax Credit.

In identifying the need to provide financial support to businesses in all sectors, the [Société de promotion économique de Rimouski](#) requested that funding application processes be improved in order to make it easier for businesses and institutions to identify funding sources and to renew funding.

In its [brief](#), Canada's Research-Based Pharmaceutical Companies proposed that Health Canada adopt a modern and comprehensive legislative and regulatory regime for the assessment, approval and monitoring of drug products in Canada, and that federal regulations be aligned with international best practices.

#### **4. “Ensuring Prosperous and Secure Communities, Including Through Support for Infrastructure” Witnesses**

As a means by which to encourage capital accumulation, the [Canadian Life and Health Insurance Association](#) proposed elimination of the capital tax on financial institutions.

The [Canadian Electricity Association](#) supported greater regulatory alignment with the United States to improve the integration of the North American electricity system.

#### **5. “Maximizing the Number and Types of Jobs for Canadians” Witnesses**

The [Canadian Federation of Independent Business](#) suggested that the government lower the small business tax rate to 9% by 2015, and – in supporting the one-for-one rule – publicly release a comprehensive baseline count of its regulatory requirements. The Quebec Employers' Council's [brief](#) said that the one-for-one rule should apply to any new federal regulations for transportation, telecommunications and/or financial services.

In its [brief](#), the Canadian Chamber of Commerce advocated a comprehensive review of taxation and regulatory regimes in Canada with a view to creating more streamlined and efficient systems. As well, the [brief](#) urged the elimination of tax credits that are either not cost effective or not achieving their intended purpose, with the revenue gains used to reduce personal and corporate tax rates.

The Canadian Chamber of Commerce's [brief](#) also called for the federal government to facilitate a comprehensive internal trade agreement that would allow the sale of goods and services across provincial/territorial borders, regardless of differences in regulations or standards. To reduce administrative costs, the [brief](#) urged the federal government to work with the provinces/territories on a common regulatory framework for trade across these borders that would be clear, and that would have an accessible and affordable dispute-resolution mechanism.

The [Green Budget Coalition](#) asked the government to renew the Clean Air Agenda beyond 2016, and to increase its adaptation funding to at least \$45 million annually.

The [Retail Council of Canada](#) and the Quebec Employers' Council's [brief](#) suggested that the government maintain a tariff regime that is internationally competitive, and – before new international trade agreements are implemented – provide training and

disseminate information to businesses on the possible benefits of these agreements. In particular, the [Retail Council of Canada](#) proposed the elimination of tariffs applied on a range of essential food and clothing items imported into Canada; this change should be effective in January 2015, the date on which entitlement to the General Preferential Tariff will be withdrawn from all goods that originate in 72 higher-income and trade-competitive countries, such as China and India. [It](#) also urged the government to act on its commitment to reduce credit card transaction fees for merchants.

The [Quebec Employers' Council](#) urged the government to review its policies relating to international commerce that occurs through online sales, and to assess the impact of online international commercial activity on both the competitiveness of Canadian companies and federal tax revenue.

With increases in Internet-based broadcasting, which is not subject to Canadian content regulations, the [Canadian Arts Coalition](#) called on Parliament to investigate revenue models that would support a comprehensive Canadian cultural digital strategy.

To harmonize the tax treatment across the manufacturing sector and with competitor countries, the [Canadian Gas Association](#) and the Canadian Association of Petroleum Producers' [brief](#) advocated an accelerated capital cost allowance rate for liquefied natural gas facilities.

The Canadian Gas Association's [brief](#) proposed a subsidy or tax incentive for natural gas as an alternative transportation fuel, such as through maintaining its current fuel excise tax exemption on liquefied natural gas and compressed natural gas.





# CHAPTER SEVEN: MAXIMIZING THE NUMBER AND TYPES OF JOBS FOR CANADIANS

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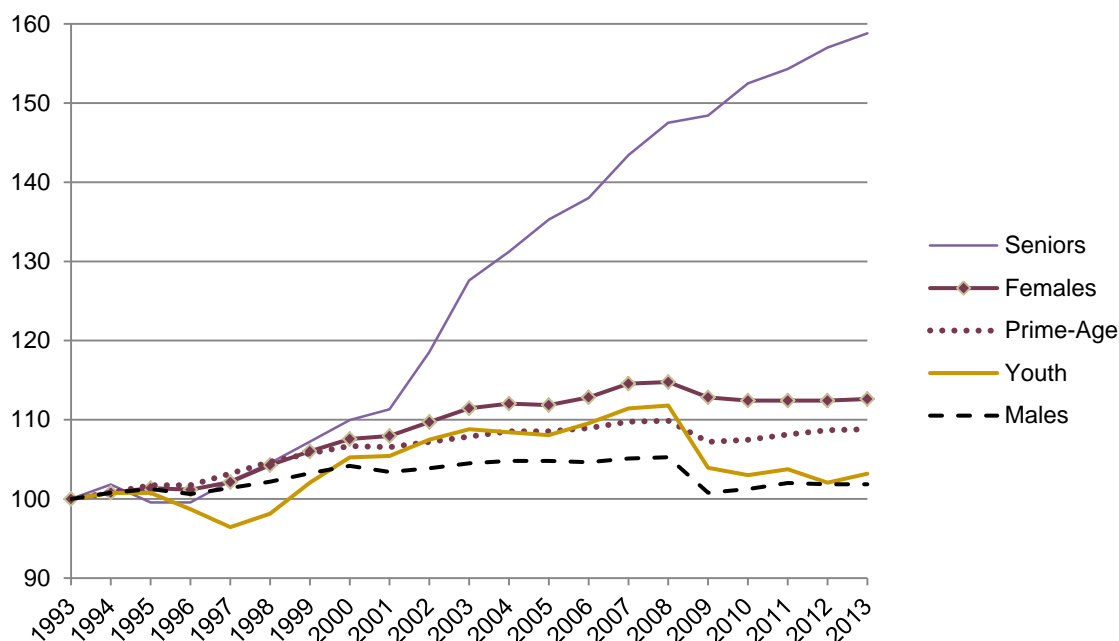
## A. Background

### 1. Employment

In 2013, 17.7 million people – about 15 million employees and approximately 2.7 million self-employed persons – were employed in Canada, an increase of 1.3% – or 223,500 people – from 2012. This increase continued the trend of rising employment levels in Canada that has existed since the end of the recent global recession.

As shown in Figure 14, Canada's employment rate – the number of people employed as a percentage of the number in the working-age population – has generally been rising over the last two decades, although the employment rate in 2013 – at 61.8% – was below its 2008 peak of 63.5%. By gender, almost all of the increase in the employment rate over the last 20 years has been due to more women becoming employed.

**Figure 14 – Employment Rate, by Gender and Age Group, Canada, 1993–2013  
(Index: 1993=100)**



Notes: “Employment Rate” is the number of people employed as a percentage of the population aged 15 and older. The rate is indexed to 100 for the year 1993.

“Youth” are aged 15 to 24, “Prime-Age” are aged 25 to 54, and “Seniors” are aged 55 or older.

Source: Figure prepared using information from: Statistics Canada, Table [282-0002](#), “Labour force survey estimates (LFS), by sex and detailed age group, annual,” CANSIM (database), accessed 10 November 2014.

By age group, the number of senior workers – those aged 55 or older – nearly tripled over the last 20 years, rising from 1.2 million in 1993 to 3.4 million in 2013; their employment rate grew from 22.1% to 35.1%. Relative to senior workers, the employment rate for prime-age workers – those aged 25 to 54 – grew less, rising from 74.9% in 1993 to 81.5% in 2013, and that for youth – those aged 15 to 24 – was relatively unchanged over the period, at 53.4% in 1993 and 55.1% in 2013. Over the 2008–2013 period, the youth employment rate declined, falling from 59.7% in 2008 to 55.1% in 2013; the employment rate for prime-age workers remained at around 82.0% throughout the period, while the rate for senior workers grew from 32.6% to 35.1%.

The 2 million employees involved in temporary work arrangements in 2013 – that is, in seasonal (21.3%), term or contract (53.4%), or casual or other jobs (25.2%) – accounted for about 13.4% of the 15 million employees in that year. While the number of permanent employees as a percentage of all employees decreased from 88.7% in 1997 to 86.6% in 2013, the number of temporary employees as a percentage of all employees

increased from 11.3% to 13.4%; in the latter case, more than one half of the increase occurred after the onset of the recession in the fall of 2008.

Direct federal funding to support employment is provided through the [Youth Employment Strategy](#), which supports young people – especially those facing barriers to employment – as they transition to employment; the Strategy includes [Skills Link](#), [Career Focus](#), [Canada Summer Jobs](#) and the [Federal Student Work Experience Program](#). Employment and Social Development Canada’s operating funds support various national employment services to help Canadians find suitable employment; these services include the [Job Bank](#), [Labour Market Information](#), and general job referral and placement services.

The federal government also supports programs aimed at increasing the employment of people with a disability, including through the [Opportunities Fund for Persons with Disabilities](#), the [Enabling Accessibility Fund](#) and the [Entrepreneurs with Disabilities Program](#).

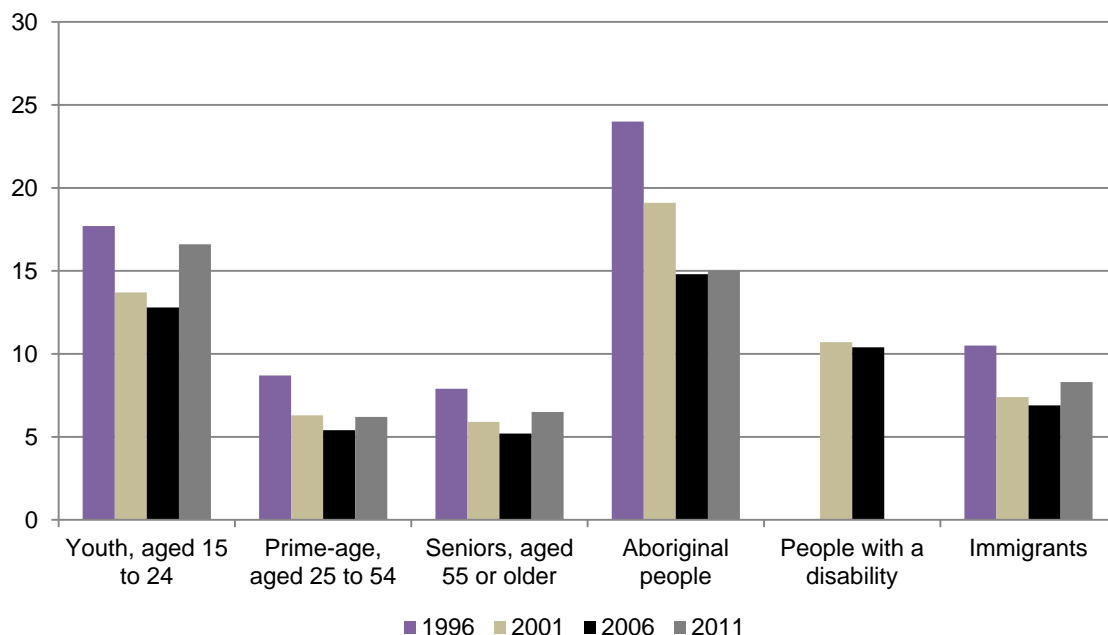
Finally, federal personal tax measures that facilitate employment include the [child care expense deduction](#), the [Universal Child Care Benefit](#), the [moving expense deduction](#) and the [Working Income Tax Benefit](#). Relevant tax measures for businesses include the [Apprenticeship Job Creation Tax Credit](#), the [Hiring Credit for Small Business](#) and the [Small Business Job Credit](#).

## **2. Unemployment**

In 2013, more than 1.3 million people in Canada were unemployed; this number was 20.8% lower than in 2008. Canada’s unemployment rate in 2013 – at 7.1% – was higher than the rate in 2008 – at 6.1%. In 2013, the unemployment rate for youth – at 13.7% – was higher than that for prime-age workers and senior workers – at 5.9% and 6.0% respectively. Over the 2008–2013 period, the 2.1-percentage-point growth in the youth unemployment rate was higher than that for prime-age workers and senior workers; their rates rose by 0.8 and 1.0 percentage points respectively.

Figure 15 shows the unemployment rates – the number of unemployed people as a percentage of the number of people in the labour force – for youth, prime-age workers, senior workers, Aboriginal people, people with a disability and immigrants for selected years since 1996.

**Figure 15 – Unemployment Rate, by Population Identity, Canada, 1996, 2001, 2006 and 2011 (%)**



Note: The unemployment rates by disability identity are available only for 2001 and 2006, and reflect people aged 15 to 64.

Sources: Figure prepared using information from: Statistics Canada, [2001 Census of Canada](#), [2006 Census of Population](#), [2011 National Household Survey: Data Tables](#), [Participation and Activity Limitation Survey, 2001: Education, employment and income of adults with and without disabilities – Tables](#), Catalogue No. 89-587-XIE, and [Participation and Activity Limitation Survey of 2006: Labour Force Experience of People with Disabilities in Canada](#), Catalogue No. 89-628-X, No. 7.

In Canada, the average duration of unemployment increased from 14.8 weeks in 2008 to 21.1 weeks in 2013. In 2013, 75.5% of unemployed people were unemployed for 26 weeks or less, while 33.1% were unemployed for 4 weeks or less; 20.2% were unemployed for 27 weeks or more, and 4.3% were unemployed for an unknown duration. The percentage of unemployed people who were unemployed for a year or longer more than doubled over the 2008–2013 period, rising from 74,800 people – or 6.7% of all unemployed people – in 2008 to 164,600 people – or 12.2% of all unemployed people – in 2013.

The [Employment Insurance](#) (EI) program is funded by contributions made by employees, employers and self-employed persons. Through Part I of the EI program, the federal government uses EI funding to provide two types of income benefits for EI contributors who are temporarily unemployed and who meet certain requirements: [Regular Benefits](#), which are provided in the event of job loss; and [Special Benefits](#), which are provided in the event of illness, for the birth of a child and to care for a family member, among other situations. According to the [EI Monitoring and Assessment Report 2012/13](#),

62.9% of EI contributors received Regular Benefits in 2012; this proportion is about the same as it was in 2003 – at 62.7% – but lower than it was in 2010 – at 71.7%. Table 2 presents various measures of EI eligibility and accessibility for the 2006–2007 to 2012–2013 period.

**Table 2 – Measures of Employment Insurance Eligibility and Accessibility**

	2006–2007	2007–2008	2008–2009	2009–2010	2010–2011	2011–2012	2012–2013
Ratio of “Regular Benefit” Beneficiaries to the Number of EI Contributors	67.5%	63.2%	62.2%	69.7%	71.7%	64.1%	62.9%
Ratio of “Regular Benefit” Beneficiaries to the Potentially EI-eligible Population	57.0%	54.6%	54.1%	59.7%	62.7%	55.1%	53.9%
Ratio of “Regular Benefit” Beneficiaries to the Number of Unemployed	45.9%	44.2%	43.6%	49.0%	46.4%	41.3%	38.8%

Notes: “EI Contributors” includes individuals who had paid EI premiums in the previous 12 months.

The “Potentially EI-eligible Population” includes the number of unemployed individuals with a recent job separation who meet EI program eligibility criteria because: they did not quit their job without an acceptable cause; or they did not quit their job to go to school full time. Those who quit their job to engage in full-time education do not qualify for EI benefits.

Source: Employment and Social Development Canada, [Employment Insurance Monitoring and Assessment Report 2012/13](#), Chart 21, Chapter 2.

Part II of the EI program supports EI beneficiaries’ transition to employment through skills training programs, employer incentives to hire workers, employee incentives to accept employment, guidance for starting a small business and assistance with job search. As specified in various [Labour Market Development Agreements](#), these supports occur collaboratively between the federal and the provincial/territorial governments. As well, direct federal support occurs through Part II for pan-Canadian initiatives, such as the [Aboriginal Skills and Employment Training Strategy](#) (ASETS), which provides benefits to Aboriginal people who are EI beneficiaries and to other Aboriginal people, [Research and Innovation](#), and [Labour Market Partnerships](#) with employers, employee and employer associations, community groups and communities.

Canadians who are not eligible for EI are supported through federal transfer payments to the provincial/territorial governments for employment benefits and support measures. In particular, these measures occur through [Labour Market Agreements for Persons with Disabilities](#) and through [Labour Market Agreements](#) (LMAs); the introduction

of the [Canada Job Grant](#) is occurring in the context of federal-provincial/territorial negotiations for the renewal of LMAs in 2014–2015. As well, the federal government is currently consulting with stakeholders on the future of Employment and Social Development Canada’s ASETS and the [Skills and Partnership Fund](#).

## **B. Changes Proposed by Witnesses Invited to Address “Maximizing the Number and Types of Jobs for Canadians”**

In speaking to the Committee about maximizing the number and types of jobs for Canadians, witnesses commented on a range of issues, including labour market information, labour mobility and temporary foreign workers, payroll taxes, Labour Market Development Agreements, training and skills development, entrepreneurship and sector-specific initiatives.

### **1. Labour Market Information**

In its [brief](#), the Canadian Chamber of Commerce proposed that the Forum of Labour Market Ministers coordinate the collection and dissemination of labour market information to enhance the identification of skills shortages in Canada. As well, the [Retail Council of Canada](#), the [Canadian Federation of Independent Business](#) and the Toronto Region Board of Trade’s [brief](#) supported improved labour market information to enable a clearer understanding of skills gaps and better labour market planning. The [Canadian Labour Congress](#) called for a national summit on the issue of improving labour market information.

The Canadian Chamber of Commerce’s [brief](#) also requested that Statistics Canada expand its Job Vacancy Survey to identify skills gaps at a disaggregated geographical level. The [Canadian Chamber of Commerce](#) and the [Canadian Labour Congress](#) proposed that Statistics Canada reintroduce and expand its Workplace and Employee Survey.

### **2. Labour Mobility and Temporary Foreign Workers**

To reduce the need for temporary foreign workers, the Canadian Chamber of Commerce’s [brief](#) suggested that the government introduce incentives to defray the relocation costs incurred by skilled trades workers who are willing to work temporarily in rural or remote communities.

In commenting on the need to address labour supply and allocation challenges, and to reduce the demand for temporary foreign workers, [Canada’s Building Trades Unions](#) proposed that the government offer either a labour mobility tax credit or a travel grant through the Employment Insurance program that would cover travel expenses incurred by workers for employment purposes; the credit or grant could be introduced immediately or following a pilot project.

The Canadian Labour Congress’ [brief](#) called for the creation of a temporary migrant worker commission as an independent regulatory body that would monitor and enforce the transition to the elimination of all temporary work permits for low-skilled, low-wage jobs.

The [Quebec Employers' Council](#) urged an examination of the impacts on employers of the June 2014 changes to federal support for temporary foreign workers. In particular, the [Canadian Association of Petroleum Producers](#) suggested that the government reintroduce the Canada–Alberta occupation-specific pilot project that allowed skilled temporary foreign workers to move between employers without prior federal authorization. Recognizing the need to access temporary help quickly in order to meet short-term production requirements, [it](#) requested that the government meet its service standard of a 10-day turnaround for labour market impact assessments in relation to temporary foreign workers.

### **3. Employment Insurance Contributions**

The [Canadian Federation of Independent Business](#) and the [Canadian Chamber of Commerce](#) proposed that employers and employees have the same Employment Insurance contribution rate.

As a means of supporting on-the-job training, the [Canadian Federation of Independent Business](#) and the [Quebec Employers' Council](#) advocated the creation of an employment insurance contributions credit for training expenses; employers that offer formal training to their employees would have a lower Employment Insurance contribution rate. The Quebec Employers' Council's [brief](#) also called for reintroduction of the 20% federal contribution to the EI program that existed until 1990, with the remaining 80% contribution shared equally between employers and employees.

The Canadian Association of Petroleum Producers' [brief](#) urged the creation of variable Employment Insurance contribution rates: rates for employers that reflect their record of layoffs; and rates for employers and employees that are positively correlated with regional unemployment rates, which could result in relocation to areas with lower rates of unemployment.

### **4. Labour Market Development Agreements**

The Canadian Association of Petroleum Producers' [brief](#) suggested that the government reform the Labour Market Development Agreements – particularly the Targeted Wage Subsidy, the Self-Employment Program and the Job Creation Partnership – to ensure that services are delivered in a manner that is similar to provincial labour market agreements.

To reduce job vacancies, the [Canadian Federation of Independent Business](#) supported employer access to Labour Market Development Agreement funding for a broader range of training options, including informal, on-the-job training.

### **5. Training and Skills Development**

In focusing on ways in which to foster a training and skills development culture in Canadian workplaces, the [Canadian Labour Congress](#), the [Canadian Chamber of Commerce](#) and the [Metcalf Foundation](#) proposed support for mentorship programs or other programs – such as paid internships and co-op initiatives – that would give workers

on-the-job experience with small businesses. As well, to increase the number of apprentices who complete their training and become certified, the Canadian Chamber of Commerce's [brief](#) advocated financial incentives for employers. The [Metcalf Foundation](#) also suggested that workplace skills development and productivity gains could be achieved by federal promotional campaigns to educate employers on the benefits of investments in workplace training.

The Quebec Employers' Council's [brief](#) requested that the Apprenticeship Job Creation Tax Credit be extended to other apprenticeships managed by Quebec's Commission des partenaires du marché du travail.

To protect and enforce interns' rights in the areas of compensation, health and safety standards, the [Canadian Intern Association](#) proposed that Parliament amend the *Canada Labour Code* to include – as employees – interns who work for federally regulated companies. To improve monitoring and reporting in relation to interns, [it](#) also urged Statistics Canada to include internships in its Labour Force Survey.

[Monster Canada](#) suggested that the Department of National Defence, in partnership with employers, invest in a military skills translator to transition members of the Canadian Armed Forces to civilian jobs; these translators link a military member's skills, experiences and training with appropriate civilian job opportunities. For this initiative, [it](#) proposed up-front funding of \$1.7 million per translation unit, and annual operating funds of \$400,000.

## **6. Entrepreneurship**

[Startup Canada](#) requested funding of \$15 million over three years to enable an increase, from 20 to 100, in the number of its Startup communities in urban and rural municipalities across Canada. Similarly, [Futurpreneur Canada](#) asked for funding of \$37.5 million over five years to support 5,600 youth in its full start-up program – which offers loan financing and mentoring, business supports and networking for youth entrepreneurs for up to five years – and \$2 million to help an additional 2,000 youth in its expanded stand-alone mentoring initiative.

## **7. Sector-specific Initiatives**

As a means of creating scientific jobs, the [Green Budget Coalition](#) proposed a reinvestment in protecting Canada's environment through conservation. As well, to support green jobs, [it](#) advocated continuing progress on phasing out inefficient fossil fuel subsidies, no new subsidies for liquefied natural gas production, and an end to the Mineral Exploration Tax Credit. Moreover, with a view to meeting the Aichi Biodiversity Targets adopted by the United Nations in 2010, the Green Budget Coalition's [brief](#) urged funding of \$20 million annually for five years for jobs in conservation science.

To support jobs in particular energy sectors, counter international trade cycles and limit the impact of changes in commodity values, the [Institut de recherche et d'informations socio-économiques](#) suggested that the government facilitate diversity in energy production beyond the oil and gas sector, especially in ecological transition and renewable energy.



In focusing on rates in the United States and on jobs in Canada's manufacturing sector, the [Chemistry Industry Association of Canada](#) urged the government to adopt a capital cost allowance rate of between 45% and 50% for machinery and equipment.

The [Toronto Region Board of Trade](#) proposed that governments partner with industry to facilitate industry and academic co-ops and partnerships, and use community benefit agreements – which often identify requirements to train and hire local workers – in relation to major infrastructure projects.

In noting that international markets create jobs, diversify revenue streams and increase tourism, the [Canadian Arts Coalition](#) advocated a \$35 million increase in the 2015 parliamentary appropriation for the Canada Council for the Arts, with the long-term goal of \$300 million annually. [It](#) also requested funding of \$25 million over three years for cultural promotion in embassies, trade and business development, and international exhibitions by Canadian artists of their works.

### **C. Changes Proposed by Witnesses Invited to Address Issues Other Than “Maximizing the Number and Types of Jobs for Canadians”**

The Committee's witnesses were invited to speak about a particular topic. When they appeared, they often made comments about one of the other five topics selected by the Committee, as indicated below.

#### **1. “Balancing the Federal Budget to Ensure Fiscal Sustainability and Economic Growth” Witnesses**

The [Canadian Taxpayers Federation](#) called for a reduction in Employment Insurance contributions and transformation of the Employment Insurance program into individual employment insurance accounts; upon retirement, people could transfer the amount in their account to their savings.

To support employment opportunities for veterans, the [National Association of Federal Retirees](#) proposed the creation of a tax credit for employers that hire veterans.

In highlighting Germany's virtual labour market system, the [Canadian Council of Chief Executives](#) advocated the establishment of a single, comprehensive portal that would centralize all data on labour market conditions and job vacancies.

The [Canadian Union of Public Employees](#), as a way to support job creation, called for increased public investments in infrastructure, affordable housing, renewable energy and energy efficiency, and the level of services that the government provides in these areas. To support growth in wage rates, [it](#) requested that the government cease its involvement in collective bargaining processes and introduce a federal minimum wage of \$14 per hour. Moreover, [it](#) suggested that future federal budgetary surpluses be used to restore Employment Insurance benefits to their previous level, and that additional reforms be made to federal support for temporary foreign workers in order to protect domestic and foreign workers from abusive employers.

## **2. “Supporting Families and Helping Vulnerable Canadians by Focusing on Health, Education and Training” Witnesses**

[YWCA Canada](#) and the [Childcare Resource and Research Unit](#) proposed the creation of a national child care system that is similar to that in Quebec in order to increase Canada’s gross domestic product and net government revenues through higher female labour force participation. As well, the [Childcare Resource and Research Unit](#) urged the Department of Finance to evaluate the effectiveness of the following three measures, with the results of its evaluation made publicly available: the Universal Child Care Benefit; proposed plans for income splitting; and the child care expense deduction. Moreover, to strengthen provincial/territorial child care systems, [it](#) requested \$700 million in emergency transfers to the provinces/territories.

The [Canadian Federation of Students](#) suggested that Statistics Canada estimate the number of unpaid interns working in Canada, and that – as they are not covered by Canadian labour legislation – the government support the development of more direct mechanisms to monitor and enforce unpaid interns’ legal rights.

The Canadian Federation of Students’ [brief](#) proposed an increase in funding for the Youth Employment Strategy, as well as the development of a strategy – modeled on the German Dual System of Vocational Education – to enhance employment and training opportunities for Canada’s youth.

## **3. “Increasing the Competitiveness of Canadian Businesses Through Research, Development, Innovation and Commercialization” Witnesses**

The [Confédération des syndicats nationaux](#) called for a variety of changes to the Employment Insurance program. In particular, [it](#) said that at least 60% of contributors should be able to access benefits, maximum insurable earning thresholds should be revised, and the surplus in the Employment Insurance fund should be used for program enhancements. Moreover, [it](#) asked that a separate employment insurance fund be created, with this fund managed by the private sector.

In mentioning the Australian Workforce and Productivity Agency, [Polytechnics Canada](#) requested the creation of an arm’s-length, independent labour market information council that would collect and supply labour market data to all Canadians. [It](#) also suggested that the proposed labour market information council monitor all apprentices in Canada, and provide information on their progress, their mobility and the barriers they face.

The [Confédération des syndicats nationaux](#) suggested that the government adopt measures that would support the transition to an economy that creates “green” jobs.

## **4. “Ensuring Prosperous and Secure Communities, Including Through Support for Infrastructure” Witnesses**

The [Large Urban Mayors’ Caucus of Ontario](#) called on the government to work with the provinces and municipalities to develop a comprehensive jobs strategy; the strategy

would include a coordinated international trade agenda, targeted investments in transportation and transit infrastructure to address issues that affect economic growth and job creation, such as gridlock, and labour market measures, such as skills training, apprenticeship programs and changes to the immigration system.

## **5. “Improving Canada’s Taxation and Regulatory Regimes” Witnesses**

In speaking about the Working Income Tax Benefit, [Arthur Cockfield](#) – who is with Queen’s University and appeared as an individual – proposed that benefits be paid for a longer period and at a higher amount.

Noting that employees who earn slightly more than \$2,000 annually do not qualify for Employment Insurance benefits and that two-thirds of those who are eligible for a refund of their contributions actually receive a refund, [Restaurants Canada](#) requested the creation of a basic exemption from the payment of contributions that would be similar to the year’s basic exemption in the Canada Pension Plan, and would apply to both employees and employers.



## **CHAPTER EIGHT: COMMITTEE RECOMMENDATIONS**

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### **BALANCING THE FEDERAL BUDGET TO ENSURE FISCAL SUSTAINABILITY AND ECONOMIC GROWTH**

- 1. That the federal government remain focused on its plan to return to budgetary balance and introduce balanced budget legislation to ensure future fiscal and spending restraint.**
- 2. That, recognizing the fragile global economic situation that includes commodity price volatility, the federal government maintain its commitment to fiscal sustainability.**
- 3. That the federal government continue to scrutinize and review the spending of taxpayers' dollars in order to eliminate waste and inefficiencies. As part of this effort, the government should undertake an ongoing review of federal assets to ensure the most effective and efficient use of government resources, and – thereby – value for taxpayers.**
- 4. That the federal government continue to review federal public sector compensation and benefits to ensure their ongoing financial sustainability and fairness, and to make them more competitive with other public- and private-sector employers.**
- 5. That the federal government and the Bank of Canada continue to support the current inflation-targeting framework.**
- 6. That the federal government build on its recent successes and historic free trade agreements, such as those reached with the European Union and South Korea, and continue to pursue an aggressive trade agenda in order to enhance economic growth and help bring Canadian goods and services to new international markets.**

### **SUPPORTING FAMILIES AND HELPING VULNERABLE CANADIANS BY FOCUSING ON HEALTH, EDUCATION AND TRAINING**

- 7. That the federal government both maintain its trend of record-high transfers to the provinces and ensure there are no reductions to health care, social services and education.**
- 8. That the federal government continue to promote the importance of health, sport and an active lifestyle. As part of these efforts, the government should ensure the existence of support for amateur athletes, organizations that promote healthy living for children and**

adults, and Canadian families wishing to place their children in sports or other fitness activities.

9. That, in an effort to improve the health care system for all Canadians, the federal government continue to support health-related research and medical discovery.

10. That the federal government continue to provide targeted and results-focused support and funding to health, disease and disability charities. In recognizing the important research and initiatives that are being undertaken, the government – in partnership with the public sectors and the private sector – should consider providing funding to some issues that are increasingly prevalent, such as dementia, support for the blind, mental health, and eating disorders.

11. That the federal government examine ways to help Canadians save for long-term care. Moreover, the government should examine innovative means by which to support retirement security for seniors, such as through modifications to registered retirement income fund withdrawal rates.

12. That the federal government – in partnership with the provinces and territories – consider evaluating success metrics of post-secondary education transfers to the provinces and territories for universities. As well, the government should work with the provinces and territories to improve labour market information.

13. That the federal government help Canadian students by considering an exemption for additional in-study income when assets are being assessed for purposes of the Canada Student Loans Program.

14. That the federal government continue to provide funding in order to increase participation in the First Nations Land Management Regime, which has been successful in promoting First Nations autonomy and economic development.

15. That the federal government adjust the federal funding approach to on-reserve housing to incentivize projects that promote jobs and skills training, partnerships with other funding organizations, and a higher quality of housing.

16. That, in recognizing the increasing costs of raising a family, the federal government build on its record of putting more money back into the pockets of Canadian families. Furthermore, by providing benefits directly to families – such as the increase to the Universal Child Care Benefit and the proposed family tax cut – the government should continue to demonstrate a commitment to lowering taxes.

17. That the federal government continue building on successful initiatives that encourage charitable giving. In this regard, the government should explore measures that would prompt higher levels of charitable donations, such as a stretch tax credit.

18. That, recognizing its importance to the prosperity and well-being of all Canadians, the federal government continue to promote financial literacy. In that regard, the government should ensure that Canadians are able to access the resources, tools and information that are needed for them to make smart financial decisions.

#### **INCREASING THE COMPETITIVENESS OF CANADIAN BUSINESSES THROUGH RESEARCH, DEVELOPMENT, INNOVATION AND COMMERCIALIZATION**

19. That the federal government continue to build on its record support for research, innovation and development in Canada, and expand on its Canada First Research Excellence Fund. Moreover, recognizing support for the indirect costs of research, the government should provide stable and predictable funding for the research councils with a view to strengthening research partnerships with Canadian post-secondary institutions.

20. That the federal government encourage and support Canadian businesses to develop made-in-Canada solutions. As well, the government should work with these businesses in fostering a culture of innovation, such as through aiding small- and medium-sized businesses that wish to access the Scientific Research & Experimental Development investment tax credit and through exploring the feasibility of a “patent box.” Subsequently, the government should champion the growth of innovative Canadian companies and expanding research internships for the benefit of businesses and students. Finally, the government should encourage greater investments by the private sector in research and development.

21. That the federal government address productivity challenges by helping Canadian small- and medium-sized enterprises grow into global champions, notably by encouraging access to capital funds and pre-commercialization support.

22. That the federal government, in its support for skilled trades and all forms of post-secondary institutions and communities across Canada, consider an increase in the College and Community Innovation Program for polytechnics and colleges.

23. That the federal government consider new ways to increase support for the Canadian aerospace industry. As part of these efforts, the government should consider all options that would enhance

related research, project development and job creation in Canada, specifically the creation of innovation hubs.

24. That the federal government renew the Targeted Geoscience Initiative.

## **ENSURING PROSPEROUS AND SECURE COMMUNITIES, INCLUDING THROUGH SUPPORT FOR INFRASTRUCTURE**

25. That, recognizing proven successes to date and the high value for taxpayers' dollars, the federal government continue to promote public-private partnership projects for public infrastructure.

26. That, with a view to promoting job creation and economic growth and building on the recent \$5.8 billion in new federal infrastructure investments, the federal government encourage all provinces and territories to participate in the process of establishing infrastructure projects across the country under the New Building Canada Plan.

27. That the federal government continue to invest in infrastructure for municipalities and small communities, with special consideration given to natural disaster mitigation.

28. That the federal government examine ways to enhance the protection of electricity and energy-critical infrastructure, including efforts to combat copper theft.

29. That the federal government consider ways to encourage private-sector investment in natural gas vehicles and related infrastructure. As well, the government should make efforts to ensure that Canadian communities have access to affordable natural gas.

30. That the federal government build on its contributions and protection of Canada's environment and remain committed to its National Conservation Plan.

## **IMPROVING CANADA'S TAXATION AND REGULATORY REGIMES**

31. That the federal government reaffirm its already strong commitment to keep taxes low and not impose new taxes on Canadians. In particular, any form of a carbon tax that would harm key sectors of the economy or be passed on to Canadian families in the form of higher prices should be avoided. As well, the government should continue to ensure the existence of a competitive tax system in order to promote job creation and attract new investments. In this regard, the government should ensure a continued commitment to small businesses and competitive personal income tax rates.



**32. That the federal government increase tax fairness and equality in the tax system, and build on its strong record of combatting tax evasion – especially international tax evasion – and closing tax loopholes to ensure that all Canadians pay their fair share of taxes.**

**33. That the federal government explore new ways to simplify the *Income Tax Act* to reduce its complexity and the burden on Canadian taxpayers.**

**34. That the federal government remain vigilant in its efforts to reduce the burden of “red tape” on businesses and comply with its “One-for-One” rule. In addition to its focus on reducing regulation, the government should direct efforts to modernization, such as reducing the use of paper and utilizing the benefits of technology and digital solutions.**

**35. That, in an effort to strengthen Canada’s economy, the federal government continue to encourage the provinces and territories to eliminate internal barriers to trade and consider incentives to facilitate labour mobility within Canada.**

**36. That, in an effort to protect and promote the integrity of Canada’s financial system and enhance the country’s capital markets, the federal government continue to work co-operatively with willing provinces and territories on the establishment of a robust single common securities regulator that would protect and promote the integrity of Canada’s financial system and enhance Canada’s capital markets.**

**37. That, to safeguard the reputation of Canada’s banking system as the soundest in the world, the federal government continually review all relevant legislation and regulations to ensure the safety and security of the country’s financial sector. Moreover, the government should continue in its efforts to protect, and ensure accessibility and affordability for consumers of financial products and services.**

**38. That, in recognizing their importance as financial institutions and their place in Canadian communities, the federal government support credit unions and caisse populaires that are considering the transition to become federally regulated. As well, the government should examine means by which credit unions and caisse populaires could be on a level playing field with Canada’s large financial institutions.**

**39. That the federal government either extend the accelerated capital cost allowance (ACCA) or create similar tax incentives. As well, with a view to providing Canadian sectors – such as manufacturing, energy and clean technology – with a competitive advantage in the North**

American marketplace, the government should explore the feasibility of a longer horizon for the ACCA.

40. That, in an effort to support junior mineral exploration, the federal government consider making the 15% Mineral Exploration Tax Credit for flow-through share investors permanent.

41. That the federal government work with the provinces and territories to explore ways to allow interested airports and provinces to participate in an arrivals duty-free pilot project.

42. That the federal government continue to reduce or eliminate tariffs that apply to retail goods sold in Canada, beginning with the tariffs that are the lowest.

### **MAXIMIZING THE NUMBER AND TYPES OF JOBS FOR CANADIANS**

43. That the federal government, in collaboration with the provinces, territories and industry, continue to promote the skilled trades. As well, the government should facilitate an increase in apprenticeship completion rates through incentives or continued reforms of the job market for apprentices.

44. That the federal government continue to identify ways in which to increase the labour market and economic participation of vulnerable Canadians, including youth, new Canadians, Aboriginal Canadians and persons with a disability, and continue to promote gender equality.

45. That, in relation to Canada's youth, the federal government build on its strong record of assisting them with job and skills training, connecting them with employment, and creating internship and work experience opportunities for them. As well, the government should act on the recommendations in the report on youth employment in Canada by the House of Commons Standing Committee on Finance.

46. That the federal government support youth business mentorship and consider new incentives to invest in young entrepreneurs.

47. That the federal government maintain its strong support for veterans by providing key investments and services, and by exploring new ways to connect veterans with jobs after their service, such as a military skills translator.

## Aboriginal Peoples

[Assembly of First Nations](#)

[Association of Universities and Colleges of Canada](#)

[Atlantic Policy Congress of First Nations Chiefs](#)

[Atlantic Provinces Community College Consortium](#)

[Boys and Girls Clubs of Canada](#)

[Canadian Association of Family Resource Programs](#)

[Canadian Association of Petroleum Producers](#)

[Canadian Coalition for Public Health in the Twenty-first Century](#)

[Canadian Counselling and Psychotherapy Association](#)

[Canadian Dental Association](#)

[Canadian Dental Hygienists Association](#)

[Canadian Diabetes Association](#)

[Canadian Energy Pipeline Association](#)

[Canadian Federation for the Humanities and Social Sciences](#)

[Canadian Federation of Students](#)

[Canadian Federation of Students \(British Columbia\)](#)

[Canadian Federation of Students \(Nova Scotia\)](#)

[Canadian Federation of Students-Manitoba](#)

[Canadian Nurses Association](#)

[Canadian Union of Public Employees](#)

[Canadian Water Network](#)

[Chiefs Committee on Claims of the AFN](#)

[Colleges and Institutes Canada](#)

[First Call: BC Child and Youth Advocacy Coalition](#)

[First Nations Tax Commission](#)

[HealthCareCAN](#)

[Heart and Stroke Foundation of Canada](#)

[Indspire](#)

[Inuit Tapiriit Kanatami](#)

[Kwantlen Polytechnic University](#)

[Makivik Corporation](#)

[McMaster University](#)

[Mining Association of Canada](#)

[National Aboriginal Caucus](#)

[National Claims Research Directors](#)

[Northwest Territories and Nunavut Chamber of Mines](#)

[OCAD University](#)

[Reckitt Benckiser Pharmaceuticals Canada](#)

[Traverse, Bill](#)

[Union of British Columbia Indian Chiefs](#)

[University of Manitoba](#)

[Whispering Pines Clinton Indian Band](#)

## Agriculture, Fisheries, Food, Forestry and Mining

[Biox Corporation](#)

[Canadian Aquaculture Industry Alliance](#)

[Canadian Cattlemen's Association](#)

[Canadian Federation of Agriculture](#)

[Canadian Meat Council](#)

[Canadian Produce Marketing Association](#)

[Canadian Rare Earth Element Network](#)

[Canadian Supply Chain Food Safety Coalition](#)

[Canadian Vintners Association](#)

[Canola Council of Canada](#)

[College of Family Physicians of Canada](#)

[Colleges and Institutes Canada](#)

[Dietitians of Canada](#)

[Ducks Unlimited Canada](#)

[Explorers and Producers Association of Canada](#)

[Farmers of North America Strategic Agriculture Institute](#)

[Food and Beverage Ontario](#)

[Forest Products Association of Canada](#)

[Fresh Produce Alliance](#)

[Gates, Philip A.](#)

[Greater Kitchener Waterloo Chamber of Commerce](#)

[Medicine Hat and District Chamber of Commerce](#)

[Mining Association of Canada](#)

[PearTree Financial Services](#)

[Prospectors and Developers Association of Canada](#)

[Publish What You Pay Canada](#)

[Rothsay Biodiesel](#)

## Arts and Culture

[Actors' Fund of Canada](#)

[Association of Canadian Publishers](#)

[Association québécoise de la production médiatique](#)

[Birnle, Paul Scott](#)

[Board of Trade of Metropolitan Montreal](#)

[Canadian Artists' Representation](#)

[Canadian Arts Coalition](#)

[Canadian Arts Presenting Association](#)

[Canadian Association of Research Libraries](#)

[Canadian Dance Assembly](#)

[Canadian Lighthouses of Lake Superior](#)

[Canadian Media Guild](#)

[Canadian Media Production Association](#)

[City of Montreal](#)

[Craft Council of British Columbia](#)

[Culture Montréal](#)

[Design Exchange](#)

[Fédération des communautés francophones et acadienne du Canada](#)

[Festivals and Major Events Canada](#)

[Heritage Canada the National Trust](#)

[Hospitality Newfoundland and Labrador](#)

[Independent Media Arts Alliance](#)

[Levitsky, Zoe](#)

[National Marine Manufacturers Association Canada](#)

[Opera.ca](#)

[Orchestras Canada](#)

[Park, Alex](#)

[Professional Association of Canadian Theatres](#)

[Professional Writers Association of Canada](#)

[Quebec Writers Federation](#)

[Recreation Vehicle Dealers Association of Canada](#)

[Royal Conservatory of Music](#)

[Société de développement des périodiques culturels québécois](#)

[Vancouver Art Gallery](#)

[Visual Arts Alliance](#)

[Writers' Union of Canada](#)

## Business Tax Measures, Duties, Tariffs, Fees and Regulatory Issues

[Association of Canadian Financial Officers](#)

[Association of Canadian Port Authorities](#)

[Association of Equipment Manufacturers](#)

[Association of Universities and Colleges of Canada](#)

[Association of University Research Parks](#)

[Association québécoise de la production médiatique](#)

[Association québécoise de l'industrie touristique](#)

[Atlantic Provinces Community College Consortium](#)

[Automotive Industries Association of Canada](#)

[B.C. LNG Developers Alliance](#)

[Board of Trade of Metropolitan Montreal](#)

[Campus Stores Canada](#)

[Canada's Research-Based Pharmaceutical Companies \(Rx & D\)](#)

[Canadian Apparel Federation](#)

[Canadian Association for Co-operative Education](#)

[Canadian Association of Gift Planners](#)

[Canadian Association of Petroleum Producers](#)

[Canadian Association of Railway Suppliers](#)

[Canadian Association of Recycling Industries](#)

[Canadian Association of Retired Persons](#)

[Canadian Automobile Dealers Association](#)

[Canadian Bankers Association](#)

[Canadian Bar Association](#)

[Canadian Beverage Association](#)

[Canadian Cattlemen's Association](#)

[Canadian Chamber of Commerce](#)

[Canadian Clean Technology Coalition](#)

[Canadian Coalition for Action on Tobacco](#)

[Canadian Construction Association](#)

[Canadian Convenience Stores Association](#)

[Canadian Council of Chief Executives](#)

[Canadian Counselling and Psychotherapy Association](#)

[Canadian Electricity Association](#)

[Canadian Federation of Agriculture](#)

[Canadian Federation of Independent Business](#)

[Canadian Ferry Operators Association](#)  
[Canadian Fertilizer Institute](#)  
[Canadian Gas Association](#)  
[Canadian Health Food Association](#)  
[Canadian Home Builders' Association](#)  
[Canadian Home Care Association](#)  
[Canadian Home Instead Senior Care](#)  
[Canadian Housing and Renewal Association](#)  
[Canadian Independent Petroleum Marketers Association](#)  
[Canadian Life and Health Insurance Association Inc.](#)  
[Canadian Light Source](#)  
[Canadian Manufacturers and Exporters](#)  
[Canadian Meat Council](#)  
[Canadian Media Production Association](#)  
[Canadian Natural Gas Vehicle Alliance](#)  
[Canadian Renewable Fuels Association](#)  
[Canadian Shipowners Association](#)  
[Canadian Steel Producers Association](#)  
[Canadian Supply Chain Food Safety Coalition](#)  
[Canadian Trucking Alliance](#)  
[Canadian Union of Public Employees](#)  
[Canadian Vehicle Manufacturers' Association](#)  
[Canadian Vintners Association](#)  
[Canadian Wireless Telecommunications Association](#)  
[Canadians for Tax Fairness](#)

[Chartered Professional Accountants of Canada](#)  
[Chemistry Industry Association of Canada](#)  
[Cherwonogrodzky, Peter](#)  
[Chronic Disease Prevention Alliance of Canada](#)  
[Citizens for Public Justice](#)  
[Clean Energy Canada](#)  
[Consumer Health Products Canada](#)  
[Co-operatives and Mutuals Canada](#)  
[Credit Union Central of Canada](#)  
[Crockatt, Joan M.P.](#)  
[CropLife Canada](#)  
[Deloitte](#)  
[Devry Smith Frank LLP](#)  
[eBay Canada Limited](#)  
[Electric Mobility Canada](#)  
[Energem](#)  
[Explorers and Producers Association of Canada](#)  
[Financial Executives International Canada](#)  
[Food and Beverage Ontario](#)  
[Food and Consumer Products of Canada](#)  
[Food Banks Canada](#)  
[Fresh Produce Alliance](#)  
[Greater Kitchener Waterloo Chamber of Commerce](#)  
[Green Budget Coalition](#)  
[GreenField Specialty Alcohols Inc.](#)  
[Heritage Canada the National Trust](#)  
[IGPC Ethanol Inc.](#)  
[Imperial Tobacco Canada Limited](#)  
[Information Technology Association of Canada](#)

[Intellectual Property Institute of Canada](#)  
[International Association of Heat and Frost Insulators and Allied Workers](#)  
[Internet Association](#)  
[Inuit Tapiriit Kanatami](#)  
[Investment Funds Institute of Canada](#)  
[Investment Industry Association of Canada](#)  
[Johnson & Johnson Family of Companies in Canada](#)  
[Kelly, Brian](#)  
[Levitsky, Zoe](#)  
[Loewen, W.H.](#)  
[Maple Leaf Foods Inc.](#)  
[MaRS Centre for Impact Investing](#)  
[Medicine Hat and District Chamber of Commerce](#)  
[Mining Association of Canada](#)  
[National Allied Golf Associations](#)  
[National Association of Federal Retirees](#)  
[National Council of Women of Canada](#)  
[National Crowdfunding Association of Canada](#)  
[National Graduate Caucus](#)  
[National Marine Manufacturers Association Canada](#)  
[National Smokeless Tobacco Company](#)  
[Northwest Territories and Nunavut Chamber of Mines](#)  
[PearTree Financial Services](#)  
[PEER Group](#)  
[Polytechnics Canada](#)  
[Portfolio Management Association of Canada](#)

[Prospectors and Developers Association of Canada](#)  
[Public Service Alliance of Canada](#)  
[Quebec Employers' Council](#)  
[Queen's University](#)  
[RBRT Inc.](#)  
[Reckitt Benckiser Pharmaceuticals Canada](#)

[Research Canada: An Alliance for Health Discovery](#)  
[Retail Council of Canada](#)  
[Ryerson University](#)  
[Social Enterprise Council of Canada](#)  
[Société de transport de Montréal](#)  
[Stem Cell Network](#)

[Tax Executives Institute, Inc.](#)  
[University of Manitoba](#)  
[Vancouver Board of Trade](#)  
[Wright, James](#)

## Children, Youth and Families

[Boys and Girls Clubs of Canada](#)  
[Campaign 2000 End Child Poverty in Canada](#)  
[Canadian Association of Community Health Centres](#)  
[Canadian Association of Family Resource Programs](#)  
[Canadian Caregiver Coalition](#)  
[Canadian Centre on Substance Abuse](#)  
[Canadian Coalition for Action on Tobacco](#)  
[Canadian Coalition for Public Health in the Twenty-first Century](#)  
[Canadian Federation of University Women](#)  
[Canadian Labour Congress](#)  
[Canadian Meat Council](#)  
[Canadian Sport for Life](#)

[Canadian Union of Public Employees](#)  
[Canadians for Tax Fairness](#)  
[Centre for Science in the Public Interest](#)  
[Child Care Advocacy Association of Canada](#)  
[Childcare Resource and Research Unit \(CRRU\)](#)  
[Coalition of Child Care Advocates of British Columbia](#)  
[College of Family Physicians of Canada](#)  
[Council of Canadians with Disabilities](#)  
[Cycling British Columbia](#)  
[First Call: BC Child and Youth Advocacy Coalition](#)  
[Institute of Marriage and Family Canada](#)

[Lacroix, Janet](#)  
[Levitsky, Zoe](#)  
[National Council of Women of Canada](#)  
[Ontario Municipal Social Services Association](#)  
[ParticipACTION](#)  
[Partners for Mental Health](#)  
[Physical and Health Education Canada](#)  
[REAL Women of Canada](#)  
[Sheldon Kennedy Child Advocacy Centre](#)  
[Skate To Great](#)  
[Swimming Canada](#)  
[YWCA Canada](#)

## Education and Skills Training

[ABC Life Literacy Canada](#)  
[Altosaar, Illimar](#)  
[ArrowMight Canada Ltd](#)  
[Association des universités de la francophonie canadienne](#)  
[Association of Canadian Publishers](#)  
[Association of Equipment Manufacturers](#)

[Association of Universities and Colleges of Canada](#)  
[Atlantic Policy Congress of First Nations Chiefs](#)  
[Atlantic Provinces Community College Consortium](#)  
[Automotive Industries Association of Canada](#)  
[Boys and Girls Clubs of Canada](#)  
[Campus Stores Canada](#)

[Canada Foundation for Innovation](#)  
[Canadian Alliance of Student Associations](#)  
[Canadian Association for Co-operative Education](#)  
[Canadian Association for Graduate Studies](#)  
[Canadian Association of Physicists](#)  
[Canadian Association of Railway Suppliers](#)

[Canadian Association of Student Financial Aid Administrators](#)  
[Canadian Association of University Teachers](#)  
[Canadian Bureau for International Education](#)  
[Canadian Chamber of Commerce](#)  
[Canadian Consortium for Research](#)  
[Canadian Construction Association](#)  
[Canadian Council of Chief Executives](#)  
[Canadian Counselling and Psychotherapy Association](#)  
[Canadian Federation for the Humanities and Social Sciences](#)  
[Canadian Federation of Independent Business](#)  
[Canadian Federation of Students](#)  
[Canadian Federation of Students \(British Columbia\)](#)  
[Canadian Federation of Students \(Newfoundland and Labrador\)](#)  
[Canadian Federation of Students- Manitoba](#)  
[Canadian Federation of Students- Ontario](#)  
[Canadian Federation of University Women](#)  
[Canadian Fertilizer Institute](#)  
[Canadian Home Builders' Association](#)  
[Canadian Institute for Military and Veteran Health Research](#)  
[Canadian Institutes of Health Research](#)  
[Canadian Interuniversity Sport](#)  
[Canadian Light Source](#)  
[Canadian National Institute for the Blind](#)  
[Canadian Psychological Association](#)

[Canadian Society for Medical Laboratory Science](#)  
[Canadian Sport for Life](#)  
[Canadian Trucking Alliance](#)  
[Canadians for Tax Fairness](#)  
[Centre for Equitable Library Access](#)  
[Centre for Family Literacy](#)  
[Centre for Science in the Public Interest](#)  
[Chemical Institute of Canada](#)  
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[Canadian Society for Molecular Biosciences](#)

[Canadian Steel Producers Association](#)

[Canadian Urban Transit Association](#)

[Canadian Vehicle Manufacturers' Association](#)

[Canadian Water Network](#)

[CANARIE Inc.](#)  
[Canola Council of Canada](#)  
[CDRD Ventures Inc.](#)  
[Celestica](#)  
[Centre for Drug Research and Development](#)  
[Chartered Professional Accountants of Canada](#)  
[Chemical Institute of Canada](#)  
[Chemistry Industry Association of Canada](#)  
[City of London](#)  
[Coalition for Canadian Astronomy](#)  
[Colleges and Institutes Canada](#)  
[Colleges Ontario](#)  
[Compute Canada](#)  
[Crohn's and Colitis Canada](#)  
[Deloitte](#)  
[Devry Smith Frank LLP](#)  
[Downsview Aerospace Innovation and Research](#)  
[Electric Mobility Canada](#)  
[Enerkem](#)  
[Ernest C. Manning Awards Foundation](#)  
[Fédération étudiante universitaire du Québec](#)  
[Financial Executives International Canada](#)  
[Food and Consumer Products of Canada](#)  
[Forest Products Association of Canada](#)  
[Genome Canada](#)  
[Greater Kitchener Waterloo Chamber of Commerce](#)  
[Green Budget Coalition](#)

[GreenField Specialty Alcohols Inc.](#)  
[Halton Region](#)  
[Health Action Lobby](#)  
[HealthCareCAN](#)  
[Heart and Stroke Foundation of Canada](#)  
[IGPC Ethanol Inc.](#)  
[Information Technology Association of Canada](#)  
[Intellectual Property Institute of Canada](#)  
[Kwantlen Polytechnic University](#)  
[Languages Canada](#)  
[Life Sciences Ontario](#)  
[McGill University](#)  
[McMaster University](#)  
[Mitacs](#)  
[National Airlines Council of Canada](#)  
[National Association of Federal Retirees](#)  
[National Graduate Caucus](#)  
[National ME / FM Action Network](#)  
[National Optics Institute](#)  
[Natural Sciences and Engineering Research Council of Canada](#)  
[Neurological Health Charities Canada](#)  
[OCAD University](#)  
[Partnership Group for Science and Engineering](#)  
[PEER Group](#)  
[Polytechnics Canada](#)  
[Prince Albert Seniors Advocacy Centre](#)  
[Professional Institute of the Public Service of Canada](#)

[Quebec Employers' Council](#)  
[Queen's University](#)  
[Reckitt Benckiser Pharmaceuticals Canada](#)  
[Rémillard, Richard](#)  
[Research Canada: An Alliance for Health Discovery](#)  
[Réseau Trans-tech](#)  
[Ryerson University](#)  
[Sheldon Kennedy Child Advocacy Centre](#)  
[Social Sciences and Humanities Research Council of Canada](#)  
[Société de promotion économique de Rimouski](#)  
[Société de transport de Montréal](#)  
[South Coast British Columbia Transportation Authority \(TransLink\)](#)  
[Stem Cell Network](#)  
[Sunnybrook Health Sciences Centre](#)  
[Thompson Rivers University Students' Union](#)  
[TRIUMF](#)  
[U15 - Group of Canadian Research Universities](#)  
[University of Alberta](#)  
[University of British Columbia](#)  
[University of Calgary](#)  
[University of Manitoba](#)  
[University of Toronto](#)  
[WEtech Alliance](#)

## Retirement Income and Seniors

<a href="#">Bell Pensioners' Group</a>	<a href="#">Canadian Union of Public Employees</a>	<a href="#">Investment Industry Association of Canada</a>
<a href="#">Campbell, Brooke</a>	<a href="#">Canadians for Tax Fairness</a>	<a href="#">McMaster University</a>
<a href="#">Canadian Association of Occupational Therapists</a>	<a href="#">College of Family Physicians of Canada</a>	<a href="#">National Association of Federal Retirees</a>
<a href="#">Canadian Association of Retired Persons</a>	<a href="#">Community and Primary Health Care</a>	<a href="#">National Council of Women of Canada</a>
<a href="#">Canadian Dental Association</a>	<a href="#">Conference for Advanced Life Underwriting</a>	<a href="#">Neurological Health Charities Canada</a>
<a href="#">Canadian Federation of Independent Business</a>	<a href="#">Financial Executives International Canada</a>	<a href="#">Portfolio Management Association of Canada</a>
<a href="#">Canadian Federation of Pensioners</a>	<a href="#">Funeral Service Association of Canada</a>	<a href="#">Prince Albert Seniors Advocacy Centre</a>
<a href="#">Canadian Home Instead Senior Care</a>	<a href="#">HealthCareCAN</a>	<a href="#">Professional Institute of the Public Service of Canada</a>
<a href="#">Canadian Institute of Actuaries</a>	<a href="#">Heart and Stroke Foundation of Canada</a>	<a href="#">Quebec Employers' Council</a>
<a href="#">Canadian Labour Congress</a>	<a href="#">Investment Funds Institute of Canada</a>	
<a href="#">Canadian Medical Association</a>		
<a href="#">Canadian Nurses Association</a>		

## Rural, Remote and Northern Communities

<a href="#">Big Brothers Big Sisters of Canada</a>	<a href="#">Co-operatives and Mutuals Canada</a>	<a href="#">Partnership Group for Science and Engineering</a>
<a href="#">Canada Foundation for Innovation</a>	<a href="#">Credit Union Central of Canada</a>	<a href="#">Prospectors and Developers Association of Canada</a>
<a href="#">Canadian Counselling and Psychotherapy Association</a>	<a href="#">Fédération étudiante universitaire du Québec</a>	<a href="#">Quality Urban Energy Systems of Tomorrow</a>
<a href="#">Canadian Dental Hygienists Association</a>	<a href="#">Green Budget Coalition</a>	<a href="#">Social Sciences and Humanities Research Council of Canada</a>
<a href="#">Canadian Institutes of Health Research</a>	<a href="#">Inuit Tapiriit Kanatami</a>	<a href="#">Swimming Canada</a>
<a href="#">Canadian Society for Medical Laboratory Science</a>	<a href="#">Mining Association of Canada</a>	
<a href="#">Canadian Water Network</a>	<a href="#">Natural Sciences and Engineering Research Council of Canada</a>	
<a href="#">Clarington Board of Trade</a>	<a href="#">Northwest Territories and Nunavut Chamber of Mines</a>	
<a href="#">Colleges and Institutes Canada</a>	<a href="#">Northwest Territories Association of Communities</a>	

## Tourism

<a href="#">Association québécoise de l'industrie touristique</a>	<a href="#">Board of Trade of Metropolitan Montreal</a>	<a href="#">Canadian Tourism Roundtable</a>
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[Cycling British Columbia](#)

[Festivals and Major Events Canada](#)

[Future of Howe Sound Society](#)

[Hospitality Newfoundland and Labrador](#)

[Hotel Association of Canada](#)

[National Airlines Council of Canada](#)

[National Marine Manufacturers Association Canada](#)

[Recreation Vehicle Dealers Association of Canada](#)

[Tourism Industry Association of British Columbia](#)

[Tourism Industry Association of Canada](#)

[Tourism Industry Association of Ontario](#)

## **Transportation and Communication**

[Association of Canadian Port Authorities](#)

[Association of Manitoba Municipalities](#)

[Association québécoise de la production médiatique](#)

[Association québécoise de l'industrie touristique](#)

[Board of Trade of Metropolitan Montreal](#)

[Calgary Chamber of Voluntary Organizations](#)

[Canadian Airports Council](#)

[Canadian Arts Coalition](#)

[Canadian Arts Presenting Association](#)

[Canadian Council of Chief Executives](#)

[Canadian Ferry Operators Association](#)

[Canadian Gas Association](#)

[Canadian Media Guild](#)

[Canadian Natural Gas Vehicle Alliance](#)

[Canadian Shipowners Association](#)

[Canadian Tourism Roundtable](#)

[Canadian Trucking Alliance](#)

[Canadian Urban Transit Association](#)

[Canadian Wireless Telecommunications Association](#)

[City of London](#)

[Clarington Board of Trade](#)

[Clean Energy Canada](#)

[Compute Canada](#)

[Craft Council of British Columbia](#)

[Crockatt, Joan M.P.](#)

[Green Budget Coalition](#)

[Halton Region](#)

[Hope Air](#)

[Hospitality Newfoundland and Labrador](#)

[Independent Media Arts Alliance](#)

[Information Technology Association of Canada](#)

[Internet Association](#)

[McGill University](#)

[Mining Association of Canada](#)

[National Airlines Council of Canada](#)

[National Marine Manufacturers Association Canada](#)

[Opera.ca](#)

[Port Metro Vancouver](#)

[Quebec Employers' Council](#)

[Queen's University](#)

[Shaw Rocket Fund](#)

[Société de transport de Montréal](#)

[Stobbe, Cameron](#)

[Sun Country Highway Ltd.](#)

[Tourism Industry Association of Canada](#)

[Tourism Industry Association of Ontario](#)

[U15 - Group of Canadian Research Universities](#)

[Vancouver International Airport Authority](#)

[Visual Arts Alliance](#)

[Writers' Union of Canada](#)

## APPENDIX B LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
<p><b>Canadian Council of Chief Executives</b> Brian Kingston, Senior Associate</p>	2014/09/29	43
<p><b>Canadian Taxpayers Federation</b> Gregory Thomas, Federal Director</p>		
<p><b>Canadian Union of Public Employees</b> Paul Moist, National President</p>		
<p><b>Conference Board of Canada</b> Glen Hodgson, Senior Vice-President and Chief Economist</p>		
<p><b>Fraser Institute</b> Sean Speer, Associate Director, Government Budgets and Fiscal Policy</p>		
<p><b>Frontier Centre for Public Policy</b> Peter Holle, President</p>		
<p><b>Macdonald-Laurier Institute</b> Philip Cross, Senior Fellow</p>		
<p><b>National Association of Federal Retirees</b> Gary Oberg, President</p>		
<p><b>Office of the Veterans Ombudsman</b> Guy Parent, Veterans Ombudsman</p>		
<p><b>University of Ottawa</b> Kevin Page, Jean-Luc Pepin Research Chair</p>		
<p><b>Alzheimer Society of Canada</b> Jim Mann, Member, Board of Directors</p>	2014/09/30	44
<p><b>Association of Universities and Colleges of Canada</b> David T. Barnard, President and Vice-Chancellor, University of Manitoba</p>		
<p><b>Canadian Alliance of Student Associations</b> Travis Gordon, Chair</p>		
<p><b>Canadian Medical Association</b> Chris Simpson, President</p>		

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<p><b>Canadian National Institute for the Blind</b></p> <p>Andrew Martin, Senior Project Director, Centre for Equitable Library Access</p> <p>Victoria Nolan, Volunteer</p>	2014/09/30	44
<p><b>Childcare Resource and Research Unit (CRRU)</b></p> <p>Martha Friendly, Executive Director</p>		
<p><b>Indspire</b></p> <p>Roberta Jamieson, President and Chief Executive Officer</p>		
<p><b>Mitacs</b></p> <p>Graham Carr, Member, Vice-President, Research and Graduate Studies, Concordia University</p>		
<p><b>Neurological Health Charities Canada</b></p> <p>Bruce Ireland, Caregiver</p>		
<p><b>YWCA Canada</b></p> <p>Ann Decter, Director, Advocacy and Public Policy</p>		
<p><b>Canadian Vehicle Manufacturers' Association</b></p> <p>Mark Nantais, President</p>	2014/10/01	45
<p><b>Canadian Water Network</b></p> <p>Gord Lambert, Partner and Past Board Member, Executive Advisor, Sustainability and Innovation, Suncor Energy</p>		
<p><b>Clean Energy Canada</b></p> <p>Merran Smith, Director</p>		
<p><b>Confédération des syndicats nationaux</b></p> <p>Pierre Patry, Treasurer</p>		
<p><b>Downsview Aerospace Innovation and Research</b></p> <p>Andrew Petrou, Executive Director</p>		
<p><b>Forest Products Association of Canada</b></p> <p>Catherine Cobden, Executive Vice-President</p>		
<p><b>National Angel Capital Organization</b></p> <p>Robert Douglas, Director</p>		
<p><b>Prospectors and Developers Association of Canada</b></p> <p>Charles Beaudry, Member, Board of Directors</p>		
<p><b>U15 - Group of Canadian Research Universities</b></p> <p>Feridun Hamdullahpur, Chair</p>		

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Assembly of First Nations</b> Ghislain Picard, National Chief William Traverse, Manitoba Regional Chief	2014/10/06	46
<b>Canadian Doctors for Medicare</b> Richard Klasa, Board Member		
<b>Canadian Federation of Students</b> Jessica McCormick, National Chairperson		
<b>Canadian Foundation for Healthcare Improvement</b> Maureen O'Neil, President		
<b>Centre for Drug Research and Development</b> Kathryn Hayashi, Chief Financial Officer		
<b>Heart and Stroke Foundation of Canada</b> David Sculthorpe, Chief Executive Officer		
<b>Hope Air</b> Douglas Keller-Hobson, Executive Director		
<b>National Initiative for Eating Disorders</b> Bill Rogers, Advisor		
<b>Partners for Mental Health</b> Hon. Michael J. L. Kirby, Founding Chairman		
<b>Sunnybrook Health Sciences Centre</b> Barry McLellan, President and Chief Executive Officer		
<b>Canada Green Building Council</b> Thomas Mueller, President and Chief Executive Officer	2014/10/07	47
<b>Canada's Research-Based Pharmaceutical Companies (Rx &amp; D)</b> Mark Fleming, Director, Federal Affairs and Health Policy, Janssen Inc. Walter Robinson, Vice-President, Government Affairs		
<b>Canadian Manufacturers and Exporters</b> Jayson Myers, President and Chief Executive Officer Lorraine Royer, Manager, Stakeholder and Corporate Relations, Williams Energy		
<b>Canadian Rare Earth Element Network</b> Ian London, Chair		
<b>Co-operatives and Mutuals Canada</b> Shawn Murphy, Manager, Government Relations		

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Information Technology Association of Canada</b> Karen Atkinson, Chair, Tax and Finance Committee, Tax Partner, Ernst & Young	2014/10/07	47
<b>Mental Health Commission of Canada</b> Jennifer Vornbrock, Vice-President, Knowledge and Innovation		
<b>Polytechnics Canada</b> Nobina Robinson, Chief Executive Officer		
<b>Société de promotion économique de Rimouski</b> Martin Beaulieu, Director General		
<b>TRIUMF</b> Jonathan Bagger, Director		
<b>Canadian Airports Council</b> Mark Laroche, Director, President and Chief Executive Officer, Ottawa International Airport Authority	2014/10/08	48
<b>Canadian Council for Public-Private Partnerships</b> Mark Romoff, President and Chief Executive Officer		
<b>Canadian Electricity Association</b> Francis Bradley, Vice-President, Policy Development Ron Gentle, Chief Security Officer, Hydro One Inc.		
<b>Canadian Home Builders' Association</b> Bard Golightly, President		
<b>Canadian Life and Health Insurance Association Inc.</b> Frank Swedlove, President		
<b>Federation of Canadian Municipalities</b> Brad Woodside, President		
<b>KPMG</b> Stephen Beatty, Partner		
<b>Large Urban Mayors' Caucus of Ontario</b> Jeff Lehman, Chair, Mayor, City of Barrie		
<b>Union of Quebec Municipalities</b> Robert Coulombe, Board Member, Mayor of Maniwaki		
<b>Wellesley Institute</b> Michael Shapcott, Director, Housing and Innovation		
<b>Amalgamated Transit Union</b> Michael Mahar, Director, Canadian Council	2014/10/20	49



<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<p><b>As individual</b></p> <p>Marcelin Joanis, Associate Professor, Department of Mathematical and Industrial Engineering, Polytechnique Montréal</p> <p><b>Canadian Climate Forum</b></p> <p>Catherine Cobden, Member, Board of Directors, Executive Vice-President, Forest Products Association of Canada</p> <p><b>Canadian Parks and Recreation Association</b></p> <p>Jennifer Reynolds, Past President, Director, Community Services, Town of Milton</p> <p><b>Canadian Urban Transit Association</b></p> <p>Michael Roschlau, President and Chief Executive Officer</p> <p><b>Merit Canada</b></p> <p>Domenic Mattina, Chairman</p> <p><b>Mowat Centre</b></p> <p>Sunil Johal, Policy Director, University of Toronto</p> <p><b>Saskatchewan Association of Rural Municipalities</b></p> <p>Ray Orb, Vice-President</p> <p><b>Tourism Industry Association of Canada</b></p> <p>David McKenna, Member, President, Brewster Travel Canada</p>	2014/10/20	49
<p><b>As individuals</b></p> <p>Brigitte Alepin, Tax Expert, Agora Fiscalité</p> <p>Arthur Cockfield, Professor, Faculty of Law, Queen's University</p> <p>Mike Moffat, Assistant Professor, Ivey Business School</p> <p>Jennifer Robson, Assistant Professor, Kroeger College, Carleton University</p> <p>Frances Woolley, Professor, Associate Dean, Carleton University</p> <p><b>Conference for Advanced Life Underwriting</b></p> <p>Clay Gillespie, Member, Board of Directors</p> <p><b>Credit Union Central of Canada</b></p> <p>Eric Dillon, Chief Executive Officer, Conexus Credit Union</p> <p><b>Imagine Canada</b></p> <p>Bruce MacDonald, President and Chief Executive Officer</p> <p><b>Institute of Marriage and Family Canada</b></p> <p>Andrea Mrozek, Executive Director</p>	2014/10/21	50

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Investment Funds Institute of Canada</b> Jon Cockerline, Director, Policy and Research	2014/10/21	50
<b>As individual</b> Gareth Kirkby	2014/10/27	51
<b>Canadian Bankers Association</b> Terry Campbell, President		
<b>Canadian Centre for Policy Alternatives</b> Armine Yalnizyan, Senior Economist		
<b>Canadians for Tax Fairness</b> Dennis Howlett, Executive Director		
<b>Chartered Professional Accountants of Canada</b> Kevin Dancy, President and Chief Executive Officer, Executive Office		
<b>Deloitte</b> Albert Baker, Global Tax Policy Leader		
<b>Investment Industry Association of Canada</b> Brian Parker, Member, President and Chief Executive Officer, Institutional Sales, Acumen Capital Partners		
<b>Portfolio Management Association of Canada</b> Scott Mahaffy, Chair, Industry, Regulation and Tax Committee		
<b>Restaurants Canada</b> Joyce Reynolds, Executive Vice-President, Government Affairs		
<b>Tax Executives Institute, Inc.</b> Paul Magrath, Vice-President, Canadian Affairs		
<b>As individual</b> Scott Clark, President, C.S. Clark Consulting	2014/10/28	52
<b>Canadian Chamber of Commerce</b> Hendrik Brakel, Senior Director, Economic, Financial and Tax Policy		
<b>Canadian Federation of Independent Business</b> Corinne Pohlmann, Senior Vice-President, National Affairs		
<b>Canadian Labour Congress</b> Angella MacEwen, Senior Economist, Social and Economic Policy		
<b>Chemistry Industry Association of Canada</b> Fiona Cook, Director, Business and Economics		

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Green Budget Coalition</b> Andrew Van Iterson, Manager	2014/10/28	52
<b>Metcalf Foundation</b> Tom Zizys, Metcalf Fellow		
<b>Quebec Employers' Council</b> Norma Kozhaya, Vice-President of Research and Chief Economist		
<b>Retail Council of Canada</b> David Wilkes, Senior Vice-President, Grocery Division and Government Relations		
<b>Startup Canada</b> Victoria Lennox, Co-Founder and Chief Executive Officer		
<b>Canada's Building Trades Unions</b> Christopher Smillie, Senior Advisor, Government Relations and Public Affairs	2014/10/29	53
<b>Canadian Arts Coalition</b> Frédéric Julien, Member, Project Manager, Canadian Arts Presenting Association		
<b>Canadian Association of Petroleum Producers</b> Janet Annesley, Vice-President, Ottawa and Eastern/Atlantic Canada		
<b>Canadian Gas Association</b> Timothy M. Egan, President and Chief Executive Officer		
<b>Canadian Intern Association</b> Claire Seaborn, President		
<b>Futurpreneur Canada</b> Julia Deans, Chief Executive Officer		
<b>Institut de recherche et d'informations socio-économiques</b> Éric Pineault, Researcher		
<b>Monster Canada</b> Scott Byrne, Manager, Strategy, Monster Government Solutions		
<b>Solidarité rurale du Québec</b> Christian Thivierge, Corporate Secretary		
<b>Toronto Region Board of Trade</b> Patrick Gill, Manager, Policy		



# APPENDIX C LIST OF BRIEFS

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## Organizations and Individuals

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ABC Life Literacy Canada

Actors' Fund of Canada

Alepin, Brigitte

Altosaar, Illimar

Alzheimer Society of Canada

Amyotrophic Lateral Sclerosis Society of Canada

Aritzia

ArrowMight Canada Ltd

Arthritis Research Foundation

Assembly of First Nations

Association des universités de la francophonie canadienne

Association for Healthcare Philanthropy

Association of Canadian Financial Officers

Association of Canadian Port Authorities

Association of Canadian Publishers

Association of Equipment Manufacturers

Association of Faculties of Medicine of Canada

Association of Fundraising Professionals

Association of Manitoba Municipalities

Association of Universities and Colleges of Canada

Association of University Research Parks

Association québécoise de la production médiatique

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## Organizations and Individuals

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**Association québécoise de l'industrie touristique**

**Atlantic Policy Congress of First Nations Chiefs**

**Atlantic Provinces Community College Consortium**

**ATM Industry Association**

**Auto21 Inc.**

**Automotive Industries Association of Canada**

**B.C. LNG Developers Alliance**

**Bayne, Catherine**

**Bell Pensioners' Group**

**Big Brothers Big Sisters of Canada**

**Biox Corporation**

**Birnie, Paul Scott**

**Blumberg Segal LLP**

**Board of Trade of Metropolitan Montreal**

**Boys and Girls Clubs of Canada**

**Calgary Chamber of Voluntary Organizations**

**Campaign 2000**

**Campbell, Brooke**

**Campus Stores Canada**

**Canada Foundation for Innovation**

**Canada Mining Innovation Council**

**Canada's Building Trades Unions**

**Canada's Research-Based Pharmaceutical Companies (Rx & D)**

**Canadian AIDS Society**

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## Organizations and Individuals

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**Canadian Airports Council**

**Canadian Alliance of Student Associations**

**Canadian Alliance on Mental Illness and Mental Health**

**Canadian Apparel Federation**

**Canadian Aquaculture Industry Alliance**

**Canadian Artists' Representation**

**Canadian Arts Coalition**

**Canadian Arts Presenting Association**

**Canadian Association for Co-operative Education**

**Canadian Association for Graduate Studies**

**Canadian Association of Community Health Centres**

**Canadian Association of Family Resource Programs**

**Canadian Association of Gift Planners**

**Canadian Association of Naturopathic Doctors**

**Canadian Association of Occupational Therapists**

**Canadian Association of Optometrists**

**Canadian Association of Petroleum Producers**

**Canadian Association of Physicists**

**Canadian Association of Railway Suppliers**

**Canadian Association of Recycling Industries**

**Canadian Association of Research Libraries**

**Canadian Association of Retired Persons**

**Canadian Association of Social Workers**

**Canadian Association of Student Financial Aid Administrators**

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## **Organizations and Individuals**

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**Canadian Association of University Teachers**

**Canadian Automobile Dealers Association**

**Canadian Bankers Association**

**Canadian Bar Association**

**Canadian Beverage Association**

**Canadian Bureau for International Education**

**Canadian Cancer Society**

**Canadian Caregiver Coalition**

**Canadian Cattlemen's Association**

**Canadian Centre on Substance Abuse**

**Canadian Chamber of Commerce**

**Canadian Chiropractic Association**

**Canadian Clean Technology Coalition**

**Canadian Climate Forum**

**Canadian Coalition for Action on Tobacco**

**Canadian Coalition for Public Health in the Twenty-first Century**

**Canadian Community Economic Development Network**

**Canadian Consortium for Research**

**Canadian Consortium of Ocean Research Universities**

**Canadian Construction Association**

**Canadian Convenience Stores Association**

**Canadian Council of Chief Executives**

**Canadian Council of University Biology Chairs**

**Canadian Counselling and Psychotherapy Association**



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## **Organizations and Individuals**

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**Canadian Dance Assembly**

**Canadian Dental Association**

**Canadian Dental Hygienists Association**

**Canadian Diabetes Association**

**Canadian Doctors for Medicare**

**Canadian Electricity Association**

**Canadian Energy Efficiency Alliance**

**Canadian Energy Pipeline Association**

**Canadian Federation for the Humanities and Social Sciences**

**Canadian Federation of Agriculture**

**Canadian Federation of Apartment Associations**

**Canadian Federation of Independent Business**

**Canadian Federation of Nurses Unions**

**Canadian Federation of Pensioners**

**Canadian Federation of Students**

**Canadian Federation of Students - British Columbia**

**Canadian Federation of Students – Manitoba**

**Canadian Federation of Students - Newfoundland and Labrador**

**Canadian Federation of Students - Nova Scotia**

**Canadian Federation of Students - Ontario**

**Canadian Federation of University Women**

**Canadian Ferry Operators Association**

**Canadian Fertilizer Institute**

**Canadian Foundation for Healthcare Improvement**

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## Organizations and Individuals

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**Canadian Gas Association**

**Canadian Health Food Association**

**Canadian Home Builders' Association**

**Canadian Home Care Association**

**Canadian Home Instead Senior Care**

**Canadian Hospice Palliative Care Association**

**Canadian Housing and Renewal Association**

**Canadian Independent Petroleum Marketers Association**

**Canadian Institute for Advanced Research**

**Canadian Institute for Military and Veteran Health Research**

**Canadian Institute of Actuaries**

**Canadian Institutes of Health Research**

**Canadian Intern Association**

**Canadian Interuniversity Sport**

**Canadian Labour Congress**

**Canadian Life and Health Insurance Association Inc.**

**Canadian Light Source**

**Canadian Lighthouses of Lake Superior**

**Canadian Manufacturers and Exporters**

**Canadian Meat Council**

**Canadian Media Guild**

**Canadian Media Production Association**

**Canadian Medical Association**

**Canadian Men's Health Foundation**

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## Organizations and Individuals

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**Canadian National Institute for the Blind**

**Canadian Natural Gas Vehicle Alliance**

**Canadian Nurses Association**

**Canadian Parks and Recreation Association**

**Canadian Physiotherapy Association**

**Canadian Produce Marketing Association**

**Canadian Psychiatric Association**

**Canadian Psychological Association**

**Canadian Public Works Association**

**Canadian Rare Earth Element Network**

**Canadian Real Estate Association**

**Canadian Renewable Fuels Association**

**Canadian Secular Alliance**

**Canadian Shipowners Association**

**Canadian Society for Medical Laboratory Science**

**Canadian Society for Molecular Biosciences**

**Canadian Sport for Life**

**Canadian Steel Producers Association**

**Canadian Supply Chain Food Safety Coalition**

**Canadian Taxpayers Federation**

**Canadian Tourism Roundtable**

**Canadian Trucking Alliance**

**Canadian Union of Public Employees**

**Canadian Urban Transit Association**

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## Organizations and Individuals

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**Canadian Vehicle Manufacturers' Association**

**Canadian Vintners Association**

**Canadian Water Network**

**Canadian Wireless Telecommunications Association**

**Canadians for Tax Fairness**

**CANARIE Inc.**

**Cannmart**

**Canola Council of Canada**

**CDRD Ventures Inc.**

**Celestica**

**Centre for Drug Research and Development**

**Centre for Equitable Library Access**

**Centre for Family Literacy**

**Centre for Science in the Public Interest**

**Chartered Professional Accountants of Canada**

**Chemical Institute of Canada**

**Chemistry Industry Association of Canada**

**Cherwonogrodzky, Peter**

**Chiefs Committee on Claims of the AFN**

**Child Care Advocacy Association of Canada**

**Childcare Resource and Research Unit (CRRU)**

**Chronic Disease Prevention Alliance of Canada**

**Citizens for Public Justice**

**City of Calgary**

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## Organizations and Individuals

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**City of London**

**City of Montreal**

**Clarington Board of Trade**

**Clean Energy Canada**

**Coalition for Canadian Astronomy**

**Coalition of Child Care Advocates of British Columbia**

**College of Family Physicians of Canada**

**Colleges and Institutes Canada**

**Colleges Ontario**

**Community and Primary Health Care**

**Community Learning Network**

**Compute Canada**

**Conference for Advanced Life Underwriting**

**Consortium national de formation en santé**

**Consumer Health Products Canada**

**Co-operative Housing Federation of Canada**

**Co-operatives and Mutuels Canada**

**Council of Canadian Academies**

**Council of Canadians with Disabilities**

**Craft Council of British Columbia**

**Credit Union Central of Canada**

**Crockatt, Joan M.P.**

**Crohn's and Colitis Canada**

**CropLife Canada**

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## Organizations and Individuals

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**Culture Montréal**

**Cycling British Columbia**

**Davies, Ward, Phillips & Vineberg LLP**

**Deloitte**

**Design Exchange**

**Desjardins Group**

**Devry Smith Frank LLP**

**Di Cecca, Ricardo**

**Dietitians of Canada**

**Downsview Aerospace Innovation and Research**

**Dubé, Jean**

**Ducks Unlimited Canada**

**eBay Canada Limited**

**Electric Mobility Canada**

**Enerkem**

**Engineers Canada**

**Engineers Without Borders Canada**

**Ernest C. Manning Awards Foundation**

**Explorers and Producers Association of Canada**

**Face of Poverty Consultation**

**Farmers of North America Strategic Agriculture Institute**

**Federal Active Transportation Coalition**

**Fédération des communautés francophones et acadienne du Canada**

**Fédération étudiante universitaire du Québec**

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## Organizations and Individuals

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**Federation of Canadian Municipalities**

**Festivals and Major Events Canada**

**Financial Executives International Canada**

**First Call: BC Child and Youth Advocacy Coalition**

**First Nations Tax Commission**

**Food and Beverage Ontario**

**Food and Consumer Products of Canada**

**Food Banks Canada**

**Forest Products Association of Canada**

**Fresh Produce Alliance**

**Funeral Service Association of Canada**

**Future of Howe Sound Society**

**Gates, Philip A.**

**Genome Canada**

**GIV3**

**Greater Kitchener Waterloo Chamber of Commerce**

**Green Budget Coalition**

**GreenField Speciality Alcohols Inc.**

**Halton Region**

**Health Action Lobby**

**Health Charities Coalition of Canada**

**HealthCareCAN**

**Heart and Stroke Foundation of Canada**

**Heidinger, Harold**

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## Organizations and Individuals

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**Heritage Canada the National Trust**

**Hope Air**

**Hospitality Newfoundland and Labrador**

**Hotel Association of Canada**

**House, Brett**

**IGPC Ethanol Inc.**

**Imagine Canada**

**Imperial Tobacco Canada Limited**

**Independent Media Arts Alliance**

**Indspire**

**Information and Communications Technology Council**

**Information Technology Association of Canada**

**Institute of Marriage and Family Canada**

**Intellectual Property Institute of Canada**

**Interior Systems Contractors Association of Ontario**

**International Association of Fire Fighters**

**International Association of Heat and Frost Insulators and Allied Workers**

**International Union of Painters & Allied Trades**

**Internet Association**

**Inuit Tapiriit Kanatami**

**Investment Funds Institute of Canada**

**Investment Industry Association of Canada**

**Johnson & Johnson Family of Companies in Canada**

**Johnson & Johnson Inc.**



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## Organizations and Individuals

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**Johnson, Donald K.**

**Juvenile Diabetes Research Foundation Canada**

**Kelly, Brian**

**Kwantlen Polytechnic University**

**Lacroix, Janet**

**Languages Canada**

**Large Urban Mayors' Caucus of Ontario**

**Levitsky, Zoë**

**Life Sciences Ontario**

**LIFT Philanthropy Partners**

**Literacy Alberta**

**Loewen, William H.**

**Makivik Corporation**

**Maple Leaf Foods Inc.**

**March of Dimes Canada**

**MaRS Centre for Impact Investing**

**McGill University**

**McMaster University**

**Medicine Hat and District Chamber of Commerce**

**Mental Health Commission of Canada**

**Merck Canada Inc.**

**Merit Canada**

**Metcalf Foundation**

**Mining Association of Canada**

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## Organizations and Individuals

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**Mitacs**

**Monster Government Solutions**

**Mood Disorders Society of Canada**

**Mowat Centre**

**Multiple Sclerosis Society of Canada**

**Muttart Foundation**

**National Aboriginal Caucus**

**National Airlines Council of Canada**

**National Allied Golf Associations**

**National Angel Capital Organization**

**National Association of Federal Retirees**

**National Claims Research Directors**

**National Coalition Against Contraband Tobacco**

**National Council of Women of Canada**

**National Crowdfunding Association of Canada**

**National Graduate Caucus**

**National Initiative for Eating Disorders**

**National Marine Manufacturers Association Canada**

**National ME / FM Action Network**

**National Optics Institute**

**National Smokeless Tobacco Company**

**Natural Sciences and Engineering Research Council of Canada**

**Nature Conservancy of Canada**

**Neurological Health Charities Canada**

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## Organizations and Individuals

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**Northwest Territories and Nunavut Chamber of Mines**

**Northwest Territories Association of Communities**

**OCAD University**

**Ontario Municipal Social Services Association**

**Opera.ca**

**Orchestras Canada**

**Pallium Foundation of Canada**

**Parachute**

**Park, Alex**

**Parkinson Society Canada**

**ParticipACTION**

**Partners for Mental Health**

**Partnership Group for Science and Engineering**

**PearTree Financial Services**

**PEER Group**

**Physical and Health Education Canada**

**Polytechnics Canada**

**Port Metro Vancouver**

**Portfolio Management Association of Canada**

**Prince Albert Seniors Advocacy Centre**

**Professional Association of Canadian Theatres**

**Professional Institute of the Public Service of Canada**

**Professional Writers Association of Canada**

**Progressive Contractors Association of Canada**

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## Organizations and Individuals

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**Prospectors and Developers Association of Canada**

**Public Service Alliance of Canada**

**Publish What You Pay Canada**

**Quality Urban Energy Systems of Tomorrow**

**Quebec Employers' Council**

**Quebec Writers' Federation**

**Queen's University**

**RBRT Inc.**

**REAL Women of Canada**

**Reckitt Benckiser Pharmaceuticals Canada**

**Recreation Vehicle Dealers Association of Canada**

**Rémillard, Richard**

**Research Canada: An Alliance for Health Discovery**

**Réseau Solidarité Itinérance du Québec**

**Réseau Trans-tech**

**Retail Council of Canada**

**Rohan Wood Stables**

**Rothsay Biodiesel**

**Royal Conservatory of Music**

**Ryerson University**

**Salonius, Peter**

**Saskatchewan Association of Rural Municipalities**

**Saxby, Terry**

**Shaw Rocket Fund**

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## Organizations and Individuals

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**Sheldon Kennedy Child Advocacy Centre**

**Skate To Great**

**Social Enterprise Council of Canada**

**Social Sciences and Humanities Research Council of Canada**

**Société de développement des périodiques culturels québécois**

**Société de promotion économique de Rimouski**

**Société de transport de Montréal**

**South Coast British Columbia Transportation Authority (TransLink)**

**Speech-Language and Audiology Canada**

**Sport Matters Group**

**Startup Canada**

**Stem Cell Network**

**Stobbe, Cameron**

**Sun Country Highway Ltd.**

**Sunnybrook Health Sciences Centre**

**Swimming Canada**

**Tax Executives Institute, Inc.**

**Thompson Rivers University Students' Union**

**Toronto and Region Conservation Authority**

**Toronto Community Housing Corporation**

**Toronto Region Board of Trade**

**Tourism Industry Association of British Columbia**

**Tourism Industry Association of Canada**

**Tourism Industry Association of Ontario**

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## Organizations and Individuals

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**Traverse, William**

**TRIUMF**

**U15 - Group of Canadian Research Universities**

**Union of British Columbia Indian Chiefs**

**University of Alberta**

**University of British Columbia**

**University of Calgary**

**University of Manitoba**

**University of Toronto**

**Valley Park Go Green Cricket Field Project**

**Vancouver Art Gallery**

**Vancouver Board of Trade**

**Vancouver International Airport Authority**

**Visa Canada Corporation**

**Visual Arts Alliance**

**Wellesley Institute**

**WEtech Alliance**

**Whispering Pines Clinton Indian Band**

**Wright, James**

**Writers' Union of Canada**

**YWCA Canada**

**YWCA Metro Vancouver**

# MINUTES OF PROCEEDINGS

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 43-53, 61, 63 and 64](#)) is tabled.

Respectfully submitted,

James Rajotte  
Chair





# **Budget 2015: NDP Pre-budget Consultations Supplementary Report**

## **Choosing a Fairer and More Prosperous Canada**

### ***1. Introduction***

As Canada begins to turn the page on the most severe economic downturn since the Great Depression, Canadians are faced with a choice. Canadians must choose between a Conservative government that intends to drain the fiscal capacity of the state through reckless handouts to the wealthiest Canadians and a New Democratic government that will bring a balanced, evidence-based approach to Ottawa that is both environmentally and fiscally sustainable. Canadians want a government that will take their everyday challenges seriously. They want a government that takes an active role to improve their lives by making life more affordable, to ensure their financial security in retirement, and to help create good jobs, particularly in the many struggling regions across the country. New Democrats intend to take up these challenges.

The pre-budget consultations majority report is an imperfect document, although it does include a great deal of important content from the dozens of witnesses who were able to appear before the committee. Unfortunately, many of the majority's recommendations are self-congratulatory and fail to address the challenges that we face. We note that few of the recommendations include the kind of progressive measures that Canadians are looking for to build a fairer, greener, and more prosperous Canada. As a consequence, the New Democratic members of the Standing Committee on Finance have chosen to respectfully present this supplementary report.

### ***2. Global Economic Uncertainty and the Canadian Economy***

- Ongoing weaknesses in the European economies and weakening growth in major developing countries such as China are suppressing international demand and pose a continuing and significant risk to the Canadian economy and its inconsistent recovery.
- The significant decline in the price of oil may lead to substantial revisions in provincial and federal revenues, which must be accounted for in Budget 2015.
- The recent uptick in the American recovery presents an opportunity to jumpstart the Canadian economy. In particular, as the primary destination for Canadian exports this progress in the United States offers an opportunity for Canadian exports to finally rebound from the recession.

### ***3. Domestic Economics Challenges***

- Although Canada's unemployment rate has declined in recent months, over 1.2 million Canadians remain out of work and there are still more than 200,000 additional unemployed Canadians than before the recession.
- In particular, Canada is continuing to struggle with persistently high youth unemployment, which has hovered around double the national average.
- Whole regions of Canada have been left behind in what has remained a relatively modest national recovery. Since the Conservative Government took office in February 2006, approximately 375,000 manufacturing jobs have been lost across the country. This has been particularly devastating for the cities that comprise our industrial heartland.
- Even with recent more positive jobs numbers, aggregate employment growth has been a meager 1% over the last year. Even worse, 56% of the jobs that have been created over that time period are in part-time work.
- Although the Federal Government is now in a fiscally sustainable position, it has been achieved on the back of the sub-federal governments that are now in a fiscally unsustainable position.

### ***4. The Failure of the Government's Response***

- The Conservative Government has made a decision to place ideology over evidence-based policy. From the elimination of the long-form census to the regular denial of information to the Parliamentary Budget Officer, the government has decided to limit the role of evidence in decision-making.

- The decision to move forward with an unfair income splitting scheme that will primarily benefit the wealthiest Canadian families and drive thousands of Canadians out of the labour force is a clear result of this ideological policy-making. By driving thousands of women out of the labour force, this policy will only exacerbate the problems facing our country as we seek to grow our economy while supporting an aging population.
- The Conservatives' inadequate and uncoded “Small Business Jobs Credit” is another example of their preference of ideology over evidence. The impacts of this tax cut were apparently not reviewed or coded by the professionals at Finance Canada. As a result, this measure, costing a total of \$550 million dollars, will only create a mere 800 jobs according to the PBO. We are also concerned that the cost of this poorly designed measure would be borne by the Employment Insurance account – misdirecting funds that should be exclusively devoted to support EI benefits.
- Access to EI has deteriorated significantly under the Conservatives, continuing a trend of restricted access that began under the previous Liberal government. In January, 2006, 45.7% of unemployed Canadians were able to access EI benefits. By September 2014, this figure had fallen to just 38% - meaning that fewer than 4 in 10 Canadians are able to access EI benefits when they need them most.
- The Conservatives are banking on surpluses in the EI Account in order to fund their return to budget balance -- at the same time that they continue to restrict access through the implementation of their regressive EI reforms.
- The Conservatives have hampered Canada's economic recovery by enacting billions of dollars in cuts that have directly and indirectly eliminated tens of thousands of jobs. Along with slowing economic growth, this has had a direct and significant impact upon the services that the Government provides to Canadians. This includes deep cuts to food safety inspection programs, rail oversight, and the closure of veterans offices.
- The cuts introduced by the Conservative government have been implemented without regard for the success or failure of the programs at issue, as confirmed by the Parliamentary Budget Officer. This further demonstrates how their ideological approach and political self-interest have trumped sound policy making.
- In addition to the broad departmental budget cuts announced by the Conservatives – and they still refuse to release detailed information about these cuts – the Conservatives have lapsed billions of dollars in planned spending each year – funds that were approved by Parliament for use but left unspent.

### ***5. Practical Steps to Take Canada Forward***

The committee heard testimony underlining the significant challenges facing Canada and the need for greater government action to address social, environmental, and economic issues. Many witnesses urged the government to use expected surpluses to invest in programs that will make Canada more competitive and equitable rather than giving further tax breaks to the well-connected and wealthy few.

New Democrats believe that the federal government has an important, common sense role to play both in providing services to Canadians and ensuring that the conditions to foster economic growth in the private sector are present. Below, we detail some of the measures or practices that the Government should adopt to meet this goal:

#### ***5a. Child Care***

- The Government should work with the provinces and territories to implement a national **universal affordable childcare program** to provide quality early childhood education and child care spaces available for a maximum of \$15 per day.

#### ***5b. Retirement Security***

- The Government should improve retirement security for all Canadians by working with the provinces to boost **Canada Pension Plan and Quebec Pension Plan** benefits and by reversing its planned \$10.8 billion cut to **Old Age Security** and restoring the age of eligibility to 65.

### ***5c. Income Inequality***

- The Government should reinstate the **federal minimum wage** for federally regulated sectors and incrementally raise it to \$15 per hour.
- The Government should consider increasing the value of the **Working Income Tax Benefit, as recommended in FINA’s study on income inequality**, in order to combat poverty and decrease income inequality.

### ***5d. The Environment***

- The government should enshrine the **polluter pay** principle in law and put a price on carbon to help meet our international climate obligations and encourage investment in green energy technology.
- The Government should announce a clear timeline to eliminate outstanding **fossil fuel subsidies**.
- The Government should restore investment in **home energy efficiency retrofits** to help Canadians reduce energy consumption and home energy bills.
- The Government should strengthen the **review process for major resource projects** by ensuring broad consideration of environmental impacts, honoring the duty to consult and accommodate First Nations, and removing arbitrary limits on public participation.
- The Government should take advantage of current opportunities for Canada to become a world leader in the development and export of **clean energy** by supporting investment in this burgeoning sector.

### ***5e. Taxation***

- The federal government should increase efforts to recover the estimated billions of dollars of revenue lost to **tax evasion and tax avoidance** through the use of offshore tax havens and treaty shopping – including reversing cuts to the number of senior auditors in the International Audit Program and the Aggressive Tax Planning Program at the Canada Revenue Agency.
- The federal government should engage in a comprehensive review of Canada’s tax code in order to **simplify the administration of and compliance with tax laws** to enhance the fairness and efficiency of our tax system.

### ***5f. Evidence-Based Policy***

- The Government should **reinstate the long-form census** and reverse its devastating cuts to Statistics Canada.

### ***5g. Refugees***

- The Government should reverse cuts to **healthcare coverage for refugee claimants** that the Federal Court has called “cruel and unusual”, and should abandon proposed modifications to restrict access to social assistance for refugee claimants.

### ***5h. Health Care***

- The Government should take concrete action to improve affordability and access to medications.
- The Government should immediately reverse its **\$36 billion cut in health transfers** to the provinces and reinstate the 6% CHT escalator.
- The government should establish, in collaboration with the provinces, territories and health experts, a national strategy on mental health and dementia.

### ***5i. Education***

- The federal government should improve access and **affordability of post-secondary education** in Canada.

### ***5j. First Nations***

- The Government should provide stable and predictable funding for the successful **Aboriginal Skills and Employment Training Strategy** (ASETS) model and for other related programs to help First Nations and other Aboriginal groups fill the skilled job shortages.

### ***5k. Employment Insurance***

- The Government should protect Employment Insurance funds from further misuse and fix the EI program so that it works for unemployed Canadians – including **improving access to benefits** and addressing the significant backlog of EI appeals before the Social Security Tribunal.

### ***5l. Responsible Budgetary Practices***

- That the Government establish a permanent **Federal-Provincial-Territorial working group** to study intergovernmental issues that could affect government economic sustainability, including but not limited to such issues as the equalization formula, transfers, and pensions.
- The Government should introduce **more transparency** to the budget process as recommended by the Parliamentary Budget Officer and should enact legislation to establish the Parliamentary Budget Officer as a fully independent officer of Parliament.

### ***5m. Youth Employment***

- The federal government should take concrete action to reduce soaring rates of **youth unemployment**, including the introduction of hiring incentives to encourage businesses to hire and provide training to individuals between the ages of 18 and 25.
- The federal government should **protect interns** working in federally regulated industries by amending the Canada Labour Code to extend basic workplace protections and to prevent the abuse of unpaid internships.

### ***5n. Infrastructure***

- The Government should reverse cuts to **infrastructure funding** and instead increase investments and simplify application processes to ensure that long-term predictable funding is accessible to communities of all sizes without undue delays or procedural burdens.
- The Government should work with the provinces, territories and municipalities to develop and implement a **national transit strategy** that will include long-term, predictable, sustainable funding for public transit infrastructure.

### ***5o. Affordable Housing***

- The federal government should take immediate action to address the affordable housing crisis facing Canadian municipalities by renewing social housing agreements and working to develop and implement a national housing strategy as proposed by **Bill C-400**.

**5p. Veterans**

- The Government should ensure Canadian veterans receive the support they need, including by immediately reversing budget cuts to Veterans' Affairs Canada and **reopening the veterans services offices** that it has closed.

**5q. Affordability**

- The Government should implement strong regulations to stop abusive practices by banks, lenders and credit card companies including measures to ensure that all Canadians have access to at least one low-rate credit card with an interest rate capped at prime plus 5% and **cap ATM fees** at \$0.50 per transaction.
- The Government should crack down on the abusive practices **of payday lenders**.

**5r. Labour Rights**

- The Government should take concrete actions through the Canada Labour Code and public sector labour legislation to protect workers against **workplace retaliation** for engaging in union activities.
- The Government should reverse its damaging changes to **health and safety laws** that limit the ability of workers to refuse unsafe work.

**5s. Manufacturing**

- The government should support the maintenance and creation of well-paid **manufacturing jobs**, beginning by ending delays in the delivery of funding promised in the Advanced Manufacturing Fund.



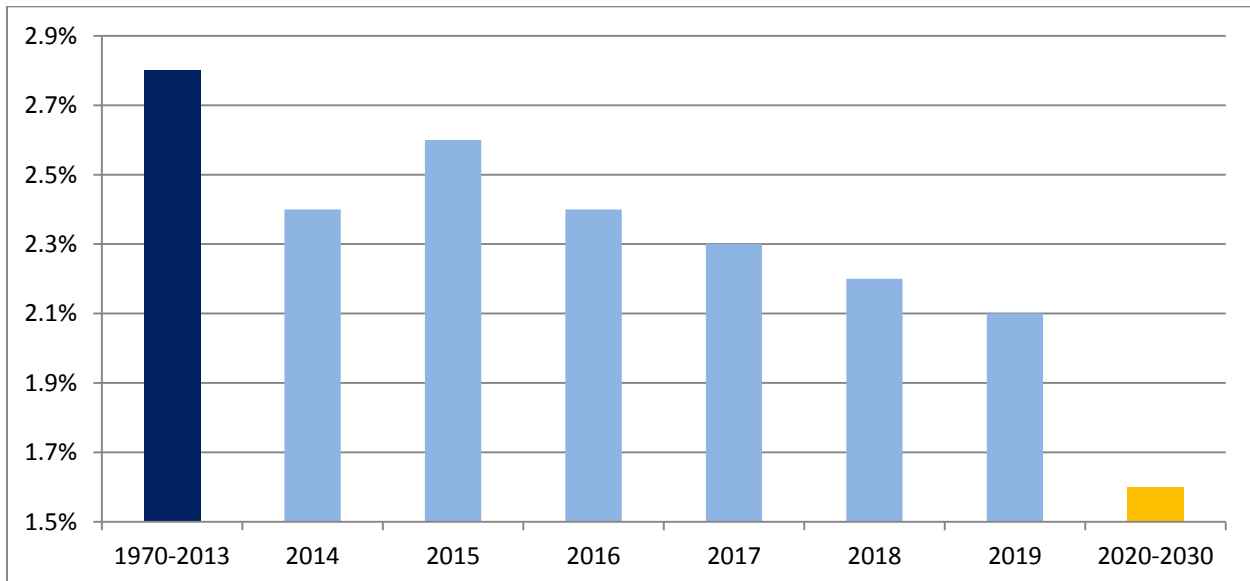
## SUPPLEMENTARY OPINION OF THE LIBERAL PARTY OF CANADA

Thank you to the hundreds of individuals and groups who shared their insights with the Committee. We heard from many witnesses, and received a large number of [written briefs](#), calling for bold changes in Budget 2015 to address the big challenges facing Canada. Despite these valiant efforts, the Committee has instead endorsed the status quo and called on the government to “continue” or “maintain” existing policies. For this reason the majority report represents a missed opportunity for the Committee to provide the government with meaningful guidance on the upcoming federal budget.

### STRENGTHENING THE ECONOMY

The Committee heard from numerous witnesses who identified slow economic growth as a significant threat to Canada’s prosperity. [Former Parliamentary Budget Officer Kevin Page](#) called the Canadian economy “relatively weak” and recommended that “economic growth should be a priority going forward.” The [Conference Board of Canada](#) said that “growth should become the core theme of budget making on a going forward basis.” [Former Deputy Minister of Finance Scott Clark](#) emphasized that “we can’t depend on a global economy to grow the Canadian economy. We need a domestically created policy to generate growth in Canada right now.”

### Real GDP Growth Projections for Canada



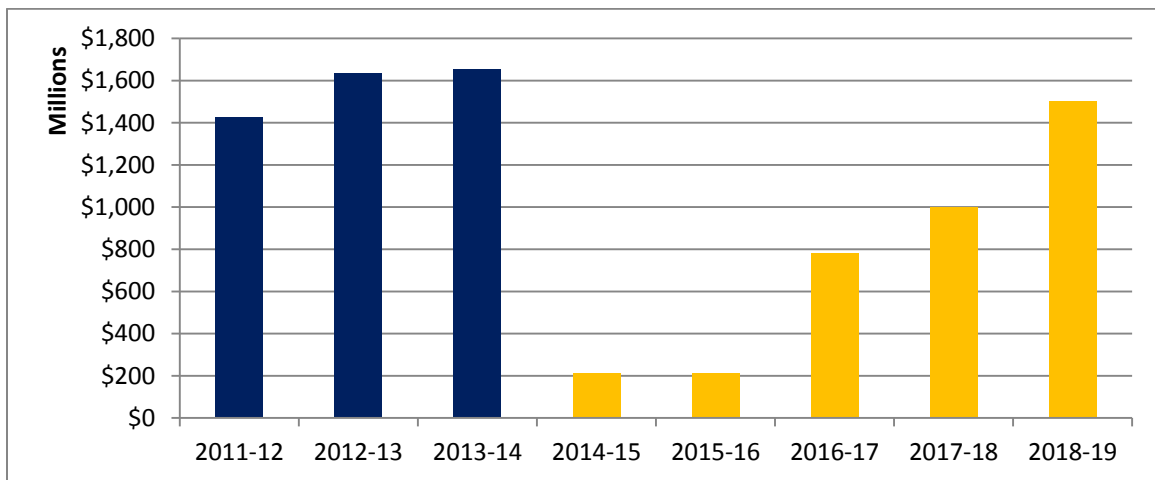
Source: Finance Canada, [Update of Economic and Fiscal Projections](#), 12 November 2014, Table 2.1 and Table A.1.

## **Infrastructure**

In order to generate growth, many witnesses – including [Kevin Page](#), [Federation of Canadian Municipalities](#), [Large Urban Mayors' Caucus of Ontario](#), [KPMG](#), [Union of Quebec Municipalities](#), [Canadian Life and Health Insurance Association Inc.](#), [Mowat Centre](#), [Canadian Chamber of Commerce](#), and [Canadian Labour Congress](#) – called for increases in economic infrastructure investments. Some witnesses called on the government to prioritize transportation infrastructure in order to end gridlock and get the economy moving. The Committee also heard calls for social infrastructure that reduces financial pressures on Canadians and improves skills training, innovation and productivity. More generally, [Scott Clark](#) recommended that Canada's domestic growth strategy be “built on infrastructure spending.” The Conference Board of Canada said that “[infrastructure spending deserves higher priority](#)” and that “[Canada has systematically underinvested in infrastructure for probably 25 or 30 years now, so it's time to catch up.](#)” In the words of [the Canadian Council for Public-Private Partnerships](#), “sound modern infrastructure is key to Canada's productivity and economic growth and ultimately central to a more prosperous and globally competitive Canada.”

Instead of increasing its investments, the federal government cut planned new federal spending on the Building Canada Fund, a key federal infrastructure program for provinces and municipalities. The government cut planned new spending in this area by almost 90 percent between 2013-14 and 2014-15, and decided to back-end load new funding rather than support stronger growth in the near term.

### **Planned New Federal Spending on the Building Canada Fund, 2011-12 to 2018-19**



Sources: Finance Canada, Budget 2007 ([Table 5.3](#)) and Budget 2013 ([Table 3.3.1](#))

### **Recommendation:**

- **That the federal government provide significant new investments in economic and social infrastructure in order to increase economic growth and create well-paying jobs.**



## **Taxes**

The Committee heard from a number of witnesses who recommended against proceeding with recently announced tax measures that are expensive and do nothing to increase economic growth.

Witnesses such as the [YWCA Canada](#), the [Mowat Centre](#), [Mike Moffatt](#), and [Professor Jennifer Robson](#) opposed the government's income splitting scheme as it excludes single parents and mainly benefits wealthier families. In the words of [Dr. Frances Woolley](#), "if the federal government does wish to deliver tax relief, it should look to increasing efficiency, or equity, or both. Income splitting does neither."

The Committee also heard that the government's Small Business Job Credit includes a design flaw that perversely encourages employers to reduce hours and even fire workers. The [Office of the Parliamentary Budget Officer](#) told the Committee that this tax credit would cost the government \$550 million and create only 800 jobs over two years. Meanwhile, [Finance Minister Joe Oliver](#) admitted to the Committee that the government did not do any analysis before introducing this measure. [Mike Moffatt](#) identified some advantages of an EI holiday for employers who create new jobs over the Small Business Job Credit.

The Retail Council of Canada reminded the Committee about [\\$333 million in tariff increases in Budget 2013](#) that come into effect in January 2015 and "[will almost certainly result in higher prices for Canadian consumers](#)". [Mr. Moffatt](#) called for the elimination of tariffs with low effect tax rates as they impose a significant regulatory burden for Canadian businesses while generating "almost no revenue" for the government.

### **Recommendations:**

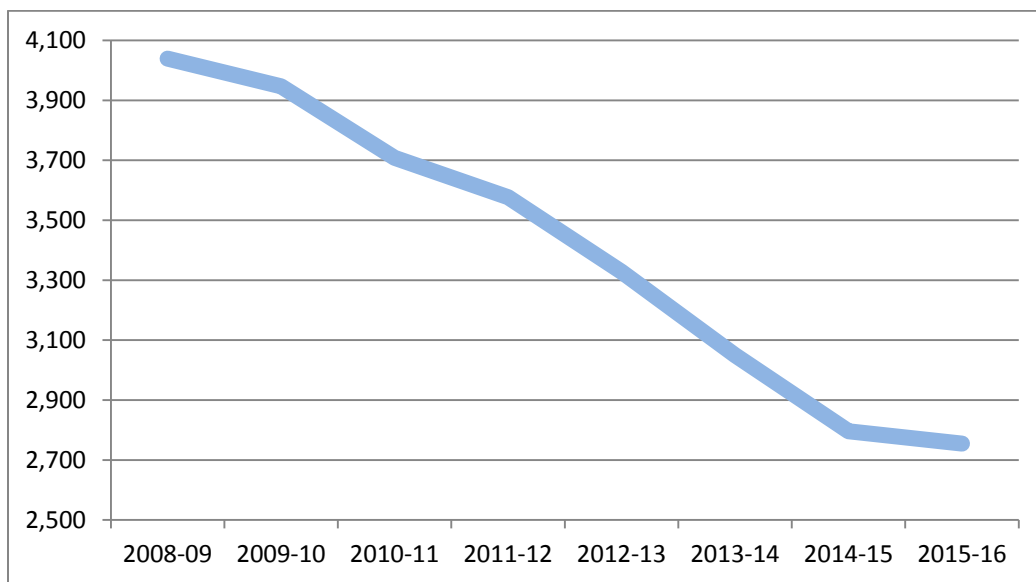
- **That the federal government replace its income-splitting scheme with measures that support jobs and growth and benefit a greater number of Canadians.**
- **That the federal government replace the Small Business Job Credit with an EI holiday for employers who create new jobs.**
- **That the federal government cancel its planned tariff increases and work toward eliminating tariffs on goods that are not manufactured in Canada.**
- **That the federal government recognize the importance of evidence-based decision-making and perform an economic impact analysis before introducing new tax expenditures.**

## INVESTING IN CANADIANS

### Veterans

The Committee heard from Canadians who called on the government to increase its support for Canadian veterans, particularly injured veterans. The [2014 Fall Report of the Auditor General of Canada](#) showed that the government is denying injured veterans timely access to the mental health services they need. Meanwhile, the federal government is continuing to cut the number of employees at Veterans Affairs who serve our veterans by 32 percent – from 4,039 FTEs in 2008-09 to 2,755 FTEs in 2015-16 – while it argues in court that it does not have a sacred obligation to care for injured veterans.

#### Full-Time Equivalents (FTEs) at Veterans Affairs Canada, 2008-09 to 2015-16



Source: Veterans Affairs Canada, [Departmental Performance Reports](#) (2009-10 to 2013-14) and the [Report on Plans and Priorities](#) (2014-15)

We believe that Canadian Armed Forces and veterans should have nothing less than the best of care and support from a grateful nation.

#### Recommendation:

- **That the federal government reverse its cuts to Veterans Affairs and recognize its sacred obligation to both those who serve in the Canadian Armed Forces and their families.**

## **Indigenous Communities**

Once again, the Committee heard about the serious need to stop underfunding education for indigenous Canadians. The federal government has both a moral obligation and an economic imperative to significantly increase investments in this area.

### **Recommendation:**

- **That the federal government recognize the economic potential of young Indigenous Canadians and work in partnership with Indigenous communities on a plan to ensure that every Indigenous student has access to a high-quality education. As part of this plan, the federal government should eliminate the funding gap for First Nations-led K-12 education, increase financial support for Indigenous language and culture education, and remove the 2 percent funding cap on the Post-Secondary Student Support Program.**

### **Other recommendations:**

- **That the federal government amend the *Canada Labour Code* to provide both clarity around unpaid internships and greater protection for vulnerable Canadians who are being pressured into taking unpaid work, and direct Statistics Canada to collect data on unpaid internships.**
- **That the federal government reverse its funding cuts to the *Youth Employment Strategy* as well as its cuts to the number of young Canadians employed through the *Canada Summer Jobs Program*, *Federal Student Work Experience Program*, and *Co-operative Education and Internship Program*.**
- **That the federal government support Canadian seniors by reversing its decision to raise the age of eligibility for Old Age Security (OAS) and Guaranteed Income Supplement (GIS) benefits.**
- **That the federal government examine the feasibility of amending the *Air Travellers Security Charge Act* to exempt Canadian registered charities from the air travellers security charge when the charity is providing a free flight to a low-income Canadian who is travelling to a required medical appointment.**
- **That the federal government cease its undemocratic use of omnibus budget legislation.**

