



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

**FINAL REPORT OF THE HOUSE OF COMMONS
STANDING COMMITTEE ON FINANCE
REGARDING ITS CONSULTATIONS IN ADVANCE
OF THE 2016 BUDGET**

**Report of the Standing Committee on
Finance**

**Hon. Wayne Easter
Chair**

MARCH 2016

42nd PARLIAMENT, 1st SESSION

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THE STANDING COMMITTEE ON FINANCE

has the honour to present its

SECOND REPORT

Pursuant to its mandate under Standing Order 108(2), the Committee held its pre-budget consultations 2016 and has agreed to report the following:

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FINAL REPORT OF THE HOUSE OF COMMONS STANDING COMMITTEE ON FINANCE REGARDING ITS CONSULTATIONS IN ADVANCE OF THE 2016 BUDGET

INTRODUCTION

On 5 February 2016, the House of Commons Standing Committee invited Canadians to participate in pre-budget consultations prior to the presentation of the 2016 budget. To that end, from 16–19 February, the Committee heard from 92 invited witnesses on a wide range of federal public policy topics. As well, the Committee received an additional 175 written submissions from individuals and groups that were not invited to make a presentation.

After hearing from witnesses, and examining both their briefs and the submissions from those that did not make a presentation, the Committee presented an interim report on its consultations on 26 February 2016. This report, which was sent to the Minister of Finance in the form of a letter, noted the importance of informing the Minister about the range of federal public policy areas in which the Committee had received input from Canadians regarding their priorities for the budget to be presented on 22 March 2016. The interim report also highlighted the Committee's intention to present a final report on its consultations. This document is that final report. As indicated in the interim report, the Committee's consultations in relation to the 2016 budget occurred over a very short period of time. In the future, the Committee intends to undertake its pre-budget consultations in accordance with more historic timeframes.

The input received by the Committee through testimony, briefs and other submissions from Canadians falls into 27 broad federal public policy areas. The proposals in each of these areas that were received by the Committee through the testimony and any accompanying briefs from the 92 witnesses who appeared, are presented below. To the extent possible, the Committee has used the words spoken or submitted by these witnesses who, often with very little notice, took the time to share their priorities during the consultations. In some cases, the proposals have been edited for brevity and to focus very narrowly on the substance of the proposals, without the context or expected outcomes following implementation. The recommendations that Committee members believe should be contained in the forthcoming budget are presented following this summary. Appendix A provides an indication of the federal public policy areas in which the additional 175 written submissions made proposals.

AGRICULTURE, FOOD AND FISHERIES

Under Canada's Constitution, responsibility for agriculture is shared between the federal and provincial/territorial governments. In focusing on promoting the growth, stability and competitiveness of the country's agricultural and agri-food sector, the federal government undertakes research, works to improve access to foreign markets and provides financial support, among other actions.

Moreover, under the *Constitution Act, 1867*, the federal Parliament has legislative authority for sea coast and inland fisheries, while provincial legislatures have responsibility for matters of property and civil rights, and the management of public lands. While the federal government has retained final authority over all fisheries, court references have confirmed provincial legislative responsibilities for inland fisheries; as a result, a system of delegation of federal administrative authority over a number of fisheries exists.

In speaking to the Committee about agriculture, food and fisheries in the context of the consultations prior to the 2016 budget, witnesses focused on the following issues: research and other supports; the cattle and beef sector; and fisheries.

Research and Other Supports

- [The government should invest in] collaborative research [on beneficial agricultural management practices] and ... maintain and modernize its research [facilities] infrastructure. ([Canadian Cattlemen's Association](#))
- [The government should provide] sufficient funding to support incoming ... foreign regulators to assess our regulatory and inspection systems [for food products]. ([Canadian Cattlemen's Association](#))
- [The government should ensure sufficient funding for] national Business Risk Management programs ... [and] flexibility in the government's contribution to regional and provincial livestock insurance programs. ([Canadian Cattlemen's Association](#))
- [The government should] change ... the AgriInvest program [to allow] account holders to withdraw producer contributions (Fund 1) without first withdrawing taxable government contributions (Fund 2). ... [D]irect access to producer contributions should be limited to priority investment targets identified in partnership between industry and government. ([Canadian Federation of Agriculture](#))
- [The government should] set the stage for [G]rowing [F]orward 3 ... particularly by aligning the vision of agriculture with the principles of food sovereignty and supporting agriculture's efforts to mitigate and adapt to climate change. ([National Farmers Union](#))
- [The government should] support ... new and young farmers by lowering the cap on the government's support programs; making effective, affordable financing programs available to new farmers, including micro loans and small grants; providing funding for farm apprenticeship programs and training; and using tax penalties to effectively prohibit foreign investor and absentee farmland ownership. ([National Farmers Union](#))
- This budget should re-establish the Prison Farm Program [since prison farms] provid[ed] effective rehabilitation for prisoners, ... produced wholesome food and provided valuable agricultural infrastructure also used by the surrounding communities. ([National Farmers Union](#))
- The 2016 budget should redirect all agriculture research funding toward public and independent third party research in the public interest and reinstate funding to the public agricultural research institutions to allow them to recover and rebuild their capacity with a new generation of scientists. ([National Farmers Union](#))
- Funds should be allocated to public plant breeding to develop varieties that are adapted to Canadian regional climates. ... The budget should support participatory breeding initiatives and enable new varieties to be released without royalties. ([National Farmers Union](#))

- [The government should] fund research and assessment of pesticides, including field crop trials on yields, monitoring of soil quality and surface water contamination, and impacts on pollinator populations. Funds should go toward assessment and implementation of farming practices to increase biodiversity and integrated pest management to benefit farmers, and both natural and agricultural ecosystems. ([National Farmers Union](#))
- Budget 2016 should take concrete steps to correct the damage caused by ending the Canadian Wheat Board's single desk [and] establish and fund a mechanism to regulate the grain system to ensure all farmers have an equal opportunity to ship grain, to counteract the power of the major grain companies, and to give priority in shipping to small grain companies, producer rail cars, and short-line railways. ([National Farmers Union](#))
- The budget should reinstate federal funding of the publicly owned community pastures program originally established under the Prairie Farm Rehabilitation Administration [and] restore funding to the Prairie Shelterbelt program and tree nursery which provided free seedlings to farmers across the prairies. ([National Farmers Union](#))
- [The government should adopt] measures to safeguard ... domestic food production for the long-term. ([National Farmers Union](#))

Cattle and Beef Sector

- [The government should] support ranchers' conservation actions and ensure funds are available for the continuation and expansion of agri-environmental programs and the development of market-based instruments. ([Canadian Cattlemen's Association](#))
- [The government should make permanent the pilot program for] western livestock price insurance ... [and increase the credit limits on lending programs for] producers who purchase cattle for breeding, backgrounding or finishing. ([Canadian Cattlemen's Association](#))

Fisheries Sector

- [The government should examine significant] market readiness barriers [that] exist in the Canadian seafood industry [and] that impact [the industry's] ability to fully leverage the potential of [recent and upcoming] trade agreements as well as other global market opportunities. ([Carey Bonnell](#), as an individual)
- [The government should improve] market intelligence to support the market development needs of the [fisheries sector]. ([Carey Bonnell](#), as an individual)
- [The government should invest] in innovation and automation in the [fisheries] sector. ([Carey Bonnell](#), as an individual)
- [The government should develop] a strategy to address the labour retention challenges in the [fisheries sector,] given current demographic profiles. ([Carey Bonnell](#), as an individual)
- Regarding social licence, there's a need for continued engagement and investment on the subject of science requirements for eco-certification. ([Carey Bonnell](#), as an individual)
- Key public investment in fisheries and ocean science, including sustainable aquaculture development, are critical to ensure [that the fisheries sector] continues to meet and exceed best practices [in relation to traceability and eco-certification]. ([Carey Bonnell](#), as an individual)

- [The seafood industry] should have equitable access to public programming [including the Growing Forward 2 program] to help improve its overall competitiveness. ([Carey Bonnell](#), as an individual)

ARTS, CULTURE AND LINGUISTIC IDENTITY

In relation to arts and culture, the federal government formulates policies and delivers programs that help all Canadians participate in their shared cultural and civic life. For example, it implements policies related to copyright and broadcasting, as well as to arts, heritage, official languages, sports, state ceremonial and protocol, and Canadian symbols. Moreover, the arts sector is supported by a variety of federal tax and program spending measures.

Witnesses that commented on arts, culture, heritage and linguistic identity during the Committee's consultations in advance of the 2016 budget expressed their views on the following topics: funding; and francophone communities.

Funding

- The arts and artists [should] be included in [government] discussions that determine ... present and future [funding or policy directions that affect them.] ([Canadian Council for the Arts](#))

Francophone Communities

- [T]he federal budget [should] include a statement of the government's intention to, at the very least, index the funding it invests in organizations and institutions throughout francophone and Acadian communities, beginning in the 2017-18 fiscal year. ([Fédération des communautés francophones et acadienne du Canada](#))
- [I]n the 2016-17 fiscal year, the Government of Canada [should] release the roadmap funding that has yet to be made available. ([Fédération des communautés francophones et acadienne du Canada](#))
- [T]he government [should] commit to working with organizations and institutions in francophone and Acadian communities as key partners in identifying the requirements and solutions to strengthen community capacity and infrastructure. ([Fédération des communautés francophones et acadienne du Canada](#))

CHILDREN, YOUTH AND FAMILIES

The federal tax system has several measures that are designed to benefit families with children, and Children's Special Allowances are paid to federal and provincial/territorial agencies and institutions that care for children. As well, the federal government provides a number of education- and employment-related supports to youth aged 15 to 24 years.

During the Committee's consultations ahead of the 2016 budget, witnesses discussing children, youth and families commented on the following subjects: tax measures; and early learning and child care.

Tax Measures

- The system of federal child benefits should be reformed with a view to reduc[ing] income-tested benefit clawback rates as much as possible. ([C.D. Howe Institute](#))
- [As the] new Canada child benefit ... is a potential life-changer for single mothers and all families living in poverty, ... [t]he federal government [should] ensure that provincial and territorial governments refrain from deducting [the proposed Canada child benefit] from social assistance payments, or counting [it] as income for access to means-tested benefits. ([YWCA Canada](#))

Early Learning and Child Care

- [The government should] work with the provinces and territories to develop and fund ... [an] early learning and child care framework ... [including a] short term package [that] would have three elements: [enhanced affordability, support for child care workers, and support for hard-to-serve populations.] ([Canadian Labour Congress](#))
- [Early childhood education and care] funds that are part of the [anticipated social infrastructure fund should] be identified specifically in the budget in the following way: ... \$100 million to empower and resource Indigenous communities to design, deliver and govern ... [early childhood education and care] systems and services; and ... \$500 million to provinces/territories committed to developing their own policy frameworks based on principles of universality, high quality and comprehensiveness. ([Canadian Labour Congress](#))
- [T]he federal government should work with the provinces and territories to establish and fund a national, affordable, and public non-profit early childhood care and education system with a distinct system for [I]ndigenous communities. ([Canadian Union of Public Employees](#))
- The social infrastructure fund should include an allotment for [early childhood education and care]. ([Canadian Union of Public Employees](#))
- Funding should ... be made available to improve wages, working conditions and training for child care workers, which will help attract additional qualified workers to the sector. ([Canadian Union of Public Employees](#))
- [The government should allocate] \$500 million as a federal transfer to provinces and territories for targeted child care initiatives.... All federal transfers, whether they're short term or long term, [should] be spent in ways that are evidence-based and publicly accountable. [A distinction] between short-term funding and increased funding over the longer term [is needed] because ... the federal government [should] move along two tracks simultaneously. ([Child Care Advocacy Association of Canada](#))
- [T]he government [should] ... take immediate steps to address urgent child care priorities, such as affordability, developing the child care workforce and meeting the needs of harder-to-serve populations, such as rural communities. ([Child Care Advocacy Association of Canada](#))
- [The] federal government [should] collaborate with other levels of government, [I]ndigenous organizations and child care organizations to develop and implement a robust shared policy framework that would guide increased public investments over time. ([Child Care Advocacy Association of Canada](#))
- Federal budget 2016 should dedicate social infrastructure funds to a short-term emergency-style fund for transfer payments to provinces, territories, and [I]ndigenous communities for early learning and child care during funding negotiations. ([YWCA Canada](#))

CORPORATE INCOME TAXES, CONSUMPTION AND EXCISE TAXES, AND REGULATORY ISSUES

Corporations that are resident in Canada are required to pay tax on all taxable income earned worldwide, and some are eligible for size- and/or sector-specific corporate income tax rate reductions. Capital cost allowance rates also reduce the amount of tax payable as the cost of certain assets is deducted over their economic life. As well, the federal government obtains revenue from Canada's consumption tax – the Goods and Services Tax – and the excise taxes applied on the sale and importation of specific goods, including alcohol, tobacco, gasoline and diesel fuel. Customs duties may also be applied on goods imported into Canada.

Moreover, governments use regulations to achieve some of their policy objectives, and these regulations may impose costs on businesses. In Canada, the primary federal policy framework requires departments and agencies to maintain the net number of regulations imposed on businesses, a practice that is known as the “one-for-one” rule.

When they appeared before the Committee during the consultations preceding the 2016 budget, witnesses highlighted issues in the following areas: the general corporate rate; Canadian-controlled private corporations; the small business deduction; capital cost allowance rates; consumption and excise taxes; and regulatory and other issues.

General Corporate Rate

- [T]he government [should] consider modest increases to the corporate income tax [rate]. ([Broadbent Institute](#))
- [Corporate] tax levels must be examined [, as cuts] to corporate taxes have not resulted in private sector reinvestment but have helped to starve the public treasury. ([Public Service Alliance of Canada](#))
- [The government should] reverse the Harper-era tax cuts by increasing the statutory corporate income tax rate. ([Unifor](#))

Canadian-Controlled Private Corporations

- [T]he federal government [should] affirm its commitment to the existing framework governing Canadian-controlled private corporations. ([Canadian Medical Association](#))

Small Business Deduction

- [The government should] broaden the tax base by [reducing] the use of the small business deduction to shelter income by denying its use by professionals and by restricting the hiring of family members. ([Robin Boadway](#), as an individual)
- [The government should] retain the small business deduction but reinstate a cumulative upper limit to prevent the disincentive for small businesses to grow. ([Robin Boadway](#), as an individual)
- [The government should increase] the income threshold for the (11%) small business tax rate to \$1,000,000 from \$500,000 to encourage small companies to continue growing. ([Canadian Chamber of Commerce](#))

- [The government should] ensure continued access to the small business corporate tax rate. ([Canadian Federation of Independent Business](#))

Capital Cost Allowance Rates

- [The government should reinstate] the accelerated capital cost allowance for oil sands and other energy related projects and extend the allowance to include resource processing investment, including integrated upgraders, merchant upgraders and petrochemical industrial products. ([Alberta Chambers of Commerce](#))
- [The government should] modernize the capital cost treatment for tax purposes for the unconventional oil and natural gas resource wealth that we have in this country. ([Canadian Association of Petroleum Producers](#))
- [The government should accelerate] the ... [capital cost allowance] rates to 50% for a broad variety of capital equipment and technology ... to encourage greater private sector investment in technology. ([Canadian Chamber of Commerce](#))
- [The government should] adjust depreciation rates for mobile equipment purchases to a 50% declining balance, [which is a rate similar to that for fixed machinery and equipment]. ([Canadian Construction Association](#))
- [B]udget 2016 [should] include an accelerated capital cost allowance from current rates to 50% for classes of depreciable assets that relate to telecom network equipment, including broadband networks. These classes include 8, 42 and 46. ([Canadian Wireless Telecommunications Association](#))
- [The government should change] the [capital cost allowance] rate for several classes of depreciable assets that relate to communications network equipment, including broadband networks.... [In particular, increases should occur] from current rates to 50% for capital investments in most areas and 100% in those areas identified ... as underserved in [the] Connecting Canadians Broadband initiative. ([Information Technology Association of Canada](#))

Consumption and Excise Taxes

- [The government should not implement] additional tax increases on tobacco products ... because of the impacts such increases have on illegal tobacco activity in Canada. ([Canadian Convenience Stores Association](#))
- [The government should ensure that all] psychological assessments ... [are] considered a qualifying health care supply under the *Excise Tax Act* and thus [are] exempt from the [Goods and Services Tax/Harmonized Sales Tax]. ... [It should] not be retroactively applied. ([Canadian Psychological Association](#))

Regulatory and Other Issues

- [The government should] avoid layering costs on ... businesses in Alberta. ([Alberta Chambers of Commerce](#))
- [T]he federal government [should thoroughly consult] regional business communities and [conduct] sensitivity [analyses] before implementing broad policy changes. ([Alberta Chambers of Commerce](#))

- [The government should analyze] all proposed new policies applying a cost to business calculation, and where appropriate implement those policies in a staged manner. ([Alberta Chambers of Commerce](#))
- [The government should focus] on outcome-based policies, with flexibility for businesses to choose how best to meet these outcomes. ([Alberta Chambers of Commerce](#))
- [The government should work] with the province[s] and territories to continue with the next phase of the Passport Agreement, build on securities passport improvements that have already been made by participating provinces and territories, and move towards national harmonization by way of a well designed, well monitored, nation-wide passport system for securities regulation that includes all provinces and territories. ([Alberta Chambers of Commerce](#))
- [The government should] allow a carry-forward of [business] losses with interest. ([Robin Boadway](#), as an individual)
- In the longer term, [the government should] consider major reforms to the corporate tax, such as those that have been proposed in the U.K. and the U.S. and in many tax reform commissions around the world, and in particular, what's called the allowance for corporate equity system that's been introduced in some countries in Europe. ([Robin Boadway](#), as an individual)
- [The government should avoid delays in initiating infrastructure projects by ensuring] stringent but streamlined regulatory processes so that the private sector can do its part [without delay]. ([Canadian Chamber of Commerce](#))
- The government should begin phasing out [corporate welfare and regional development by] reducing total spending each year. ([Canadian Taxpayers Federation](#))
- The government should [be] moving away from unconditional [corporate] grants and towards loans. ([Canadian Taxpayers Federation](#))
- The government should creat[e] tougher conditions for the acceptance of any public funds. In the case of corporate welfare, this should include waiving any rights to confidentiality of repayment terms. ([Canadian Taxpayers Federation](#))
- The government should [broaden] Access to Information laws to allow third parties to better scrutinize subsidy recipients. ([Canadian Taxpayers Federation](#))
- [The government should] ease monopoly ownership and reduce heavy regulation in key industries such as railways, airlines, telecommunications and electricity. ([Centre for the Study of Living Standards](#))

EDUCATION AND SKILLS TRAINING

Primary jurisdiction over post-secondary education and training rests with Canada's provincial/territorial governments, although indirect federal support occurs through the Canada Social Transfer, tax measures for individuals, and a variety of grants and loans. The federal government also provides grants to apprentices, and employment-related supports for post-secondary students. Most federal spending on skills training is delivered through Labour Market Development Agreements, Labour Market Agreements and Labour Market Agreements for Persons with Disabilities, which transfer funding to the provinces/territories.

When speaking about education and skills training during the consultations prior to the 2016 budget, witnesses informed the Committee about the need for changes regarding the following issues: loans and grants; debt and affordability; a post-secondary education strategy; and skills training.

Loans and Grants

- [The government should] increase the value of [Canada Student Grant Program] dispersals by 50%, at an estimated cost of \$173 million per year ... [and make] graduate and doctoral [studies] eligible for [that grant], at a cost of \$31 million per year. ([Canadian Alliance of Student Associations](#))
- [The government should increase] the weekly ... [Canada Student Loans Program] loan limit to \$245 per week ... through an investment of \$44 million per year. ([Canadian Alliance of Student Associations](#))
- [The government should] double the maximum [Canada Student Grant] to \$6,000 ... and significantly improve the Repayment Assistance [P]lan. ([Canadian Association of University Teachers](#))
- [The government should redirect] the \$750 million currently allocated [to] ineffective education-related tax credits and savings schemes into the Canada [S]tudent [G]rants program [as it] would double the already limited funds for the [Program]. ([Canadian Federation of Students](#))
- [The government should expand] the [CanLearn] program so that psychologists who work in rural or remote communities can earn up to \$40,000 in Canada Student Loan forgiveness over a maximum of five years (\$8,000 per year). ([Canadian Psychological Association](#))
- [The government should continue to make] investments in students through graduate scholarships, internships, and fellowships. ([Canadian Psychological Association](#))
- [The government should fund] an international academic mobility program to enable Canadian college and institute students to pursue global learning opportunities. ([Colleges and Institutes Canada](#))

Debt and Affordability

- [The government should reduce] and ultimately eliminat[e] undergraduate university and college tuition fees. ([Canadian Union of Public Employees](#))
- [G]overnment expenditures [should ensure] that post-secondary institutions have adequate funding to continue the upward trend in the proportion of the population with post-secondary education, maintaining Canada's position as the [Organisation for Economic Co-operation and Development] country with the highest proportion of post-secondary graduates. ([Centre for the Study of Living Standards](#))

A Post-Secondary Education Strategy

- [T]he federal government [should] work with the provinces in order to develop and implement a national post-secondary education strategy, with one of the pillars being increased funding to overcome all obstacles, including financial ones, to access to and participation in post-secondary education. ([Canadian Association of University Teachers](#))

- [The government should establish a] Post-secondary Education Transfer ... [that] should be governed by a *Post-secondary Education Act*, modelled on the *Canada Health Act*, ... [which would] outline responsibilities and expectations for the federal and provincial/territorial governments, establish pan-Canadian guidelines, enact enforcement mechanisms, determine long-term stable funding formulae, and provide for a post-secondary education advisory council on which provinces would be represented. ([Canadian Association of University Teachers](#))
- [T]he government should implement a federal post-secondary education act modelled on the *Canada Health Act* and create a dedicated cash transfer of \$3.3 billion for post-secondary education, primarily by redirecting existing government funding for inefficient post-secondary education-related tax credits and savings schemes. ([Canadian Federation of Students](#))
- [The proposed post-secondary education act] would be accompanied by a fifty-fifty cost-sharing model to eliminate undergraduate tuition fees, making sure that provincial governments are also held to account ... to ensure that the transfers they receive from the federal government for post-secondary education are spent on just that [and] to reward provinces that come to the table with adequate funding to support universal access to post-secondary education. ([Canadian Federation of Students](#))
- [The government should reform] funding of post-secondary institutions from being mainly determined by enrolment to providing incentives for quality of education outcomes. The goal should not be enrolment, but successful completion leading to employment. ([Centre for the Study of Living Standards](#))

Skills Training

- [The government should support] policies that will ... ensure a supply of skilled workers to help Canada meet the demands for its natural resource industries. ([Canadian Chamber of Commerce](#))
- [The government should establish] an expert panel to make recommendations for the design and implementation of a mandatory [n]ational [w]orkplace [t]raining [l]evy. ([Canadian Federation of Students](#))
- [At an estimated cost of \$300 million, the government should re-establish] federal funding and support for paid federal student positions and doubl[e] the total funding dedicated to the Youth Employment Strategy. ([Canadian Federation of Students](#))
- [The government should] invest in a green jobs skills training program to ensure that workers are equipped and available to perform energy-efficiency home and building retrofits. ([Canadian Labour Congress](#))
- [The government should restore funding to] the Office of Literacy and Essential Skills ... [by recovering] \$80 million in unspent funds [from 2006–2007 to 2015]. ([Canadian Labour Congress](#))
- [T]he federal government [should] restore and maintain core funding for literacy and essential skills programs and organizations across Canada, including the Office of Literacy and Essential Skills.... Literacy and essential skills should be integrated in pre-apprenticeship and skills training and be core parts of a well-funded pan-Canadian training strategy and of [a] [p]overty [r]eduction [s]trategy. ([Canadian Union of Public Employees](#))
- Additional amounts should ... be invested in training for youth and Indigenous Canadians, in partnership with unions. ([Canadian Union of Public Employees](#))

- [The government should invest] in education and skills development, particularly in areas which are expected to be in high demand in the future. ([Centre for the Study of Living Standards](#))
- Ontario and Canada [need a diverse and robust jobs strategy,] with clear actions to address labour market reform through skills training [and] apprenticeship reforms. ([Large Urban Mayors' Caucus of Ontario](#))
- [The government should ensure that] Canada has the supply of skilled workers required to build and maintain public infrastructure over the next decade by creating a High Demand Training Capacity Fund to increase the intake of students and apprentices in the high demand professions. ([Polytechnics Canada](#))
- Canada needs a national talent strategy ... [that] bring[s] programs for business innovation and skills training together, as has been done in the UK with the Department of Business Innovation and Skills. ([Polytechnics Canada](#))
- [The government should take] an expansive and inclusive approach to supporting the creation of more work-integrated learning opportunities that are applicable to all [post-secondary education] institutions. ([Polytechnics Canada](#))
- [The government should provide greater flexibility] to use the surplus money [through federal immigration program funding to provinces] for other training and labour market development initiatives. ([Saskatchewan Chamber of Commerce](#))

EMPLOYMENT AND LABOUR MARKETS

Through direct funding, various national employment and referral services, the Employment Insurance program, and a number of tax measures for individuals and businesses, the federal government provides employment benefits and labour market support measures. In particular, Part I of the Employment Insurance program provides regular and special benefits, while Part II supports 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.

In appearing before the Committee during the consultations in advance of the 2016 budget, witnesses drew attention to the following topics in relation to employment and labour markets: the Employment Insurance program; Labour Market Agreements and Labour Market Development Agreements; labour market information; internships, co-ops and apprenticeships; labour shortages and labour mobility; and temporary foreign workers.

Employment Insurance Program

- [The government should reduce Employment Insurance] premiums to the seven-year break even rate of \$1.49. ([Canadian Chamber of Commerce](#))
- [The government should introduce an Employment Insurance mobility] grant [to be] provided to the unemployed to help them offset some of the costs they will incur as a result of looking for work outside their home region. ([Canadian Construction Association](#))

- [The government should] either continue the [small business job] credit or ... implement a permanent lower rate of [E]mployment [I]nsurance [premiums] for small businesses ... on ... the first \$500,000 in payroll. ([Canadian Federation of Independent Business](#))
- [The government should] eliminate the current 910-hour eligibility hurdle for new labour-force entrants and re-entrants ... [,] ... reverse the 2012 changes creating tiered claimant categories, and [change] the definition of suitable employment and reasonable job search efforts. [As well, it should commit to] an immediate allocation of \$100 million in 2016-17 to the ... [Employment Insurance] program in order to improve processing times and reduce delays in providing reconsideration of benefit decisions. ([Canadian Labour Congress](#))
- [The government should] reconsider [the] planned premium reduction [that is set to begin on 1 January 2017] until after ... [it has reviewed] the Employment Insurance program. ([Canadian Labour Congress](#))
- [A] revised [Employment Insurance] system [should be] built around a new concept: the Employment Insurance Savings Account.... Working Canadians would continue to pay [Employment Insurance] premiums ... into a personal ... account, which could be drawn on if they (or their spouse or other family member) loses a job. ([Canadian Taxpayers Federation](#))
- [T]he government [should eliminate the 910-hour rule for new entrants and reverse the 2012 changes to the Employment Insurance program] immediately and ... restore fairness to the governance, adjudication and appeals process[es]. ([Canadian Union of Public Employees](#))
- [The government should allow] business owners to pay into [the Employment Insurance program] and [collect the program's] associated benefits, or allow for the creation of an alternate, possibly privately funded, employment insurance [program]. ([Hunter Wire Products Ltd.](#))
- [The government should reduce] the eligibility requirements for [Employment Insurance benefits, and] make the ... program truly accessible. ([Mouvement Action-Chômage de Montréal](#))
- [The government should] improve the functioning of the Social Security Tribunal of Canada [to reduce the delay in receiving Employment Insurance benefits]. ([Mouvement Action-Chômage de Montréal](#))
- [The government should consult with retail stakeholders in considering the] potential for [Employment Insurance] benefits to be divided into several periods over 18-months. ([Retail Council of Canada](#))

Labour Market Agreements and Labour Market Development Agreements

- [The government should reform the Labour Market Agreements and Labour Market Development Agreements to ensure] that employers are given a more meaningful and substantive voice, not only in the design but also in the delivery of training programs across Canada. ([Canadian Construction Association](#))
- The government [should] increase funding [for training and labour force development] through Labour Market Development Agreements. ([Canadian Union of Public Employees](#))

Labour Market Information

- [The government should invest] in more and better labour market information. ([Canadian Chamber of Commerce](#))

- [The government should provide] increased funding for the collection of regional agricultural labour supply and demand information, both through the labour wage survey as well as the Canadian Agricultural Human Resource Council's ongoing work to develop labour market information forecast models for supply and demand. ([Canadian Federation of Agriculture](#))
- [At an estimated cost of \$15 million, the government should create] a new Workplace Employee Survey through Statistics Canada to improve Canada's labour market information system. ([Canadian Federation of Students](#))
- To foster growth, the government [should support] individuals and firms in making optimal decisions. [The government should play a role] in providing timely, accurate, and high-quality labour market information to students, workers, and firms. ([Centre for the Study of Living Standards](#))
- A new organization needs to be created, or an existing organization tasked, with responsibility for collecting, analyzing and disseminating the required data on higher education outcomes and how these meet current and prospective labour market needs. ([Centre for the Study of Living Standards](#))
- [The government should provide] sustainable funding for the recently announced [Labour Market Information] Council [and] [t]hrough this Council support the consolidation, promotion and publication of supply and demand side data to provide current, consistent, granular data at the national, provincial and municipal levels on the talent pool available and the skills needs of employers in key economic sectors. ([Colleges and Institutes Canada](#))
- Canada has to do a better job of providing data on the outcomes of our publicly-funded higher education systems and institutions. ... The newly created Labour Market Information Council is an important first step, ... [but has] a disparate set of policies between different levels of government. ([Polytechnics Canada](#))
- The recently announced [Labour Market Information Council] should be tasked with the responsibility of developing and disseminating a national skills-in-demand list of specialized occupations. ([Polytechnics Canada](#))
- The government should invest in developing a baseline understanding of the demand for and barriers to work-integrated learning by adding questions to the National Graduate Survey. ([Polytechnics Canada](#))

Internships, Co-ops and Apprenticeships

- [The government should] expand experiential learning opportunities by investing \$80 million per year in co-ops, internships and apprenticeship placements for all fields of study and in all levels of post-secondary education ... [and] strengthen rules for internships to ensure students are compensated appropriately and treated fairly. ([Canadian Alliance of Student Associations](#))
- [The government should provide] incentives for employers to offer more post-secondary co-op placements and internships and ... [create] a financial incentive for employers to retain employees through to completion of their apprenticeship training. ([Canadian Chamber of Commerce](#))
- [The government should immediately] end the practice of hiring unpaid interns within the federal government. ([Canadian Federation of Students](#))

- [The government should support co-operative] placements in all fields of science – health, natural and social science – and within various sectors. ([Canadian Psychological Association](#))
- [The government should support] public colleges and institutes across Canada to expand the delivery of pre-apprenticeship programs in designated, high-demand Red Seal trades and provide pre-apprentices with the employer connections and work placements that will facilitate their transition into full apprenticeship opportunities. ([Colleges and Institutes Canada](#))
- [The government should develop a student mobility and work exposure program] to expose college and institute students to work placement opportunities in other regions of Canada. ([Colleges and Institutes Canada](#))
- [The government should fund] increased numbers of Pre-Apprenticeship Training Programs. ([Polytechnics Canada](#))
- [The government should support] the use of apprentices by aggressively implementing previously announced measures to require the use of apprentices in federal construction and maintenance contracts. ([Polytechnics Canada](#))

Labour Shortages and Labour Mobility

- A solution to construction's labour supply and allocation challenges could be a labour-mobility tax measure that enables mobile workers to deduct the costs of expenses incurred for employment purposes—such as travel, meals and lodging—less any money paid by the employer for these purposes. ([Canada's Building Trades Unions](#))
- The existing permanent relocation tax credit in the Income Tax Act doesn't make sense for a permanently temporary workforce, or apply to workers our country needs to move the most... Canada needs a change [in its] incentive policy for in demand occupations when relocating for temporary work. ([Canada's Building Trades Unions](#))
- A solution to construction's labour supply and allocation challenges could be a restructuring of [Employment Insurance] benefits, styled as a travel voucher [that would be an advance of future benefit payments]. ... For example, the ... recipient could have a grant of \$2,000 ... for travel costs to obtain employment sooner and in a region of Canada that is short of that worker's skillset.... The voucher could be forgivable if the person worked for X weeks in the new location. ([Canada's Building Trades Unions](#))
- In order to address ... challenges [related to health care workforce ageing and retirements], Canada needs to recruit, train, and retain more health care workers. ([Canadian Labour Congress](#))
- [T]he government [should] ... remove barriers to the successful economic participation of women, older workers, [A]boriginal people, persons with disabilities, and recent immigrants. For example, policies such as boosting the flexibility of parental leave, subsidizing child care expenditures, neutral taxation of second income earners, and encouraging young women to pursue careers in science, technology, engineering, and mathematics could raise female employment rates. ([Centre for the Study of Living Standards](#))

Temporary Foreign Workers

- [The government should address] the serious processing issues and inflexible features of the Temporary Foreign Worker Program that are negatively affecting employers' access to workers in a range of sectors. ([Canadian Chamber of Commerce](#))

- [The government should partner with industry] to implement [the Canadian Agricultural Human Resource Council's] agriculture and agrifood workforce action plan by creating a dedicated agriculture and agrifood international worker program and promoting channels to permanent residency for agriculture and agrifood workers. ([Canadian Federation of Agriculture](#))
- [The government should remove] existing caps on the duration of stay for those Agriculture stream workers brought in to address acute, seasonal labour needs that can't be filled through the domestic workforce. ([Canadian Federation of Agriculture](#))
- [The government should create] a single office for agriculture and agri-food Labour Market Information Assessments to ensure knowledgeable staff, timely Labour Market Impact Assessment ... processing, and consistent treatment of these applications. ([Canadian Federation of Agriculture](#))
- The federal government needs to focus on finding long-term solutions to shortages of skilled workers, rather than relying on the temporary foreign worker program. ([Centre for the Study of Living Standards](#))
- [The government should expand] the federal immigration system and the temporary foreign worker program ... to develop the workforce ... [and increase] its flexibility for use by business. ([Saskatchewan Chamber of Commerce](#))

ENERGY

Overall, the federal government is responsible for the management of energy resources on federal and frontier lands, and – with the exception of interprovincial transmission of electricity – it regulates the international and interprovincial movement of energy and energy goods. The federal government also regulates all aspects of nuclear generation, including uranium mining, the transport of nuclear material and equipment, and nuclear waste management. While it regulates the nuclear sector, the federal government is not involved in the decision to invest in nuclear electric generation.

Federal policy influence in relation to energy has expanded in recent decades due to the growth in trans-boundary environmental concerns, principally climate change. The federal government plays a role in promoting and regulating energy efficiency, and is involved in energy matters in the context of economic development and energy security.

The Committee's witnesses highlighted the following energy-related subjects when they appeared during the consultations ahead of the 2016 budget: oil and gas; renewable energy; conservation, efficiency and clean technology; and transportation.

Oil and Gas

- [The] government [should] defend and promote Canada's oil and gas industry, [which is] an environmental leader compared with any other major producer in the world. ([Canadian Association of Oilwell Drilling Contractors](#))
- [The 2012 changes to the role of the National Energy Board should] be reversed [in order to restore] balance and decision-making towards the [Board]. ([Canadian Energy Pipeline Association](#))

- [Ensuring that the National Energy Board's] composition reflects regional views and has sufficient expertise [should occur], particularly greater [I]ndigenous representation. [Reviewing] governance and the [National Energy Board's] practices and overhauling the information management systems should be part of modernization. ([Canadian Energy Pipeline Association](#))
- [T]he Treasury Board [should] grant the [National Energy Board] greater flexibility with the cost recovery model, allowing the [Board] to better attract and retain highly skilled employees and to continue to fulfill its strategic priorities. ([Canadian Energy Pipeline Association](#))
- [The government should achieve] a complete phase-out of the tax preferences to the fossil fuel sectors over the next five years [and] ... review ... the public financing portfolio of Export Development Canada, as ... [it] continues to provide public financing to the oil and gas sectors for explorations overseas. ([Green Budget Coalition](#))
- [The government should implement] a multi-dimensional natural resource strategy in key industries such as oil & gas, mining and forestry ... that would manage Canada's abundant resource wealth in a socially-inclusive, ecologically-responsible and economically-beneficial manner. ([Unifor](#))

Renewable Energy

- [The government should increase] the already successful biodiesel mandate from 2% to 5% by the year 2020. ([Canadian Renewable Fuels Association](#))

Conservation, Efficiency and Clean Technology

- [The government should support] policies that will stimulate innovations in environmental sustainability. ([Canadian Chamber of Commerce](#))
- [The government should collaborate with the energy sector] around energy efficiency so that both the energy and non-energy benefits - macroeconomic, jobs, industrial productivity and health and well-being - continue to flow to Canadians from coast to coast. ([Canadian Electricity Association](#))
- [The government should] sustain leadership and support for clean energy infrastructure ... [and] ensure that recently proposed federal policy and financial instruments ..., such as the Canada Infrastructure Bank, Green Bonds and the Low Carbon Economy Trust, are open and accessible to all infrastructure developers in the electricity sector, and do not unduly inhibit competition in the market. ([Canadian Electricity Association](#))
- [The government should] announce 150 energy innovation projects throughout 2017 ... [at a cost of] \$375 million. ([Canadian Electricity Association](#))
- [The government should protect] the environment and grow the economy through a refundable and permanent tax credit to encourage the energy efficient retrofitting of existing homes and support the availability of the EnerGuide Rating System for home energy performance labeling across Canada. ([Canadian Home Builders' Association](#))
- [The government should focus on energy] efficiency, public transit and renewable energy ... [to] achieve ... [Canada's] greenhouse gas reduction goals and provide good jobs for workers. ([Canadian Labour Congress](#))
- [The government should increase] support for clean technology and the bioeconomy ... through government programs, tax incentives, or the creation of a national bioeconomy framework similar to what already exists in countries like the United States, the European Union, and Croatia.

Canada's public policy must continue to find ways to keep up with the needs and the pace of business. ([Canadian Renewable Fuels Association](#))

- The budget should offer incentives for Canadian firms to develop and adopt green technologies, and support the development of emerging green technology manufacturing industries in Canada. Investments should be made in green infrastructure projects, such as clean energy generation, interprovincial energy grids, public transit, and waste water treatment facilities. ([Centre for the Study of Living Standards](#))
- The federal government could implement a financing program for [the Centre of Excellence in Energy Efficiency] so that [the Centre] can promote the commercialization of Canadian innovation in transportation energy efficiency while at the same time contributing to reducing greenhouse gas emissions by promoting the emergence of a new economic dynamic. ([Centre of Excellence in Energy Efficiency](#))
- A portion of the [Sustainable Development Technology Canada] budget could be allocated to [the Centre of Excellence in Energy Efficiency] to commercialize innovation coming out of technology demonstration programs. The ... government could make [the Centre] eligible, or approve its requests for eligibility for funding under the [Industrial and Technological Benefits] policy. ([Centre of Excellence in Energy Efficiency](#))
- When it comes to [the] lightening [of materials], hydrogen, and electric vehicles, ... Canada as a whole would benefit if the Department of Transport, the Department of Environment and Climate Change, the Department of Innovation, Science and Economic Development and the Department of Natural Resources were grouped together so as to invest in a program to advance the commercialization of [Canadian] spinoffs. ([Centre of Excellence in Energy Efficiency](#))
- [The government should modernize] the electrical distribution grid, [provide] some fiscal incentives for electricity storage technologies, ... and encourage energy conservation in Canadian homes and businesses ... [including] a national home energy retrofit plan with a grant program that low-income families would be able to access to retrofit their homes. ([Green Budget Coalition](#))

Transportation

- [The government should facilitate] the development of new market access for Canada's energy resources and value added products, by supporting development of energy transportation infrastructure, including pipelines and, where it makes sense rail, as well as ports. ([Alberta Chambers of Commerce](#))
- [The government should support] the Energy East pipeline project. ([Atlantic Institute for Market Studies](#))
- [The government should support the] Energy East [pipeline project]. ([Atlantic Provinces Economic Council](#))
- [F]ederal leadership [is needed] to champion national pipeline projects, because they are in the national interest of all Canadians. ([Canadian Association of Oilwell Drilling Contractors](#))
- To improve rail access in terms of frequency, modal choice, and cost competitiveness, ... [the government should support and promote] Canadian pipeline projects to a much greater extent. ([Saskatchewan Chamber of Commerce](#))

ENVIRONMENT AND CLIMATE CHANGE

Sections 91 and 92 of the *Constitution Act, 1867* list subject matters in which each level of government may regulate. Neither list includes “environment” as a subject matter; rather, “environment” is a collective term referring to numerous issues, including some of the subject matters to which the Constitution assigns responsibility to either Parliament or the provincial legislatures. The level of government that has jurisdiction to regulate in relation to a specific environmental issue depends on which subject matter listed in the Constitution best describes the core substance of the regulation, and whether the Constitution has assigned authority for that subject matter to Parliament or to the provincial legislatures.

The following federal subject matters are the basis of most federal jurisdiction over environmental issues: federally owned property; sea coast and inland fisheries; navigation and shipping; the criminal law; and Indians and lands reserved for Indians. In addition, section 91 sets out a federal residual power. In numerous legal decisions, the courts – in interpreting this residual power – have concluded that various subject matters not explicitly listed in the Constitution, such as marine pollution and interprovincial water pollution, are within federal jurisdiction. Finally, section 132 of the *Constitution Act, 1867* provides federal jurisdiction over at least two environmental issues: boundary waters and migratory birds.

In their appearance before the Committee during the consultations preceding the 2016 budget, witnesses made proposals in the following environmental and climate change-related areas: air; water, land; pan-Canadian coordination; and climate change policy and adaptation.

Air

- [In relation to federally owned buildings, the government should pursue] higher performance targets for all new construction ... and [certify] its portfolio of large existing buildings under [Leadership in Energy and Environmental Design standards]. ([Canada Green Building Council](#))
- [The government should] invest in engaging and enabling building owners and operators to benchmark their buildings and strategically invest in improvements ... to lower energy use and associated ... greenhouse gas emissions. ([Canada Green Building Council](#))
- [T]o effectively move toward net zero ... [carbon emission] buildings, [the government should invest] in research and development to support the market and the ... ability to deliver these types of buildings over the next 10 years. ([Canada Green Building Council](#))
- [The government should invest] in energy infrastructure that reduces or eliminates [greenhouse gas emissions]. ([Canadian Council for Public-Private Partnerships](#))
- [The government should] implement pledges to support ... [electric vehicles,] including the establishment of specific targets for the integration of electric vehicles into the federal vehicle fleet. ([Canadian Electricity Association](#))

- [The government should] mandate the use of Contempra cement on public infrastructure across Canada ... [which] can reduce ... [carbon dioxide] emissions by almost one megatonne per year. ([Cement Association of Canada](#))
- [The government should] ensure that any federal funding for infrastructure meets some strict criteria to ensure that it meets core policy objectives to reduce greenhouse gas emissions, sequester carbon, and enhance the resiliency of our communities against climate change. ([Green Budget Coalition](#))
- [The government should establish] a new tax credit ... so that Canadians can remediate the impacts of radon in their homes. ([Green Budget Coalition](#))
- [The government] should provide funding and support ... to contribute to the reduction of greenhouse gases through climate-friendly technology and practices. ([National Farmers Union](#))

Water

- [The government should create] new marine protected areas and ... improve ocean science and monitoring. ([Green Budget Coalition](#))
- [The government should create] a Canada water fund to ensure that the Canadian clean technology sector implements best practices in waste water treatment technologies and water quality monitoring. ([Green Budget Coalition](#))
- [Regarding the delivery of commitments under] the Great Lakes Water Quality Agreement, ... [the government should establish] new ... funding. ([Green Budget Coalition](#))

Land

- [The government should create] new national parks ... [and] national wildlife areas. ([Green Budget Coalition](#))
- [The government should ensure that] private landowners ... are engaged, supported ... and compensated for their stewardship initiatives, and that they contribute to meeting ... [Canada's] international conservation commitments. ([Green Budget Coalition](#))
- [The government should invest] in ... [protecting] species at risk ... and ... migratory birds. ([Green Budget Coalition](#))
- [The government should re-establish] an advisory committee on environmental assessments ([Mining Association of Canada](#))
- [The government should re-establish] the Species at Risk Advisory Committee ... [which] provided a venue for active multi-stakeholder dialogue on the implementation of [the *Species at Risk Act*]. ([Mining Association of Canada](#))

Pan-Canadian Coordination

- [The government should] develop a coordinated approach to addressing climate change ... [that would] involve enhanced efforts from all segments of Canadian society and ... [that would] be drafted in partnership with the provinces and territories. ([Business Council of Canada](#))
- [R]especting provincial jurisdictions [is important]. ... [R]esources and energy are, for the most part, exclusive provincial jurisdictions. ... [F]ederal-provincial tensions in this country [ought not

interfere with the development of effective environmental policy]. ([Canada's Ecofiscal Commission](#))

- [In implementing cap and trade systems, the government should consider how a] minimum [carbon] price interacts with the existing provincial prices. ([Canada's Ecofiscal Commission](#))
- [The government should create a] Canadian Climate Council ... that can be a catalyst to support sound policy development. ([Canadian Climate Forum](#))
- [The government should adopt measures to complement provincial carbon pricing initiatives, as such measures] are needed to be a winning part of the overall equation for battling climate change in this country. ([Canadian Renewable Fuels Association](#))
- [The government should] engage Canadians in nature to ensure Canadians have the opportunity to experience the outdoors and to create employment opportunities for youth in the environmental sector. ([Green Budget Coalition](#))

Carbon Pricing

- [T]he government [should] take seriously the impact of carbon pricing on the competitiveness of firms, and on the overall impact on [gross domestic product] growth, but [these] need not be obstacles to a well-designed [carbon pricing] policy. ([Canada's Ecofiscal Commission](#))
- [The government should introduce] carbon pricing throughout Canada. Substituting taxes on fossil fuel consumption for growth retarding corporate and personal income taxes would promote economic activity while simultaneously addressing an obvious market failure. ([Centre for the Study of Living Standards](#))
- [The government should] develop a national carbon pricing standard to ensure that we reach a common, coordinated carbon price across Canada of at least \$50 per tonne of ... [carbon dioxide] by 2020. ([Green Budget Coalition](#))
- [The government should modify] its tax legislation to create certainty and alignment between the tax [and] accounting treatment of Greenhouse Gas Units keeping the administrative work simple for taxpayers and [Canada Revenue Agency] auditors. ([Mining Association of Canada](#))

Climate Change Policy and Adaptation

- [The government should implement] new environmental policy only after completing a cost-benefit analysis of the economic and distortive impacts of the proposed changes, taking into account the increased costs already in place in regions across Canada with [a] similar policy. ([Alberta Chambers of Commerce](#))
- [The government should reinvest] all new revenues from climate policy into applied research and development grants, renewable electricity incentives, education and awareness initiatives, energy efficiency rebates and significant tax relief, all of which must be made accessible to individuals and businesses. ([Alberta Chambers of Commerce](#))
- [The government should] slow down in its thinking about climate policy and ... make sure to get the details right. ([Canada's Ecofiscal Commission](#))
- [It is important to] reduc[e] greenhouse gas emissions ... [but the government should] achiev[e] emissions reductions in the most cost-effective way possible. ([Canada's Ecofiscal Commission](#))

- [Where appropriate, the government should transfer] many of the risks associated with climate change that can impact infrastructure to the private sector [like public-private partnerships] where appropriate to build and maintain green infrastructure. ([Canadian Council for Public-Private Partnerships](#))
- [The government should invest] in infrastructure that mitigates the effects of severe weather, including floods, and eliminates reliance on winter roads [that] ... bring goods and fuel into remote and northern communities. ([Canadian Council for Public-Private Partnerships](#))
- [The government should renew] funding ... for the climate change Adaptation Platform. ([Canadian Electricity Association](#))
- [The government] should provide funding and support to farmers for adapting to climate change. ([National Farmers Union](#))
- [The government should adopt] climate change mitigation measures such as improved crop rotations and increased cover cropping to lessen the requirement for fossil fuel-based inputs, such as fertilizers and herbicides, and the planting of windrows to stop soil erosion while sequestering atmospheric carbon. Programs that help farmers increase their crop diversity will also help farmers weather the financial risks that come with unpredictable weather due to climate change. ([National Farmers Union](#))

FEDERAL FINANCES, FISCAL POLICY DEVELOPMENT, THE PUBLIC SERVICE AND PARLIAMENT

The federal budget is one of the government's key fiscal policy tools. As a financial plan, it provides an assessment of recent economic performance, as well as projections for economic growth, revenue, expenditures and budgetary balance. It also highlights the current government's priorities, proposes new taxation and spending measures, and shows the projected budgetary impact of these measures. The government's economic and fiscal update is a related document that sometimes contains budget-like measures. Like the budget, the update usually presents current information on economic developments and prospects, the fiscal situation and risks to the fiscal projections.

In performing their work, Canada's federal public servants are guided by core values – merit and non-partisanship – and by guiding values – fairness, transparency, access and representativeness. They serve Canadians in a variety of ways, including through assisting in the development of public policy, managing projects, and delivering services to Canada's residents, businesses and communities directly.

In speaking to the Committee about federal finances, fiscal policy development, the federal public service and Parliament during the consultations in relation to the 2016 budget, witnesses shared their views about the following issues: budgetary balance; fiscal targets; provincial/territorial transfers; fiscal policy development; tax and program spending review; Parliament and the federal public; and federal procurement.

Budgetary Balance

- [Each year, the government should] target ... balanced (or conditions permitting, surplus) budgets, subject to recessionary conditions indicating a requirement for deficit spending to [stimulate] economic activity. ([Alberta Chambers of Commerce](#))

- [The government should avoid] chronic deficit spending that will eventually return Canada to the days of a government that is overextended. ([Atlantic Institute for Market Studies](#))
- [The government should balance] the Budget. ... Projects [should] be prioritized and hard decisions [should] be made. ([Canadian Taxpayers Federation](#))
- [T]he government should not run a deficit and add to our federal debt [but] if it does so, it is essential that a concrete plan be formulated to return to balance and begin to pay down our federal debt over the long term. ([Canadian Taxpayers Federation](#))
- [The government should] pass a Truth in Budgeting Act, which would require [members of Parliament] and ministers to cost-out the bills they introduce in the House [of Commons]. ([Canadian Taxpayers Federation](#))
- [There is] no need for large [federal budgetary] deficits. ([Ian Lee](#), as an individual)
- When [the debt-to-gross domestic product] ratio [is] at 31% ... [and] nominal growth [is at 4%], ... you can run deficits in the \$25-billion to \$30-billion range and still manage to [lower that ratio]. [The government should] push for something less than [the \$25-billion to \$30-billion range]. ([RBC Financial Group](#))

Fiscal Targets

- [The government should confine] program spending to core areas of federal responsibility and limit growth in program spending to a maximum of national population growth plus inflation. ([Alberta Chambers of Commerce](#))
- [T]he government [should] balance the budget by the fourth year of its mandate while pursuing the goal of a 25% [debt-to-gross domestic product] ratio by 2021 ... [since] an explicit ... ratio ... provides a frame of reference against which to judge the numerous demands for increased spending. ([Business Council of Canada](#))
- A low [debt-to-gross domestic product] ratio ... serves as an insurance policy against future downturns. Given the fragile state of the global economy, the government should strive to ensure that it has the fiscal capacity to respond to another sharp downturn. ([Business Council of Canada](#))
- [The government should] establish fiscal anchors ... [including] the [debt-to-gross domestic product] ratio falling over the next four years to ensure that ... [it has] the capacity to add more significant fiscal stimulus if ... [the economy falls] back into the kind of recession ... [experienced] in 2008-2009. ([Conference Board of Canada](#))
- [R]ather than requiring yearly reductions, it may be more manageable to establish a medium-term target range for the [debt-to-gross domestic product ratio]—similar to how we do inflation targeting ... [which would] be complemented with a longer-term fiscal target that would rely on sustainability analysis and look ahead several decades. ([Institute for Research on Public Policy](#))

Provincial/Territorial Transfers

- [The government should maintain the current allocation formulae for Equalization and federal transfers to provinces/territories for health, education and social services] to incentivize provinces to adopt pro-growth policies that create jobs in order to keep and attract young workers.... [Increases in these transfers should include] a requirement to adopt growth policies and develop their [provincial/territorial] resources. ([Atlantic Institute for Market Studies](#))

- [To] protect both vertical and horizontal balance in the federation and to enhance the integrity of federal-provincial fiscal relations, [the federal government should] restore formula-based equalization by removing the [gross domestic product] growth limit. ([Robin Boadway, as an individual](#))
- [The government should] escalate the Canada [S]ocial [T]ransfer and the Canada [H]ealth [T]ransfer by the average rate of growth of provincial expenditures on social programs. ([Robin Boadway, as an individual](#))
- In the short term, timely and targeted automatic stabilizers, which would include unemployment benefits and federal stabilization transfers to resource-rich provinces, should be allowed to work, and some should be temporarily strengthened. ([Institute for Research on Public Policy](#))

Fiscal Policy Development

- [The government should enhance] federal and provincial co-operation by seeking federal government membership in the Council of the Federation. ([Robin Boadway, as an individual](#))
- [T]he government [should] consider more progressive tax changes to fund a larger and more sustainable increase to social programs. ([Broadbent Institute](#))
- [G]rowth and job creation could be significantly boosted by a well-designed public investment stimulus twinned with major increases in income transfers to lower income Canadians, such as through enhanced [Employment Insurance] benefits. ([Broadbent Institute](#))
- Any proposed fiscal intervention must be appropriate to [an uncertain economic environment] and targeted towards the areas of our economy where help is needed most. ([Business Council of Canada](#))
- [The government should provide funding] for Statistics Canada to re-instate the discontinued surveys [such as the University and College Academic Staff System, the Survey of Earned Doctorates, and the National Longitudinal Survey of Children and Youth] that gave ... the human resource data necessary for developing and maintaining good public programming and policy. ([Canadian Psychological Association](#))
- [The government should end the practice of] charging a tax on top of another tax. ([Canadian Taxpayers Federation](#))
- [The government's approach to fostering] growth should be inclusive.... [L]iving standards should rise for all Canadians, and not only for a select few. ([Centre for the Study of Living Standards](#))
- [The government should] take on a more active role in the economy ... [by implementing] further market-oriented reforms, particularly with regard to improving taxation and lowering internal and external barriers to trade. ([Centre for the Study of Living Standards](#))
- To foster growth, the government may need to augment markets by supporting individuals and firms in making optimal decision[s]. The government [should] ... serve a mentorship role to small- and medium-sized businesses by providing advice on investment and technological adoption, or by assisting businesses in navigating complex international trade roles, and securing the deals with foreign firms and clients. ([Centre for the Study of Living Standards](#))
- [The government should] promote private investment by broadening tax bases by eliminating preferential tax rates and subsidies that distort markets. ([Centre for the Study of Living Standards](#))

- Canada should take advantage of low interest rates and the current output gap in some parts of the economy to increase public investment. Running deficits need not be inconsistent with a goal of not raising the [debt-to-gross domestic product] ratio, Several areas stand out as potential priorities for public investment. Trade gateways such as pipelines and rail infrastructure could raise output by preventing bottlenecks in the shipment of commodities to market. ([Centre for the Study of Living Standards](#))
- [The government should] be prudent in this budget ... [either] by using a fairly modest [nominal income] growth forecast ... [or] by increasing the reserves built into the budget. ([Conference Board of Canada](#))
- [The government should] start setting out a plan for stronger growth in Canada ... [by] examining all possible options to try to add greater growth to our economy going forward ... [including] investments in infrastructure ... that ... give the economy a long-term payback going out 20 to 25 years ... [and] rethinking the tax system ... to deal with the massive tax expenditures that leak out about \$100 billion a year in federal revenue. ([Conference Board of Canada](#))
- [The government should encourage] all levels of government, in all provinces, to level the playing field [with respect to provincial and municipal taxes imposed on businesses]. ([Hunter Wire Products Ltd.](#))
- [B]udget 2016 should be upfront about what fiscal policy can deliver in the near term, particularly on cost-shared infrastructure spending. ([Institute for Research on Public Policy](#))
- [The 2016 budget should] explore ... prevailing downside [economic] risks in detail ... [such as] a scenario where oil prices stay flat at about \$30 a barrel over the government's mandate. ([Institute for Research on Public Policy](#))
- [The 2016 budget should] be transparent ... [and include] more internal analysis and technical details [to] help build fiscal credibility. Finance Canada's analytical capacity could be augmented by publishing staff working papers and encouraging researchers to present their findings externally. ([Institute for Research on Public Policy](#))
- Any new discretionary measures should aim to improve Canada's economic potential over the medium term [and] should be funded as part of a longer-term plan that preserves fiscal sustainability. ([Institute for Research on Public Policy](#))
- [T]he budget must be grounded on empirical reality and not on snake oil or quicksand. ([Ian Lee](#), as an individual)
- [The government should] consider progressive taxation measures to increase revenue that will allow it to invest in public services and programs that stimulate economic growth. ([Public Service Alliance of Canada](#))
- Successful fiscal policy is timely, targeted, and temporary. [The government should] focus on the temporary component. ([RBC Financial Group](#))
- [E]verything ... should be looked at through the lens of productivity-enhancing investment. ... [The government should focus] on ... infrastructure. ([RBC Financial Group](#))
- Gender-based analysis is essential across government departments and should already be incorporated in the development of this federal budget. ... [I]t has been implemented in only some departments and agencies. Correcting this will require ensuring that Status of Women Canada has sufficient staff capacity. ([YWCA Canada](#))

Tax and Program Spending Review

- [The government should undertake] a comprehensive review of the [federal] fiscal structure, including in particular all taxing statutes to identify and ensure implementation of simplified tax legislation and [to] decrease compliance costs. ([Alberta Chambers of Commerce](#))
- [A review of the federal tax system] should include a comprehensive review of all aspects of taxation relating to determination of tax characters, timing and calculations, including in particular examination of the hundreds of exemptions, deductions, rebates, deferrals, and/or credits ... to determine which ones are inefficient or wasteful and can be eliminated. ([Alberta Chambers of Commerce](#))
- Going forward, [the government] should include provisions for regular [federal tax system] reviews and updating in order to ensure the ... system remain[s] flexible. ([Alberta Chambers of Commerce](#))
- [The government should implement] a thorough [personal, corporate and international] tax system review, including a tax expenditure review. ([Atlantic Provinces Economic Council](#))
- [The government should] close lose tax loopholes for the top 1% [of taxpayers], such as excessively favourable treatment of stock options. ([Broadbent Institute](#))
- [There is a need] for a comprehensive review of Canada's tax system, one that answers the very simple question: if we were designing a tax system today from scratch with the goal of maximizing long-term growth, what would it look like? ([Business Council of Canada](#))
- [The government should] modernize the large corporation tax rule to more effectively deploy ... billions of dollars in capital across the economy. ([Canadian Association of Petroleum Producers](#))
- [The government should convene] an impartial panel of experts to review the tax system and recommend measures to simplify Canada's tax system. ([Canadian Chamber of Commerce](#))
- [The government should] commit to a core review [of program expenditures] over the next 12 months, with the results made public in advance of the 2017-18 budget. A target should be to identify the least efficient/most wasteful 5% (or \$15 billion). ([Canadian Taxpayers Federation](#))
- [T]his budget should ... broaden the [tax] base by eliminating regressive tax loopholes, such as the stock option deduction, ... tackle tax evasion, and ... move toward higher taxation of both corporate and capital income. ([Canadian Union of Public Employees](#))
- [Reviewing tax expenditures is] a worthwhile exercise, but ... the scope should be broadened to review the entire tax system to make it more efficient and more equitable. ([Institute for Research on Public Policy](#))
- [The government should] maintain a ... tax regime that leads not only North America in competitiveness, but the world. ([Saskatchewan Chamber of Commerce](#))

Parliament and the Federal Public Service

- [The government should] control the number of [federal] public sector workers, as well as pay, benefit, and pension costs ... [and] reduce the number of workers or lower the cost by using outside benchmarks when negotiating contracts. ([Atlantic Institute for Market Studies](#))

- [The government should better control] public sector wages, benefits, and pensions. ([Canadian Federation of Independent Business](#))
- [The government should increase] the amount of coverage that is currently offered under [the federal Public Service Health Care Plan] to \$3,500 and [offer] 15 to 20 sessions under the Interim Federal Health Program. ([Canadian Psychological Association](#))
- [The government should] increase the transparency surrounding the total compensation to [federal] public sector workers, in order to facilitate comparisons with private sector compensation levels. ([Canadian Taxpayers Federation](#))
- [The government should] use private sector benchmarks in negotiating with [federal] public sector unions. ([Canadian Taxpayers Federation](#))
- [The government] should continue its reforms of the [federal public service's] sick leave management system to align it better to private-sector standards. ([C.D. Howe Institute](#))
- [The government] should cap ... pension plan contributions as an employer at 50 percent of the maximum tax-deferred limit available to Canadians saving in [registered retirement savings plans] or [defined contribution] plans, or 9 percent of pensionable earnings, and move to a shared governance structure that builds on the positive experiences of jointly governed plans elsewhere in Canada's public sector. ([C.D. Howe Institute](#))
- [T]he government [should not] further weaken the economy by subjecting the federal public sector to further austerity measures. ([Public Service Alliance of Canada](#))
- [T]he government should lead by example by investing in public services and the workers who provide them. ([Public Service Alliance of Canada](#))
- [The government should not try to achieve] greater efficiencies and better service simply through improving technology. ([Public Service Alliance of Canada](#))
- The government [should] reinvest in service delivery and ensure that there are enough people employed to deliver [benefits, such as Employment Insurance, Canada Pension Plan and Old Age Security,] in a timely manner. ([Public Service Alliance of Canada](#))
- [The Public Service Alliance of Canada] should be among the stakeholders who provide the advice of how [search and rescue stations] can best respond to the communities' needs, as [their] members are among the experts who deliver the service. ([Public Service Alliance of Canada](#))
- [The government should provide] funding in federal budget 2016 to support recognition of pay equity as a right, [implement] the 2004 [P]ay [E]quity [T]ask [R]orce report, and [restore] the right to pay equity in the [federal] public service. ([YWCA Canada](#))
- [T]he government [should] achieve gender balance in the Senate in the short-term and permanently embed a gender-equal Senate in the Senate appointment process. ([YWCA Canada](#))

Federal Procurement

- [The government should mandate] that a certain percentage of federal government purchases must come from small business. ([Hunter Wire Products Ltd.](#))
- [The government should support] the Innovation Agenda by creating a Small Business Innovation Research ... Program as an essential cornerstone of federal procurement. ([Polytechnics Canada](#))

- [The government should continue] to maximize Canadian content through public procurement under the National Shipbuilding Procurement Strategy and [implement] greater transparency with respect to the outsourcing of work under the [Strategy]. ([Unifor](#))
- [Under the] National Shipbuilding Procurement Strategy ... , [the government should be] requiring Canadian shipbuilding content in offshore resource developments [and] implementing a Canadian equivalent of the U.S. Jones Act to ensure proportionate Canadian-based shipbuilding content in internal and coastal marine trade. ([Unifor](#))

FINANCIAL AND BUSINESS FINANCING ISSUES

In Canada, jurisdiction in relation to financial issues is shared by the federal and provincial/territorial governments. For example, the provinces/territories have primary responsibility for consumer issues, although the federal government plays a role through a dedicated financial consumer agency and the criminal interest rate provisions of the *Criminal Code*, for example. The federal government has exclusive jurisdiction over banks, and a federal entity provides regulatory supervision of them. Moreover, federal support for business financing – including for small and medium-sized businesses – occurs through federal departments and agencies, as well as a variety of tax measures. Voluntary codes of conduct that are overseen by the aforementioned federal entity also exist, including in relation to conduct in the credit and debit card sector.

Regarding credit unions, caisses populaires and other credit unions are primarily governed by the regulator in the province/territory in which the credit union conducts business. That said, the federal government has established a legislative framework that provides provincial/territorial credit unions with the ability to transfer to a federal regime, which would allow them to operate across provincial/territorial borders more easily.

During the Committee's consultations ahead of the 2016 budget, witnesses that focused on financial and business financing issues addressed the following topics: venture capital and access to financing; payment cards; and credit unions.

Venture Capital and Access to Financing

- [The government should eliminate tax support] for labour-sponsored venture capital corporation[s]. ([Atlantic Provinces Economic Council](#))
- [The government should introduce] better tax incentives for venture capital and [a]ngel investors ... [similar to British Columbia's] 30% Venture Capital Tax Credit. ([Canadian Chamber of Commerce](#))
- [The government should consider] providing a tax exemption on the capital gains from venture capital. ([Canadian Chamber of Commerce](#))
- [The government should increase its] investment in venture capital funds. ([Canadian Chamber of Commerce](#))
- [The government should attract] more investors with flow-through shares for entrepreneurial companies that are financing the long development cycles for innovative technologies. ([Canadian Chamber of Commerce](#))

- [The government should ensure] that there is adequate financing available to establish small businesses. ([Hunter Wire Products Ltd.](#))
- [The government should offer] more loan guarantees at reasonable interest rates to allow small businesses to invest in needed technology for the sake of productivity improvement. ([Hunter Wire Products Ltd.](#))
- [The government should put] a moratorium on grants and subsidies and loans to large corporations, especially [those that are] publicly traded. ([Hunter Wire Products Ltd.](#))
- [The government should refocus the Business Development Bank of Canada] toward being a partner, not just a lender ... [that expands] assistance and increase[s] approval rates [during periods of economic uncertainty, and has] ... financial, business, [human resources] and technological expertise all in one place. ([Hunter Wire Products Ltd.](#))
- [The] federal government [should] create a Canadian Development Bank ... to provide financing for key sectors of the Canadian economy, including energy, transportation and advanced manufacturing. [The proposed bank should] have the power to create credit and allocate it to innovative projects in targeted sectors of the economy[,] ... take equity stakes in firms or projects with strategic value[,] ... [and] evaluate and fund potential projects on the basis of broader criteria ... than would normally be considered by private investors. ([Unifor](#))
- [The government should reinstate] the tax credit for contributions made to labour-sponsored funds. ([Unifor](#))

Payment Cards

- [S]everal other countries have lowered their [merchant fee] rates to 0.3% to 0.5%, or one-fifth or one-third of the average rate imposed under the [voluntary agreement between the Canadian government and credit card providers]. ... [T]hese examples from other countries would serve as an excellent model for Canada. ([Canadian Convenience Stores Association](#))
- [The government should] implement greater enforcement behind what currently remains a [voluntary agreement between the Canadian government and credit card providers regarding merchant fees]. ([Canadian Convenience Stores Association](#))
- [The government should] cap interchange rates ... [as] Canadian consumer[s] see the impact of interchange rate fees that are triple those in Australia and five times those in the U.K. ([Retail Council of Canada](#))

Credit Unions

- [The government's proposed infrastructure bank should] include loan guarantees to allow credit unions to help deliver vital social infrastructure projects. ([Canadian Credit Union Association](#))
- [The government should enable] stronger credit union lending through federal loan guarantee programs ... to support additional local social infrastructure projects. ([Canadian Credit Union Association](#))
- [The government should enhance] competition in the financial services sector by clarifying the transitional measures for federal credit unions. ([Canadian Credit Union Association](#))
- [The government should facilitate] growth and investment [in Canada] through a new tax measure that recognizes how credit unions build capital. ([Canadian Credit Union Association](#))

- [The government should implement a] Capital Growth Tax Credit ... [to] help credit unions grow their retained earnings and ensure competitive balance in the tax system. ([Canadian Credit Union Association](#))

FOREIGN POLICY

At the federal level in Canada, the executive branch is responsible for activities related to the conduct of foreign affairs, which fall within the royal prerogative of the Crown. Responsibilities include conducting diplomatic and consular relations, as well as managing international negotiations on behalf of Canada. The same authority applies to deploying Canada's military forces, both domestically and internationally.

As well, the federal government provides most of Canada's international assistance to developing countries. Funding is provided to bilateral and multilateral development programs, including for such activities as reducing poverty and promoting global stability, as well as in response to international humanitarian crises.

In speaking to the Committee about foreign policy in the context of the consultations prior to the 2016 budget, witnesses emphasized the subject of foreign aid.

- [The government should continue] to direct foreign aid towards [public-private partnership] initiatives in the developing world. ([Canadian Council for Public-Private Partnerships](#))
- [T]he federal government [should] commit to a 10-year timetable to increase our international development assistance budget and to dedicate at least half to the least developed countries. ([Canadian Union of Public Employees](#))

FORESTRY AND MINING

Canada's provincial/territorial governments have jurisdiction over most of Canada's forest and mineral resources, with the exception of Nunavut. In Nunavut, mining and exploration activities are regulated federally except for lands specified in the 1993 Nunavut land claim agreement. The federal government retains the mineral rights to non-Inuit-owned lands and surface Inuit-owned lands where the Inuit do not hold subsurface rights. Many of the significant mineral, as well as oil and gas, deposits in the territory are located under Inuit-owned land where the Inuit own the subsurface rights. As well, the federal government has jurisdiction over transboundary issues, including natural resource trade and transportation overseas or across provincial or international borders.

During the Committee's consultations in advance of the 2016 budget, a witness provided the following mining-related comments: regulatory issues and clean technology.

- [A]ny future changes to [resource development regulatory permitting processes should] be informed by meaningful consultation and make adequate provision and capacity for transition and implementation. ([Mining Association of Canada](#))
- The government should allocate \$50 million to [the Canadian Mining Innovation Council] ... to support the development of green technology. ([Mining Association of Canada](#))

- [The government should ensure] adequate capacity in responsible departments and [a]gencies sufficient for the effective implementation of current legislation and for the management and implementation of any future changes [to resource development regulatory permitting processes]. ([Mining Association of Canada](#))
- [The government should increase] the Mineral Exploration Tax Credit to 30% for a period of 3 years, and maintain applicability of [the] Canadian Exploration Expense tax deduction for non-fossil fuel exploration. ([Mining Association of Canada](#))

HEALTH AND WELLNESS

While 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, such as the Canada Health Transfer. Support also occurs through a range of tax measures for individuals, and 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.

While access to disability supports falls under the jurisdiction of the provinces/territories as a consequence of their responsibilities in relation to health care, education and community services, the federal government provides financial assistance through the Canada Health Transfer and the Canada Social Transfer. Furthermore, it is directly responsible for disability supports for First Nations and Inuit people, as well as for veterans and members of the Canadian Forces. Federal tax measures are also available for persons with disabilities and/or for their families and informal caregivers, and there are federal grants and bonds, as well as programs aimed at increasing the employment of people with disabilities and assisting disabled students.

When the Committee's witnesses focused on health and wellness issues in the consultations ahead of the 2016 budget, they spoke about proposals in relation to the following subjects: health agreements; a pharmaceutical strategy; care options; health information technology; health promotion; mental health; health research; and disability.

Health Agreements

- [The government should work towards] a system-wide transformation of the health care system. ... [As a first step, it should] make the federal caregiver tax credit refundable ... , invest ... \$3 billion in home care, create national standards of care and access, and establish a national pharmacare plan that ensures accessible and affordable drugs. ([Canadian Association of Retired Persons](#))
- [The government should increase] the federal share of provincial-territorial spending ... [from] 22% ... to 25%. ([Canadian Association of Social Workers](#))
- [The government should initiate] a new health accord, ... [adjust] the accord to include considerations for age, geographic distribution of population and economic disparity ... [and negotiate] an accord that commits to the use of evidence in achieving health policy objectives. [It should also make sure that the accord honours] the principles of the [*Canada Health Act*] ... [and ensure] fair and equitable access to health care [for Canadians] ... by ... committing to

reforms that strengthen the principle of access to care based on need, rather than ability to pay. ([Canadian Doctors for Medicare](#))

- [The government should institute] an accountability framework that requires provinces to proactively regulate or investigate clinics for compliance ... [and that imposes] stricter monitoring of the provinces and [that ensures] that violations of the [*Canada Health Act*] are tied to funding including penalties. ([Canadian Doctors for Medicare](#))
- [The government should] negotiate a new Health Accord with the provinces and territories. ([Canadian Labour Congress](#))
- [The government should] commit to a ... long-term funding arrangement that reverses the cuts [to the Canada Health Transfer] set in motion by the previous government [and] commit to funding at least 25% of health care costs by 2025. ([Canadian Labour Congress](#))
- [The government should] uphold and enforce the *Canada Health Act*. ([Canadian Labour Congress](#))
- [The government should provide] new funding to the provinces and territories to support seniors care by means of a demographic-based top-up to the Canada [H]ealth [T]ransfer [that] would be delivered in addition to the [Canada Health Transfer].... Rather than opening up the funding formula, the federal government can deliver this much needed funding immediately. ([Canadian Medical Association](#))
- [The government should] deliver federal health [funds] through a needs-based top-up in addition to the [Canada Health Transfer] to each province and territory based on demographics and population health priorities. ([Canadian Nurses Association](#))
- [The government should ensure] that federal-provincial-territorial bilateral agreements include a robust accountability framework to enable monitoring and reporting on the use of [Canada Health Transfer funds]. Such a framework would ... [s]how causal relationships between inputs, activities and population health outcomes [and would report] on a comprehensive set of indicators and outcome measures derived from existing national data sources [and would link] with data on social outcomes. ([Canadian Nurses Association](#))
- [The government should] make access to psychological services the priority of the new health accord. ([Canadian Psychological Association](#))
- A new health accord should provide significant annual funding increases strictly tied to enforcement of the Canada Health Act, as well as improvements and expansion of the public health care system, including a national pharmacare plan. ([Canadian Union of Public Employees](#))
- [A] new Health Accord ... should include ... [expanded] networks of community and primary health care centres with a focus on prevention and healthy living [and a] national mental health strategy. ([Canadian Union of Public Employees](#))
- Funding for refugee health care should be fully restored and increased. ([Canadian Union of Public Employees](#))

A Pharmaceutical Strategy

- [The government should] implement a national pharmacare strategy ... [according] to the principle that affordable access to drugs is fundamental to equitable health outcomes in Canada. ([Canadian Doctors for Medicare](#))

- [The government should develop] a universal, national prescription drug program. ([Canadian Labour Congress](#))
- [T]he federal government can reduce [drug] costs ... by establishing a new funding program for catastrophic coverage of prescription medication. ([Canadian Medical Association](#))
- [T]he federal government [should] support ... private health insurance industry [participation] in the work of the pan-Canadian Pharmaceutical Alliance. ([Canadian Medical Association](#))
- [T]he federal government [should] work with the provinces and territories, health care professionals and other stakeholders to improve drug access and ... consider a variety of different models and solutions for pharmacare, based on best available evidence, to ... address coverage gaps between public and private systems, protect Canadians from undue financial hardship, ... guarantee access to a stable supply of clinically and cost-effective medications [and include] access to pharmacy services. ([Canadian Pharmacists Association](#))
- [T]he government [should] invest an additional \$15 million per year towards improving immunization rates in Canada. ([Canadian Pharmacists Association](#))
- [T]he federal government [should] revamp the National Immunization Strategy [to] increase immunization rates through a comprehensive approach that would include further expanding pharmacists' scope of practice to administer vaccines [and] target research, comparable access and enhanced education and outreach, including building a partnership with the provinces and territories and health professionals to increase public awareness of the importance of vaccinations. ([Canadian Pharmacists Association](#))

Care Options

- [The government should develop] a multi-year, multi-faceted national seniors strategy. ([Canadian Association of Social Workers](#))
- [The government] should work with stakeholders to develop a national seniors' strategy incorporating additional and improved home care and community support services, and new investments in long-term care facilities ... [including] a coordinated and systematic approach to delivering primary care, acute and specialty care, and palliative care. ([Canadian Labour Congress](#))
- [T]he government [should] establish a new targeted home care innovation fund. In addition to incenting innovations, this fund would support scaling up best practices. ([Canadian Medical Association](#))
- [T]he federal government [should] include capital investment in continuing care infrastructure, including retrofit and renovation. ([Canadian Medical Association](#))
- [The government should] improve access to equitable, national, publicly funded home and community-based care that includes telehealth, mental health, and palliative care. ([Canadian Nurses Association](#))
- The federal government [should] ensure universal access to high-quality national, publicly funded home- and community-based care through its proposed \$3 billion funding (over four years) for home care. [T]his funding [should] include provisions for community-based mental health care and telehomecare, in keeping with the [S]pecial Senate [C]ommittee on [A]ging recommendation for federal support. ([Canadian Nurses Association](#))

Health Information Technology

- [T]he federal government [should] invest in the development of a seamless pan-Canadian e-prescribing system ... [and] work with key stakeholders, including the provinces and territories, to develop a common national standard for e-prescribing and then develop a plan to implement that standard. ([Canadian Pharmacists Association](#))
- [The government should provide \$180 million over three years to] either [the] Canada Health Infoway or some “new structure” ... [that] will allow [a continued] expansion of the capacity of the [health information technology] sector and help deployment of electronic medical records, bring care closer to the home and improve the patient experience by providing easier access to care. ([Information Technology Association of Canada](#))

Health Promotion

- [The government should] resist any demands for new sugar or fat taxes. ([Canadian Taxpayers Federation](#))
- [T]he federal government [should] adopt a manufacturers' levy on sugary drinks ... [that would] be an excise tax based on volume [with an increase in the tax rate as the amount of sugar rises], ... be visible at the point of purchase, and should include a broad range of sugary drinks including fruit juices. ... [The revenue raised should] be redirected toward subsidizing healthy living initiatives such as a national healthy lunch program for students. ([Heart and Stroke Foundation of Canada](#))
- [The government should increase] the subsidy for healthy food provided through Nutrition North Canada ... [and examine the eligibility criteria of Saskatchewan's remote and northern communities] to participate in [this program]. ([Saskatchewan Chamber of Commerce](#))

Mental Health

- [The government should] target funding to assist the provinces and territories [in improving] access to psychological services. The funds could be used by the provinces and territories to adapt the [United Kingdom's Improved Access to Psychological Therapies] program ... in Canada. ([Canadian Psychological Association](#))
- [The government should provide] incentives to employers who offer their employees a clinically meaningful amount of coverage for psychological services ... [in order to] afford them access to 15 to 20 sessions of psychological treatment. ([Canadian Psychological Association](#))
- [The government should help] meet the mental health human resource needs at the [federal] level, by recruiting, training and retaining psychologists to work in [federal] departments. ([Canadian Psychological Association](#))
- [The government should develop] a federal residency program to enable doctoral students in psychology to complete practical training in federal departments where there is [a] need such as in Correctional Service Canada, the Department of National Defence, and Veterans Affairs Canada. ([Canadian Psychological Association](#))
- [The government should establish] a Chief Psychologist position at the Department of National Defence. ([Canadian Psychological Association](#))

- [The government should remove] the physician referral requirement under [the federal Public Service Health Care Plan and the Interim Federal Health Program]. ([Canadian Psychological Association](#))
- Federal government departments that enter into contracts for service from registered psychologists [should] pay at least the recommended rate set by provincial and territorial associations of psychology across Canada. ([Canadian Psychological Association](#))
- [The government should] support a far-reaching and effective national [post-traumatic stress disorder] training program for front-line healthcare workers. ([Mood Disorders Society of Canada and Mental Health Commission of Canada](#))
- [The government should invest \$40 million] over five years ... to support a National Suicide Prevention Project. ([Mood Disorders Society of Canada and Mental Health Commission of Canada](#))
- [The government should establish] a \$100-million national youth suicide prevention fund to [create a pilot program to be implemented] in 25 communities across Canada to demonstrate how we can have evidenced-informed decision-making for real change in preventing death by suicide, particularly among our young people. [Key components should include] building capacity in primary care[,] ... media and public awareness[,] ... community training[,] ... targeted supports[,] ... [and] meaningful youth engagement. ([Partners for Mental Health](#))
- [The] government [should provide] funding and support more access for more beneficial programs dedicated to more mental health workers. ([Siloam Mission](#))

Health Research

- [The government should provide] funding for psychological research via ... the [federal] granting councils, as well as stabilized funding for operating and infrastructure support. ([Canadian Psychological Association](#))
- [T]he federal government [should invest] in [Heart and Stroke Foundation-led] heart disease and stroke research in the amount of \$30 million per annum with investments in the following four areas: heart failure [\$10 million], creating capacity for the future [\$10 million], how heart disease affects women [\$5 million] and nutrition [\$5 million]. ([Heart and Stroke Foundation of Canada](#))
- [The government should provide financial support for] a multidisciplinary, longitudinal study of sex abuse survivors [under which participants would] be evaluated clinically and from a neurobiological perspective over a 15-year period. [The estimated cost over 15 years] would be \$23 million, or \$1.5 million per year. ([Sheldon Kennedy Child Advocacy Centre](#))

Disability

- [The government should prioritize earlier] diagnosis of disabilities and intervention when workers first apply for short-term leave [because this approach] may keep more individuals in the workforce. Assistance with retraining and workplace accommodation should begin before problems become more severe. ([Centre for the Study of Living Standards](#))
- Processing times for [disability] benefit applications and appeals need to be reduced.... Information and administration of benefits should be consolidated to make accessing disability benefits as simple as possible for those entitled to them. ([Centre for the Study of Living Standards](#))

- Any financial disincentives inherent in disability benefit policies should be identified and reduced or eliminated. Partial disability benefits should be available to those with less severe disabilities, ideally with a requirement to participate in the labour market. ([Centre for the Study of Living Standards](#))

IMMIGRANTS AND REFUGEES

According to Canada’s Constitution, immigration is an area of shared federal–provincial/territorial jurisdiction. In particular, the federal government is responsible for such activities as reuniting families, determining refugee claims in Canada, defining immigration categories, setting national immigration levels and establishing admission requirements. Moreover, it establishes eligibility criteria for settlement programs in provinces other than Quebec.

The Committee’s witnesses that focused on immigrants and refugees during the consultations preceding the 2016 budget discussed the following issues: labour market integration; and international recruitment.

Labour Market Integration

- [The government should implement] viable immigration programs as an integrated component of a national agricultural labour strategy ... [including work for] refugees. ([Canadian Cattlemen's Association](#))
- [The government should expand] the current loan guarantee program aimed at foreign-trained new Canadians to work in their professions in Canada [by supporting] stronger credit union lending through federal loan guarantee programs. ([Canadian Credit Union Association](#))
- [The government should] expedite special investments in labour market supports for Syrian refugees in need of language training, literacy and essential skills training and other basic employment support programs to help them succeed in the Canadian workforce. ([Canadian Labour Congress](#))
- [The government should] offer more assistance to recent immigrants with language training and skills upgrading. ([Centre for the Study of Living Standards](#))

International Recruitment

- [The government should] invest in growing a talented population [and consider] the 20 recommendations set forth [in] the Canadian Chambers of Commerce report ‘*Immigration for a Competitive Canada: Why Highly Skilled International Talent is at Risk*’ as critical to the terms of reference for establishing a proactive and streamlined economic immigration process. ([Alberta Chambers of Commerce](#))
- [The government should ensure that] immigration policies stop limiting employers’ access to the international talent they need. ([Canadian Chamber of Commerce](#))
- [The government should establish] a “technology sector” specific consultation panel which will address the [foreign workers access] issues that are specific to the [information and communications technologies] sector. ([Information Technology Association of Canada](#))

- Ontario and Canada [need a diverse and robust jobs strategy,] with clear actions to address labour market reform through ... immigration reform. ([Large Urban Mayors' Caucus of Ontario](#))

INDIGENOUS PEOPLES

The federal government holds exclusive legislative authority over “Indians and Lands reserved for the Indians” by virtue of section 91(24) of the *Constitution Act, 1867*. This authority is exercised primarily in relation to the on-reserve registered (status) Indian population and, to a lesser extent, Inuit residing in their traditional homelands. Parliament approves appropriations to support the provision of basic provincial-type services directed primarily to on-reserve First Nations communities. Core services, such as education, health, housing, social assistance, and capital facilities and maintenance are allocated funding.

In appearing before the Committee during the consultations preceding the 2016 budget, the witnesses that presented comments about Indigenous peoples summarized the need for changes in the following areas: funding and financing mechanisms; children; education and skills training; infrastructure; and treaty rights and justice.

Funding and Financing Mechanisms

- [The government should provide] additional funding to close the gap between [F]irst [N]ations and the rest of Canada. This includes funding for education, health, housing, water, capital infrastructure, children and famil[ies], environmental stewardship, economic development, social development, and the removal of the 2% cap [in relation to annual growth in federal funding for on-reserve programs]. ([Assembly of First Nations](#))
- [The government should negotiate] a new fiscal relationship that gives First Nations communities sufficient, predictable, and sustainable funding, ... [rather than] contribution agreement-type processes ... [that use] existing Treasury Board formats and models. ([Assembly of First Nations](#))
- [The government should address] the need for [I]ndigenous languages to be appropriately resourced. ([Assembly of First Nations](#))
- [The government should] consider the Inuit-specific lens ... on any sort of investments that happen in ... [Inuit] regions ... [and be clear] in articulating exactly which investments will be for Inuit [rather than other Indigenous groups]. ([Inuit Tapiriit Kanatami](#))
- [The government should provide] funding ... to ensure that ... [Inuit Tapiriit Kanatami] can provide services at the community and regional level and that [Inuit Tapiriit Kanatami can represent itself] at the national and international levels. ([Inuit Tapiriit Kanatami](#))
- [The government should provide] a \$25-million investment over five years [in a] Métis economic development strategy ... [and engage] with multiple federal ministers and in the intergovernmental process on such key issues as the health accord and climate change. ([Métis National Council](#))
- [The government should commit] to convert funding to the Métis National Council's governing members for Métis identification and registration into a permanent initiative. ([Métis National Council](#))

- [The government should create] solutions [to increase the participation of Indigenous peoples in the economy,] with clear time frames, implementation plans, and full costing ... [as] a critical part of improving the lives of [Canada's Indigenous peoples]. ([Saskatchewan Chamber of Commerce](#))

Children

- [Regarding] the recent Canadian Human Rights Tribunal findings of discrimination in funding of on-reserve child welfare, [the government should increase funding for First Nations child protection and child welfare]. ([Assembly of First Nations](#))
- [The government should commit] \$100 million for [I]ndigenous communities to design, deliver, and govern early childhood education that meets their needs and that's consistent with related recommendations from the Truth and Reconciliation Commission. ([Child Care Advocacy Association of Canada](#))
- [The government should] never allow race and discrimination against children to ... be permissible in ... [government] decision-making. ([First Nations Child and Family Caring Society of Canada](#))
- Federal budget 2016 should close the discriminatory funding gap for [F]irst [N]ations child and family services determined in the January 26, 2016 ruling of the Canadian Human Rights Tribunal. ([YWCA Canada](#))

Education and Skills Training

- [The government should invest in First Nations'] skills and training. ([Assembly of First Nations](#))
- [At a total cost of \$274 million, the government should] remove the 2% cap placed on the ... [Post-Secondary Student Support Program] in 1996 ... [and] fund the backlog of [Indigenous] students who are eligible for the program but do not currently receive funding. ([Canadian Alliance of Student Associations](#))
- The federal government [should] honour its historical commitments to Canada's First Nations, ... [recognize] that education is a treaty right and ... [provide] the necessary financial support. ([Canadian Association of University Teachers](#))
- [The government should remove] the funding cap from the Post-Secondary Student Support Program ... to ensure that Aboriginal Canadians have equitable access to post-secondary education. ([Canadian Federation of Students](#))
- To improve access to high-quality education for [Indigenous youth in northern, rural and remote communities,] ... a four-year annual federal government commitment of \$100 million (to be funded through the proposed social infrastructure fund or any unspent federal funds earmarked for infrastructure projects) for ... educational infrastructure initiatives [is needed]. ([Canadian Nurses Association](#))
- [The government should] offer additional support to address social problems plaguing Aboriginal communities. ([Centre for the Study of Living Standards](#))
- Further investments in facilities and educators on reserve are necessary to ensure all Aboriginal children have access to a high quality education. Greater control over education on reserve should be placed in the control of First Nations people, along with assistance in administrative capacity and accountability. And the government needs to ensure that financial barriers do not

prevent Aboriginal youth from pursuing post-secondary education. ([Centre for the Study of Living Standards](#))

- [The government should remove the barriers] plaguing [A]boriginal communities [by] closing the [A]boriginal education gap, and assisting firms in engaging the [A]boriginal workforce [to] strengthen [A]boriginal labour market performance. ([Centre for the Study of Living Standards](#))
- [The government should increase] access to non-repayable student financial assistance for Indigenous students, including increased allocations to the Post-[S]econdary Student Support Program ..., to fund all eligible First Nations and Inuit students. ([Colleges and Institutes Canada](#))
- [The government should renew the Aboriginal Skills and Employment Training Strategy] beyond March 2016 and strengthen the capacity of Indigenous organizations administering [the Strategy's] funds to improve essential skills training and career counselling. ([Colleges and Institutes Canada](#))
- [The government should extend the Northern Adult Basic Education] Program at the three territorial colleges and provide similar support for colleges and institutes in other jurisdictions serving Indigenous learners and communities. ([Colleges and Institutes Canada](#))
- [In partnership with the Métis Nation, the government should renew and increase funding through the Aboriginal Skills and Employment Training Strategy, and enhance] existing scholarships and bursaries available to Métis students at various colleges and universities. ([Métis National Council](#))
- [T]he government should renew and enhance funding for the Skills and Partnership Fund and the Aboriginal Skills and Employment Training Strategy after they expire in March 2016. ([Mining Association of Canada](#))

Infrastructure

- [The government should address First Nations infrastructure needs, including] clean drinking water in communities ... [and] basic housing. ([Assembly of First Nations](#))
- [The government should create] a First Nations Infrastructure Plan that is funded based on need, not population. ([Canadian Council for Public-Private Partnerships](#))
- [The government should establish] long-term, flexible [infrastructure] funding arrangements with First Nations communities. ([Canadian Council for Public-Private Partnerships](#))
- [The government should enhance] the capacity of the First Nations Financial Management Act institutions to allow for more communities to leverage [their] own source revenue to borrow for infrastructure. ([Canadian Council for Public-Private Partnerships](#))
- [The government should consult] with First Nations and the private sector to resolve barriers to the use of [public-private partnerships] in First Nation[s] communities and provide a path forward for those communities that wish to pursue this [infrastructure] procurement option. ([Canadian Council for Public-Private Partnerships](#))
- [The government should create] a Northern Infrastructure Plan that is funded to reflect need and the true cost of building infrastructure in the North, not a per capita distribution that will further increase the infrastructure deficit. ([Canadian Council for Public-Private Partnerships](#))
- [The government should ensure that] the Métis qualify for [any infrastructure] funding program. ([Canadian Council for Public-Private Partnerships](#))

- [The government should increase] funding for drinking water and sanitation in Indigenous communities. ([Canadian Labour Congress](#))
- [The government] should ... increase funding for [F]irst [N]ations water and waste water [infrastructure]. ([Canadian Union of Public Employees](#))

Treaty Rights and Justice

- [The government should renew and enhance programs for] justice around family violence prevention, [F]irst [N]ations policing, and [A]boriginal justice strategies [that are due to sunset]. ([Assembly of First Nations](#))
- [The government should implement the Truth and Reconciliation Commission's recommendations,] the UN Declaration on the Rights of Indigenous Peoples, and the [I]nquiry [for] [M]urdered and [M]issing Indigenous Women and Girls, [and support mental health-related initiatives, including suicide prevention.] ([Inuit Tapiriit Kanatami](#))
- [The government should] begin processes ... [with the Métis Nation] for settling land claims and advancing self-government. ([Métis National Council](#))
- [T]he government [should implement] its funding commitment to [the National Inquiry into Missing and Murdered Indigenous Women] in Federal Budgets 2016 and 2017. ([YWCA Canada](#))

INFRASTRUCTURE

Most public infrastructure is owned by the provinces/territories and municipalities, with the federal government's role consisting primarily of providing financial support for infrastructure projects. To that end, the federal government administers a number of funding programs, and public-private partnerships are another method that is sometimes used to finance public infrastructure.

In addition to assisting with the funding of provincial/territorial and municipal infrastructure, the federal government owns and maintains a large portfolio of public infrastructure, including bridges, airports, ports and border infrastructure. It also supports on-reserve First Nations public infrastructure through a number of specific programs.

In making infrastructure-related comments to the Committee during the consultations in relation to the 2016 budget, witnesses raised the following issues: spending; funding mechanisms; public transit; and housing.

Spending

- The government should be] shovel smart ... [and prioritize] investments that will have a long-term economic impact ... [in] those areas of the country that require stimulus and help. ([Alberta Chambers of Commerce](#))
- [The government should] plan future infrastructure spending so that it achieves the maximum economic benefit. ([Atlantic Institute for Market Studies](#))
- [The government should prioritize] infrastructure spending ... [so that it is not based on the] idea that [interest] rates are low. [Rather, infrastructure spending should] be ranked in declining order

... [of their ability to] improve private sector productivity and build jobs and incomes. ([Atlantic Provinces Economic Council](#))

- [The government should] increase investments in physical and environmental infrastructure, such as public transit and basic transportation. ([Broadbent Institute](#))
- [The government should] invest in [m]odern, efficient, and world-class infrastructure [that] enables ... Canadian exporters ... to deliver their products efficiently to global markets ... [and productivity-enhancing] infrastructure projects that ... will provide the greatest return in future economic activity and jobs. ([Business Council of Canada](#))
- [T]he government [should] ensure that [regulatory and approval processes for infrastructure projects] are adequately funded and capable of being completed in a timely fashion. ([Business Council of Canada](#))
- [I]n areas related to [I]ndigenous peoples and community investments which are very important to [the upstream oil and gas] sector, [government infrastructure] investments are critical for long-term growth. ([Canadian Association of Petroleum Producers](#))
- [The government should invest] in digital infrastructure (networks and switching required to handle the volumes of next generation data transfer) and reward private sector investment. ([Canadian Chamber of Commerce](#))
- [The government should focus] on trade-enabling, economically productive infrastructure—roads, ports, technology, transport corridors and borders. ([Canadian Chamber of Commerce](#))
- [The government should invest in a] water management project ... to mitigate the impact of the flooding of agriculture lands [in Manitoba], [expand] port and border facilities ... [and release federal and provincial Crown land in Northern Ontario to] go back into agriculture production. ([Canadian Cattlemen's Association](#))
- [In partnership with community economic development organizations, the government should ensure that] infrastructure investments include a social finance fund and a social infrastructure grant program that could ... provide matching capital for durable social infrastructure projects, ... [that those] investments also include a social impact scoring component on all infrastructure contracts and recipients, and that ... [those investments] include community benefit agreements. ([Canadian Community Economic Development Network](#))
- [The government should ensure] that ... the additional [infrastructure] funding is available for the 2016 construction season, ... that the application process is simple, ... [and that it works] with the provinces and municipalities to ensure that there's no confusion around the application process. ([Canadian Construction Association](#))
- [Short-term stimulus is needed] and ... a focus on infrastructure will be [the] best investment, even if that means running modest deficits. ([Canadian Council for Public-Private Partnerships](#))
- [The government should provide increased] investment in social infrastructure beyond historical levels and the traditional purview of the federal government. ([Canadian Council for Public-Private Partnerships](#))
- [The government should add] broadband infrastructure ... to [the economic infrastructure] category. ([Canadian Council for Public-Private Partnerships](#))

- [Every] major infrastructure project funded by the federal government [should] require fibre [to] be laid during the course of construction in order to allow Canadian communities to take full advantage of the digital age. ([Canadian Council for Public-Private Partnerships](#))
- [The government should enhance] the protection of electricity Critical Infrastructure through increased funding for Public Safety Canada's Canadian Cyber Incident Response Centre. ([Canadian Electricity Association](#))
- [Although] the federal government should establish key principles and guidelines, funding decisions have to be made at the local level. ... Investment has to take local needs into account. ([Canadian Housing and Renewal Association](#))
- [The government should] invest in physical and social infrastructure. ([Canadian Labour Congress](#))
- [The government should] adopt a strategic procurement policy for all federally-funded infrastructure projects which would emphasize the need to maximize domestic economic benefits for the manufacturing sector, and in particular ... fabricated steel products, while respecting our current international trade obligations. ([Canadian Manufacturers & Exporters](#))
- [T]he federal government [should] increase infrastructure spending, particularly in public transit, green and social infrastructure, and particularly for those most in need, including through affordable housing, transition homes, child care centres, seniors facilities, and community and cultural facilities. ([Canadian Union of Public Employees](#))
- All federal infrastructure funding should be tied to environmental, climate change, and social requirements. In the short term, [the government should provide] more than a third share of the funding for these investments, tied to achieving environmental and broader social objectives. ([Canadian Union of Public Employees](#))
- The federal government should establish a dedicated fund to support public waste-water infrastructure investments required to meet the new national waste-water regulations. ([Canadian Union of Public Employees](#))
- Infrastructure funding should ... be subject to a gender-based analysis along with other federal government programs, as the Auditor General called for six years ago. ([Canadian Union of Public Employees](#))
- [I]nfrastructure spending should prioritize [projects under federal jurisdiction where the long-term national interest makes federal involvement uniquely appropriate, and with faster implementation times. ([C.D. Howe Institute](#))
- [When making decisions on infrastructure investment, the government] should mandate full life-cycle cost assessment screening ... [and support sustainability by ensuring] that all new [infrastructure] projects contribute to achieving Canada's ... [carbon dioxide] reduction objectives. ([Cement Association of Canada](#))
- [The government should provide funding to the city of Rimouski for a sports and recreation facility, through] the Building Canada Fund ... for small communities or large projects. ([City of Rimouski](#))
- [The government should provide funding to the city of Témiscouata-sur-le-Lac for upgrading a] regional arena. ([City of Témiscouata-sur-le-Lac](#))

- [The government should establish] a dedicated envelope for post-secondary institutions within federal government green and social infrastructure investments to address deferred maintenance and infrastructure needs to meet the increased employer demand for college/institute programs. ([Colleges and Institutes Canada](#))
- [The government should coordinate with other] levels of government ... [to] identify not only the most important projects but also the ones that are going to give ... the biggest payback over a generation. ([Conference Board of Canada](#))
- [The government should act as a] partner. ... That means increasing the federal contribution to infrastructure projects and expanding and dedicating investments in Canada's rural communities. It means ensuring municipalities have the flexibility to make local, evidence-based decisions they are best positioned to make. ([Federation of Canadian Municipalities](#))
- [Municipalities need] both short-term repair and renewal investments [from the government] that can create jobs immediately and long-term strategic investments that lay the foundation for Canada's future. ([Federation of Canadian Municipalities](#))
- [S]hovel-worthy should take precedence over shovel-ready [as] the main rationale for infrastructure is not short-term economic stimulus, but improving Canada's longer-term economic potential, and that takes time. ([Institute for Research on Public Policy](#))
- [The government should make] a concerted effort ... [in relation to infrastructure renewal, accompanied] by strategic and sustained levels of federal investment. ([Saskatchewan Chamber of Commerce](#))
- [The government should] significantly increase its infrastructure spending program. The timeline for infrastructure spending should be expedited in order to provide much-needed stimulus. ([Unifor](#))
- [Within infrastructure spending, the government should] include provisions for made-in-Canada materials and inputs (including sustainable building materials) ... [and] local hiring requirements, especially among vulnerable communities (e.g., minorities, young workers, women in skilled trades and Aboriginal workers). ([Unifor](#))
- [The government should remove] any prerequisite for private sector involvement [in infrastructure projects] as a condition of federal funding support. ([Unifor](#))

Funding Mechanisms

- [The government should expand the types of] infrastructure eligible for the Building Canada Fund, so as to no longer restrict it to fixed broadband projects, and incorporat[e] a component accepting cellular technology as strategic infrastructure for mobile and voice Internet. [It should also increase] the federal share to 50% and reduc[e] municipal participation in these projects. ([Agence interrégionale de développement des technologies de l'information et des télécommunications](#))
- [The government should further study] the notion of an infrastructure bank. ([Atlantic Provinces Economic Council](#))
- [In partnership with community economic development organizations, the government should ensure] that new infrastructure investment[s] include criteria that prioritize funding for clean energy projects for communities vulnerable to climate change and that financing is made available and affordable to communities and project developers through the Canadian

Infrastructure Bank, including federal loan guarantees to support private investment. ([Canadian Community Economic Development Network](#))

- [The government should consider] the [public-private partnership] model where there is demonstrated value for money and appropriate transfer of risk to the private sector. ([Canadian Council for Public-Private Partnerships](#))
- [The government should] keep the [public-private partnership screen]. In its absence, [the government should ensure that:] [f]ederal investment decisions for projects over [\$100 million] require the applicant government to examine and consider alternative procurement options including P3s[,] [p]reserve the P3 Canada Fund as a standalone fund to incentivize smart choices in infrastructure procurement[,] ... fund up to 33% of a project ... [,] ... [and direct appropriate resources for] capacity building and business case development to lower levels of government (particularly municipalities and Indigenous governments) so that they have the tools to make appropriate procurement decisions. ([Canadian Council for Public-Private Partnerships](#))
- [The] government [should] delay implementation of an infrastructure bank. Uncertainty exists in the infrastructure community due to a lack of clarity around what the mandate would be of a Canadian infrastructure bank. ([Canadian Council for Public-Private Partnerships](#))
- [The government should present a] discussion paper/guide ... as the basis for extensive consultations with industry and the intended beneficiaries of the [infrastructure] bank. ([Canadian Council for Public-Private Partnerships](#))
- [The government should establish] its proposed Canada Infrastructure Bank to provide municipalities with access to low-cost financing for infrastructure projects, while winding down PPP Canada. ([Canadian Labour Congress](#))
- [The government should] act quickly to repeal the public-private partnership screen on new infrastructure projects supported by the new Building Canada Fund, replacing it with the requirement that employers on funded projects provide a minimum number of apprenticeship positions. ([Canadian Labour Congress](#))
- [T]he federal government [should] eliminate PPP Canada Inc. and redirect the \$1.25 billion P3 Canada Fund to public infrastructure projects. ([Canadian Union of Public Employees](#))
- The proposed Canada Infrastructure Bank shouldn't be used as a vehicle to subsidize higher cost private finance. ([Canadian Union of Public Employees](#))
- Consistent with the new federal government's commitment to openness and transparency, it should implement comprehensive [public-private partnership] accountability and transparency legislation. ([Canadian Union of Public Employees](#))
- [C]ities need ... long-term, predictable, sustainable, and dedicated infrastructure funding mechanisms similar to the permanent and indexed Gas Tax Fund [as well as] streamlined and faster approval processes and greater coordination and consistency between federal and provincial infrastructure funding programs. ([Large Urban Mayors' Caucus of Ontario](#))
- A permanent increase in gas tax funding with criteria that tie this investment to economic infrastructure would allow all three levels of government to engage in building our economy in making Canada more competitive. ([Large Urban Mayors' Caucus of Ontario](#))

Public Transit

- [The] Public Transit Fund should be fully implemented and ... the government could consider accelerating the fund should transit projects be both shovel worthy and shovel ready before 2017. ([Canadian Council for Public-Private Partnerships](#))
- [The government should continue] with [public transit public-private partnership] projects already in motion (ex. Green Line in Calgary). ([Canadian Council for Public-Private Partnerships](#))
- [The government should invest] a minimum ... of \$2 billion per year for public transit in Canada. ([Green Budget Coalition](#))
- [The government should improve] accessible transportation [through infrastructure investments] for Canadians with disabilities. ([Unifor](#))

Housing

- [The government should] broaden the tax base to complement the increase in the top tax rate by reducing or eliminating the 50% exemption for capital gains by considering an upper limit on capital gains exemptions for housing. ([Robin Boadway, as an individual](#))
- [The government should develop] targeted strategies that address Canada's most pressing concerns, such as our ageing population and the ongoing need to support Canadians mental health; two issues that would both be alleviated by the development of a National Affordable Housing Strategy. ([Canadian Association of Social Workers](#))
- [The government should remove] barriers to affordability by: adjusting mortgage rules to support well-qualified first-time buyers; eliminating federal [Goods and Services Tax] ... on [top of municipal development] tax; supporting municipal capital funding requirements for transit and infrastructure; and, fixing tax regimes that discourage rental housing development and encourage the underground economy. ([Canadian Home Builders' Association](#))
- [The government should expand] federal training support to all those pursuing a career as a skilled worker; focus federal support for housing research on cost reduction; and, harmonize codes, standards, and trades qualifications to reduce unnecessary costs and support [housing] industry productivity. ([Canadian Home Builders' Association](#))
- [The government should invest \$1.7 billion annually through Canada Mortgage and Housing Corporation to] retrofit and rehabilitate existing social housing assets. ([Canadian Housing and Renewal Association](#))
- [The government should target] grants for capital repairs, retrofits and maintenance of public, non-profit and cooperative housing providers who need it. An emphasis on energy efficiency should be a guiding principle of this new initiative. ([Canadian Housing and Renewal Association](#))
- As federal social housing operating subsidies expire, [the government should] renew funding for public, non-profit and co-operative housing providers [to] ensure that rents remain affordable for tenants in the long term. ([Canadian Housing and Renewal Association](#))
- [The government should commit to] long term funding so that social housing providers can leverage their assets and secure equity financing for capital renewal, retrofits and redevelopment. ([Canadian Housing and Renewal Association](#))

- [The government should commit \$1.5 billion per year from the social infrastructure fund, alongside additional contributions from the green infrastructure fund, to build] 100,000 new units of affordable and social housing in order to reduce core housing need and homelessness among priority population households. [I]nvestments should be made to develop permanent supportive housing in order to ensure targeted reductions in homelessness, ... prioritize improved housing outcomes for Aboriginal households, ... [and] vary [these units] from deeply subsidized to more shallowly subsidized [to ensure] a cohesive mix of residents. ([Canadian Housing and Renewal Association](#))
- [The] development of some forms of affordable housing could be supported by more entrepreneurial approaches. For instance, acting as guarantor of a community-led housing bank would enable a lending facility that understands the distinct needs of the affordable housing sector. Another example involves housing providers who are looking to partner or even merge together in order to take advantage of economies of scale, increase professional capacity and share risk. By supporting capacity building initiatives and sector transformation pilots, the federal government can help increase the effectiveness and sustainability of Canada's social housing system. ([Canadian Housing and Renewal Association](#))
- By fulfilling... [t]he 2015 federal budget [commitment of] \$150 million over four years ..., housing providers can immediately lower interest payments and invest more working capital into repairs[,] retrofits and redevelopment of housing assets. ([Canadian Housing and Renewal Association](#))
- [The government should invest \$210 million into the] Homelessness Partnering Strategy. ([Canadian Housing and Renewal Association](#))
- [If] the federal government does not provide dedicated housing funding within the broader envelope for social infrastructure within the broader envelope, funding will be split so many ways that its impact on social housing may be negligible. [The government should commit] to dedicated social housing funding in the budget. ([Canadian Housing and Renewal Association](#))
- In collaboration with [the Federation of Canadian Municipalities, the government should develop] a comprehensive national housing strategy that provides for greater policy coordination, collaboration, and the necessary resources for actions and results. ([Large Urban Mayors' Caucus of Ontario](#))
- [T]here are innovative approaches to affordable home ownership that can be explored through federal tax policy that support lower-income families ... [such as] down payment assistance grants, renovation cost credits for adding secondary suites to existing housing, and removing the [Goods and Services Tax] on certain housing-related costs such as construction materials for affordable housing. ([Large Urban Mayors' Caucus of Ontario](#))
- The promised national housing strategy requires a gender lens and gender-based analysis. ([YWCA Canada](#))

MANUFACTURING AND VALUE-ADDED PROCESSING

Canada's manufacturing sector, which comprises businesses that are primarily engaged in chemically, mechanically or physically transforming materials or substances into new products, is supported by the federal government in a variety of ways. Some assistance is temporary, such as programs to help manufacturing subsectors that are experiencing particular difficulties, while other support is permanent, such as tax measures.

When they appeared before the Committee during the consultations prior to the 2016 budget, witnesses that spoke about manufacturing and value-added processing mentioned the following subjects: financial and other supports for firms of various sizes; and financial and other supports for firms in various sectors.

Financial and Other Supports by Size

- [The government should create] and fund a Small Manufacturing Investment Fund that is geared toward, and restricted to small business for the purpose of technology and [research and development] investment. ([Hunter Wire Products Ltd.](#))
- [The government should be] providing support to key firms, such as Bombardier, to ensure stability while key programs are successfully brought to market. ([Unifor](#))

Financial and Other Supports by Sector

- The [government should] implement a national advanced manufacturing network of excellence in the fields of automation robotics and additive manufacturing similar to the United States National Networks for Manufacturing Innovation. [It should also] simplify and extend the tax credits and investment incentives to de-risk and accelerate the adoption of new technologies ..., including the re-inclusion of capital expenditures under the scientific research and experimental development tax credit. ([Canadian Manufacturers & Exporters](#))
- [The government should implement a] national strategy in key areas of advanced manufacturing that would nurture Canadian production, foster international competitiveness and secure future prosperity. ([Unifor](#))
- [Regarding] auto assembly & parts, [the government should better integrate] the federal and provincial investment attraction efforts, including the development of a 'one-stop' system to win new investment in Canadian assembly and parts plants. ([Unifor](#))
- [The government should remove] the current federal tax which is charged on up-front incentives [within the manufacturing sector]. ([Unifor](#))
- [The government should prioritize] policies and investment programs designed to develop our secondary and tertiary manufacturing associated with resource processing. ([Unifor](#))

NOT-FOR-PROFIT SECTOR, CHARITABLE GIVING AND SOCIAL ENTERPRISES

Not-for-profit organizations and social enterprises can be of various models, and can be created under either provincial/territorial legislation or a number of federal statutes. Consequently, responsibilities in this area are shared between the provincial/territorial and federal governments. From a federal perspective, not-for-profit organizations are supported by financial incentives, including through tax credits for individuals and businesses that make donations to registered charities and certain organizations. As well, the federal government provides funding to not-for-profit organizations concerned with advancing social development and inclusion of people with disabilities, children and their families, and other vulnerable or excluded populations.

The Committee's witnesses that spoke about the not-for-profit sector, charitable giving and social enterprises during the consultations in advance of the 2016 budget noted the following topics: tax measures; and access to supports.

Tax Measures

- [In partnership with community economic development organizations, the government should ensure] that social enterprises, non-profits, and co-operatives be given access to existing regulatory and tax measures and business development programs that are currently available to small and medium enterprises through awareness-raising efforts for government officials. ([Canadian Community Economic Development Network](#))

Access to Supports

- [S]ocial programs ... [help people contribute] to society. [A] strong bond, a strong connection to each other, creates a healthy society, and [perhaps] we can start by fixing the person while they are still in the womb. ([Vila Rosa Inc.](#))

PERSONAL TAX MEASURES

Canada operates a progressive marginal income tax system for income earned by an individual, and – among federal tax sources – personal income taxes make the largest contribution to federal revenue. While taxation is based on the individual, rather than on the family unit, 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.

In their appearance before the Committee during the consultations ahead of the 2016 budget, witnesses that spoke about personal tax measures identified the need for changes in the following areas: rates, brackets, credits and other measures; stock options; and succession planning.

Rates, Brackets, Credits and Other Measures

- [The government should] offset the benefits that the middle tax rate cut affords the higher income groups by increasing the tax rates in the third and fourth brackets. ([Robin Boadway](#), as an individual)
- The government should modify or reverse the ill-advised tax cut for the so-called middle class. ([Broadbent Institute](#))
- As an initial step to expanding support to caregivers, ... the federal government [should] amend the caregiver and family caregiver tax credits to make them refundable. ([Canadian Medical Association](#))
- [The government should reduce] the political party donation tax credit ... to match the same level that charities receive. ([Canadian Taxpayers Federation](#))
- Tax rate hikes [for the top income bracket] when the rates are already approaching 50% are economically damaging. ... [R]educing the top tax rate or reversing even the latest increase would be a cost-effective way to provide fiscal stimulus at this point in time. ([C.D. Howe Institute](#))

- [The government should create] an appropriate incentive structure which encourages individuals to work through carefully designed tax and income assistance schemes. In particular, any policies which lead to high marginal effective tax rates which disincentivize work should be reformed. ([Centre for the Study of Living Standards](#))
- [The government should end] income splitting. ([Unifor](#))
- [The government should reverse] the elevated Tax Free Savings Account threshold. ([Unifor](#))

Stock Options

- [The government] needs to have fulsome consultation with businesses, especially in the technology sector, on how [stock option plans] are used; otherwise the unintended consequences will lead [to] talent drain and stifl[e]innovation. ([Information Technology Association of Canada](#))

Succession Planning

- In order to ensure that agricultural rollover provisions recognize the breadth of family relations required to maintain family farming across Canada, [the government should replace] the word “child” in subsection 73(3) of the *Income Tax Act* with the phrase “family member”, adopting a similar definition of the word “family” as defined in Ontario Regulation 697 under the *Land Transfer Tax Act* of Ontario. ([Canadian Federation of Agriculture](#))
- To ensure equal treatment between the division of sibling owned farm corporations and other inter-familial corporate restructurings, ... section 55(2) of the *Income tax Act* [should] deem siblings as non-arm’s length, specific to farm corporations. ([Canadian Federation of Agriculture](#))
- [S]ection 84.1 of the *Income Tax Act* [should be amended] so that it no longer constrains the transfer of farm businesses to immediate family members. ([Canadian Federation of Agriculture](#))
- [T]he federal government [should reconsider] its decision to amend subsection 31(1) [of the *Income Tax Act*] and maintain the more comprehensive income test, as outlined in *Craig v. the Queen*. This reinterpretation would maintain the intent of the combination exception and reduce the financial burden the current, restrictive interpretation places on new entrants and investors. ([Canadian Federation of Agriculture](#))
- [If the change in the treatment of eligible capital property that was announced in the 2015 federal budget proceeds], ... an exception should be established to protect the sale of [supply-management] quota from the proposed legislative change, similar to the variety of legislation already found in the [*Income Tax Act*] specific to the farming industry. ([Canadian Federation of Agriculture](#))
- [The government should reduce the tax charges on] succession planning ... for small firms [seeking to pass their business on to their children or grandchildren]. ([Canadian Federation of Independent Business](#))
- [The government should allow] small businesses and farms, up to a defined dollar value, to be passed on to non-arms-length parties (as defined by [the Canada Revenue Agency]) without taxes or [with] minimal taxes. ([Hunter Wire Products Ltd.](#))

POVERTY AND INCOME INEQUALITY

The federal government supports those living in low-income circumstances through a variety of tax and direct support measures; these measures may be related to children,

low-income Canadians, working Canadians with low income, and low-income seniors, for example. As well, it collaborates with the provinces/territories in delivering affordable housing programs, provides a renovation program for low-income households, and makes annual investments in social housing for low-income households through Canada Mortgage and Housing Corporation.

In commenting on poverty and income inequality during the Committee's consultations preceding the 2016 budget, witnesses advocated changes in relation to the following issues: a basic guaranteed income; and social care and poverty reduction.

A Basic Guaranteed Income

- [To] help those at the bottom of [the] income distribution and to facilitate a transition to a basic income guarantee, [the government should] make all non-refundable tax credits refundable. Enhance them, especially the disability tax credit, and claw them back like the [Goods and Services Tax] credit, the child tax credit, and the [G]uaranteed [I]ncome [S]upplement. ([Robin Boadway, as an individual](#))
- [The government should explore] the potential of a basic income to support Canada's most vulnerable, help eliminate poverty, and reduce costs associated with a failure to address the social determinants of health. ([Canadian Association of Social Workers](#))
- [The government should] set aside a very small amount of money in this budget exercise going forward so that [it] can work with the provinces to facilitate a series of guaranteed annual income experiments, or pilots, across the country. ([Evelyn Forget, as an individual](#))
- The proposed guaranteed annual income would stand in place of the current arrangements for adult or working-age benefits in this country.... [A]s family income increases, [the amount received] would decline, but less than proportionately ... [in order to create] a work incentive, but ... also [to establish] a minimum level of income for all Canadians. ([Evelyn Forget, as an individual](#))

Social Care and Poverty Reduction

- [The government should implement] a Social Care Act ... to ensure equity across Canada, renew federal leadership, and develop mechanisms for benchmarking of outcomes and information sharing between provinces. ([Canadian Association of Social Workers](#))
- [Guaranteed Income Supplement] benefits should be increased so no senior lives in poverty. ([Canadian Union of Public Employees](#))
- [T]he development of a poverty reduction strategy needs a gender lens, a gender-based analysis, and grounding in the realities of women's poverty. ([YWCA Canada](#))

RESEARCH, DEVELOPMENT, INNOVATION AND COMMERCIALIZATION

The main federal role in fostering research, development, innovation, and commercialization is to provide policy and regulatory frameworks that stimulate private-sector competition and investment. That said, the federal government also supports businesses and commercially oriented research and development. Federal tax measures, and federal support for the activities of the federal granting councils, are examples of support for basic and applied research, as well as experimental development. As well, a

range of federal programs and initiatives support the introduction of new goods or services into the marketplace.

The Committee's witnesses that mentioned research, development, innovation and commercialization when appearing during the consultations in relation to the 2016 budget summarized the need for changes in relation to the following topics: granting entities; basic research; applied research; an innovation/patent box; clusters, incubators and accelerators; tax and other support measures; intellectual property; and a science officer and science studies.

Granting Entities

- [The government should] improve accountability ... [for the granting agencies by allowing for student representation on their granting boards. ([Canadian Alliance of Student Associations](#))
- [The government should] reinvest in research and innovation, specifically by increasing the granting agencies funding by 10%, which would cost an estimated \$270 million per year. ([Canadian Alliance of Student Associations](#))
- [The government should ensure that] research funding provided through Canada's research granting councils and decisions about priorities, projects, programs and scholarships are made using peer-review processes by the scientific committee on the basis of merit. ([Canadian Association of University Teachers](#))
- [The government should] invest in the Government of Canada organizations that support applied research ... [including] the [Natural Sciences and Engineering Research Council of Canada], the Canadian Foundation for Innovation and Canada Economic Development. ([Centre national en électrochimie et en technologies environnementales](#))
- [The federal government should give colleges] access to the Government of Canada's research support fund if the research infrastructures in colleges are to endure. ([Centre national en électrochimie et en technologies environnementales](#))
- [T]he government [should] increase the annual budget of the [College and Community Innovation] program by \$17 million per year so that colleges and institutes are not required to turn away so many requests from small and [medium-sized] enterprises for innovation support. ([Colleges and Institutes Canada](#))
- The [Social Sciences and Humanities Research Council's] social innovation pilot of \$5 million [should] be made permanent with an increased budget of \$10 million per year. ([Colleges and Institutes Canada](#))
- [The government should include] the College and Community Innovation Program in the Research Support Fund (formerly the Indirect Costs of Research Program) with a \$25 million annual investment that would enable colleges and polytechnics to devote more funds to industry [research and development]. ([Polytechnics Canada](#))
- [The government should increase] annual funding by \$15 million for the College and Community Innovation Program ..., [which] enables collaborative college-industry applied research in Canada. ([Polytechnics Canada](#))

- [The government should make] the Community and College Social Innovation Fund ... pilot [program a permanent program within the Social Sciences and Humanities Research Council]. ([Polytechnics Canada](#))
- The government [should] commit to increasing funding to the tri-council [agencies] and the research support fund to their inflation-adjusted 2007-08 levels over the next four years and commit to indexing this funding moving forward. ([U15 Group of Canadian Research Universities](#))
- [The government should] increase funding for the Research Support Fund by an amount equal to at least 25 percent of any new Tri-Council investments, to mitigate the indirect costs associated with the new grants. ([U15 Group of Canadian Research Universities](#))
- [The government should launch] an Innovative Campus Infrastructure Program [that would emulate the Knowledge Infrastructure Program] to finance campus research infrastructure projects that fall outside the scope of [the Canada Foundation for Innovation]. ([U15 Group of Canadian Research Universities](#))

Basic Research

- [The government should invest] an additional \$250 million in 2016-2017, \$350 million in 2017-2018 and \$500 million in 2018-2019 in base funding for basic research through the three research granting councils. ([Canadian Association of University Teachers](#))
- [The government should reinvest] in government science in key areas, such as in environment and sustainable development, agriculture, food inspection, freshwater and oceans. ([Canadian Association of University Teachers](#))
- Basic research is supported by the [Natural Sciences and Engineering Research Council of Canada] to the tune of approximately \$1 billion annually. It is important that this amount be maintained. ([Centre national en électrochimie et en technologies environnementales](#))

Applied Research

- [The government should provide] funding to support research, transformer testing and other activities to enhance understanding of the impacts of ... [geomagnetic disturbances] on the electric grid and to assist utilities in mitigating these impacts. ([Canadian Electricity Association](#))
- The budget for applied research in colleges is currently \$50 million for Canada as a whole. ... [I]t would be appropriate to increase this budget in order to be able to serve the pool of [small and medium-sized enterprises] and allow them to take a sustainable position vis-à-vis the competition from around the world. ([Centre national en électrochimie et en technologies environnementales](#))
- The government [should] signal its strong commitment to using science in policy-making by making further investment[s] in the [Council of Canadian Academies] to enable more studies, from more sponsors, on more topics, using more innovative approaches. ([Council of Canadian Academies](#))
- [The government should create] a \$15 million pilot College/Institute Health Innovation Research Fund to: enable adoption, implementation and commercialization of innovative technologies, services and solutions to improve patient-oriented care; bridge gaps between industry, healthcare and community organizations; [and] foster economic diversification, particularly among [small and medium-sized enterprises]. ([Colleges and Institutes Canada](#))

- [The government should provide] sustainable research support funding to ensure colleges and institutes can reasonably cover the costs of planning, managing and expanding their research activities. ([Colleges and Institutes Canada](#))
- [The government should be] using government research and development and investment support to ensure that key [aerospace] product development programs and production are undertaken in Canada. ([Unifor](#))

Innovation/Patent Box

- [The government should use] the tax system to encourage innovation, ... [including through an innovation or patent box that would provide] a reduced tax rate for business income when we adopt and commercialize intellectual property. ([Atlantic Provinces Economic Council](#))
- [The government should] consider encouraging innovation by flow-through share financing of [research and development] investments so that deductions are forwarded to the owner—the equity holder. ([Robin Boadway, as an individual](#))
- [The government should] consider encouraging innovation by ... studying the use of patent or intellectual property boxes to encourage the exploitation of innovations in Canada. ([Robin Boadway, as an individual](#))
- [The government should provide] incentives to move ideas from mind to market, such as an “innovation box” regime in Canada that would see any revenues earned on a patent or new technology developed here in Canada taxed at a much lower rate. ([Canadian Chamber of Commerce](#))
- [The government should consider] the potential implementation of a patent box tax regime which would improve commercialization of technologies developed in Canada. ([Canadian Manufacturers & Exporters](#))

Clusters, Incubators and Accelerators

- [Regarding investments in incubators, accelerators, and research facilities], the government should set clear funding objectives, with a premium placed on strengthening competitive advantages and regional strengths and encouraging collaboration and new models of engagement. ([Business Council of Canada](#))
- [The government should provide] incentives that encourage collaboration through technology clusters, incubators, or centres of excellence. ([Canadian Chamber of Commerce](#))

Tax and Other Support Measures

- [The government should revisit] the review of federal support to research and development ... chaired by Tom Jenkins, [recognizing that the resulting report contains recommendations that include] ... making business innovation a key element of federal procurement. ([Business Council of Canada](#))
- [T]he government [should] task a parliamentary committee to undertake a full review of Canada's research and development framework with [a] particular focus on the modernization of the [scientific research and experimental development] legislation. ([Canadian Manufacturers & Exporters](#))

- [The government should] review the [scientific research and experimental development] program with the goal of reinstating some of the competitive tax credits [that were reduced or eliminated through the 2012 federal budget], including those for capital expenditures. ([Canadian Wireless Telecommunications Association](#))
- [The] government should rigorously evaluate the effectiveness of its [research and development] tax credits and consider rebalancing ... support from tax credits to more direct grants and subsidies. Direct government spending ... should also be increased, particularly in areas where it may be able to create a competitive advantage, such as resources and green technology. ([Centre for the Study of Living Standards](#))
- [The government] should conduct a study of the impact of changes to [the scientific research and experimental development investment tax credit] introduced in the Economic Action Plan 2012 to determine if the changes are producing the desired results and adjust the incentive program to encourage [research and experimental development] investment[s] accordingly. ([Information Technology Association of Canada](#))
- [The government should consolidate] federal business innovation programs into a one-stop-shop that delivers [the] support [that businesses need to] improve [their] declining innovation outcomes. ([Polytechnics Canada](#))

Intellectual Property

- [The government should work toward ensuring that Canada has an intellectual property regime that] is at par with other advanced economies – from the time it takes for patent approval, to enforcement guidelines to economic disincentives for patent infringement. ([Information Technology Association of Canada](#))
- [The government] should consider a lower tax rate for revenues generated from [i]ntellectual [p]roperties ... than [other] revenues. ([Information Technology Association of Canada](#))

Science Officer and Science Studies

- [The government should create] a Parliamentary Science Officer, an independent officer of the Library of Parliament who would report to the Senate and the House of Commons, to provide independent advice and analysis to Parliament about the adequacy and effectiveness of the nation's science policies, priorities, and funding. ([Canadian Association of University Teachers](#))
- [The government should create the position of] a Chief Science Officer. ([Canadian Psychological Association](#))
- [The government should provide] \$5 million per year for 3 years ... [to] support a national roll-out of the [Information Technology Association of Canada's] CareerMash program and allow ... [its Business *Technology* Management] program [to expand]. ([Information Technology Association of Canada](#))
- [The government should] put evidence squarely at the centre of decision-making, and ... establish a Chief Science Officer. ([Council of Canadian Academies](#))

RETIREMENT INCOME MEASURES AND SENIORS

With the aging of Canada's population, there is an increasing public policy focus – including within the federal government – on the manner in which Canadians will support themselves in retirement. The federal government makes payments to seniors out of

general tax revenues, and a variety of contributory pension plans also exist; in some cases, contributions to these plans are tax-deductible. As well, additional federal tax measures are available once an individual reaches the age of retirement.

In speaking to the Committee about retirement income measures and seniors during the consultations prior to the 2016 budget, witnesses described proposals in the following areas: Old Age Security and Guaranteed Income Supplement payments; contributory pension plans; and seniors' employment.

Old Age Security and Guaranteed Income Supplement Payments

- [The government should restore Old Age Security] eligibility ... to age 65, increase the [amount of the Guaranteed Income Supplement], especially for single, low-income seniors, increase the [amounts of the Old Age Security and Guaranteed Income Supplement payment] to bridge the poverty gap, and introduce ... [a seniors' index, tied to wage rates, for these programs]. ([Canadian Association of Retired Persons](#))
- [The government should] work with the provinces to enhance the [Canada Pension Plan ... and establish] a supplementary universal pension plan. ([Canadian Association of Retired Persons](#))
- [The government should keep] the age of eligibility for Old Age Security and the Guaranteed Income Supplement [payments] ... at 65 years. ([Canadian Union of Public Employees](#))
- [The government should gradually merge] the Old Age Security ... and the Guaranteed Income Supplement ... programs into a new slightly enhanced exclusive [Guaranteed Income Supplement] program similar to the Seniors Benefit program envisioned by the Liberal Party in 1996. ([Bernard Dussault](#), as an individual)
- [T]he age of entitlement [for] an unreduced retirement pension should be set uniformly in all public and private pension plans in accordance with the calendar year of birth rather than as a uniform age subject from time to time to abrupt and inappropriate increase[s]. ([Bernard Dussault](#), as an individual)

Contributory Pension Plans

- [The government should] improve the ... [Canada Pension Plan] by allowing employees to voluntarily contribute higher amounts to ... [the Plan], up to a maximum of 6.85% of eligible earnings. ([Canadian Chamber of Commerce](#))
- [The government should direct] the appropriate department and/or agencies to create or commission demographic forecasts that list the in-demand groups who will be most affected by any [Canada Pension Plan] enhancement to ensure no negative impact to private business. ([Canadian Chamber of Commerce](#))
- [The government should not expand the Canada Pension Plan, as it] would have a huge and immediate negative impact on small firms. ([Canadian Federation of Independent Business](#))
- [T]he federal government [should work the provinces and territories to ensure] a universal expansion of the [Canada Pension Plan], instead of deferring to piecemeal and provincial measures. ([Canadian Union of Public Employees](#))
- [The government should work with provinces and territories to expand] the Canada Pension Plan ... [in a way] similar to that proposed by the Canadian Labour Congress (doubling the benefit rate)

from 25% to 50%). ... [P]articipation in the ... expansion should not exclude workers with less than \$30,000 [in] annual employment earnings. ([Bernard Dussault](#), as an individual)

- In order to allow each Canadian ... to pay for the additional contributions required by [an expansion in the Canada Pension Plan/Quebec Pension Plan], the minimum hourly wage, which varies from province to province and currently amounts to about \$10 (corresponding approximately only to a \$20,000 annual salary), should be increased to \$15 and ... indexed annually. ([Bernard Dussault](#), as an individual)
- [T]hese contributions holidays [from defined-benefit plans] should be prevented, and the surpluses should instead be amortized, as is done with deficits by decreasing or increasing the contribution rate. ([Bernard Dussault](#), as an individual)
- As [the] government develops its policy on the [Canada Pension Plan], it should be mindful of the aggregated impact [of rising payroll taxes and premiums] and should consider the provision of tax relief to offset the rising burden on businesses and employees. ([Retail Council of Canada](#))
- [The government should] collect [Canada Pension Plan] premiums at a relatively higher rate ... but ... place the threshold further up the scale than is currently proposed in Ontario. ([Retail Council of Canada](#))
- [The government should implement] an age 25-threshold before a worker is required to be enrolled in an enhanced [Canada Pension Plan]. ([Retail Council of Canada](#))
- [While considering any enhancement to the Canada Pension Plan, the government] should exempt those employees on whose behalf pension contributions or investment savings are already being made above the rate contemplated for the [Canada Pension Plan] enhancement. ([Retail Council of Canada](#))
- [The government should] work with the provinces to implement the Canadian Labour Congress's proposal for a mandatory expansion of the [Canada Pension Plan] that would see a gradual increase in ... contributions, and eventually allow for a doubling of future ... benefits. ([Unifor](#))
- [The government should] ensure that federally regulated defined-benefit plans, which have already been paid for by employees and pensioners, are not retroactively changed into target benefit plans. ([Unifor](#))

Seniors' Employment

- [The government] should encourage employers to provide more flexible work arrangements to older workers. Barriers to employing workers under more flexible conditions such as ceilings on payroll contributions which create an incentive to hire full-time rather than part-time employees should be addressed. ([Centre for the Study of Living Standards](#))
- [The] government should take the lead in offering flexible work arrangements to aging [federal] public sector workers. ([Centre for the Study of Living Standards](#))
- Time-limited wage subsidies for older long-term workers who accept a lower paying job after being laid off may be a way to keep [older workers] in the workforce. ([Centre for the Study of Living Standards](#))

RURAL, REMOTE AND NORTHERN COMMUNITIES

In recognizing that Canada's rural, remote and northern communities differ – sometimes in quite fundamental ways – from urban communities, the federal government supports communities of all sizes through various departments, agencies, Crown corporations, funds and strategies. That said, there are regional development agencies that support communities in particular geographic areas.

When they appeared before the Committee during the consultations in advance of the 2016 budget, witnesses that focused on rural, remote and northern communities presented proposals in relation to the following subjects: infrastructure; and workforce development and skills training.

Infrastructure

- [A] tax incentive or a capital cost allowance rate of 55% should be provided to telecommunications carriers willing to service interregional access roads [in rural and northern areas] ... [to] enable the geolocation of users in danger on our roads, as well as 911 emergency services. ([Agence interrégionale de développement des technologies de l'information et des télécommunications](#))
- [The government should invest] in projects that connect rural, remote, [A]boriginal, and northern communities to the [green infrastructure] grid. ([Canadian Council for Public-Private Partnerships](#))
- [The government should] protect ... [Canada's] changing Arctic from the impacts of climate change, ... [which includes] ensuring the safety of marine transportation, building climate-resilient infrastructure, and bringing renewable energy and energy efficiency projects to Canada's north. ([Green Budget Coalition](#))
- [The government should provide increased] infrastructure in [the Inuit Tapiriit Kanatami's 53] communities in the Arctic, [including funding for ports, airports, roads, social housing, clean energy alternatives to diesel, and telecommunications connectivity.] ([Inuit Tapiriit Kanatami](#))
- [The] government should establish a remote and northern fund within the context of the proposed Canada Infrastructure Bank designed on the highly successful Alaskan Industrial Development and Export Authority, and also consider ways that fiscal policy can level the playing field for companies that operate in remote and northern regions. ([Mining Association of Canada](#))
- [The government should create] an investment tax credit (10%) on all capital expenditures associated with remote and northern mines ... [and] a supplementary 15% investment tax credit on specified infrastructure [related to mining in remote and northern regions]. ([Mining Association of Canada](#))
- Assuming the 10% investment tax credit as a base, [the government should create] a mechanism for conditionally repayable contributions related to infrastructure investments (in lieu of the 15% investment tax credit) that would cover up to 25% of specified infrastructure investments, with the option of pardoning the loan in exchange for public ownership of that infrastructure at mine closure. ([Mining Association of Canada](#))
- [The government should increase] investments into building and maintaining northern roads and high-quality Internet connectivity. ([Saskatchewan Chamber of Commerce](#))

- The [proposed] national housing strategy [should] address housing for women and families in the northern territories. ([YWCA Canada](#))

Workforce and Skills Development

- [The government should provide] a four-year annual investment of \$25 million for initiatives to create more locally accessible infrastructure and learning opportunities for students enrolled in health care training programs and health care professionals already serving in rural and remote communities. ([Canadian Nurses Association](#))
- [The government should create] and fund a pilot project to explore innovative distance learning options for upgrading and skills development in rural and remote communities. ([Colleges and Institutes Canada](#))

SAFETY, SECURITY AND EMERGENCY PREPAREDNESS

At the federal level, a number of departments and agencies play a role in protecting public safety and national security. In doing so, they undertake a broad range of activities that includes policing, preventing crime, listing terrorist entities under the *Criminal Code*, combatting terrorism and terrorist financing, determining the admissibility of people and goods entering Canada, protecting the country's borders, detaining individuals who may be a threat to the country, investigating threats to the security of Canada, issuing deportation orders, and protecting electronic information and communication, as required.

In relation to emergency preparedness, Canada's Constitution gives the provinces/territories primary responsibility for emergency management within their boundaries. Consequently, the federal government generally assists in specific situations, such as when requested to do so, when an emergency crosses jurisdictional boundaries or occurs on federal lands, or when such assistance would be in the national interest. In these types of situations, the probability of an emergency occurring may be small, but the potential impact could be significant.

In appearing before the Committee during the consultations ahead of the 2016 budget, witnesses that were focused on safety, security and emergency preparedness encouraged that changes be made in relation to the following topics: contraband tobacco; airports; and violence reduction.

Contraband Tobacco

- [The government should implement] greater deterrence measures against the illicit [tobacco] market, including additional resources for the [Royal Canadian Mounted Police], [the] Canad[a] Border Services Agency, and other investigative bodies. ([Canadian Convenience Stores Association](#))
- [F]ines levied against illegal tobacco traffickers are very often not collected. This is an incredible source of lost revenue ... [and collection should be pursued] as a means of deterring criminality while also recouping lost government revenue. ([Canadian Convenience Stores Association](#))

Airports

- [The government should increase] funding to [the Canadian Air Transport Security Authority]. ([WestJet Airlines Ltd.](#))
- [The] revenue the government collects from the air travellers security charge [should] be tied directly to funding for screening services. ([WestJet Airlines Ltd.](#))
- [The government should support] continued streamlining of border processing and security screening at our airports. ([WestJet Airlines Ltd.](#))

A Violence Reduction Strategy

- Federal Budget 2016 [should] allocate funds to support development of a National Action Plan on Violence Against Women, including a minimum of \$5 million to Status of Women Canada earmarked to support ... the participation of the violence against women sector in the development process. Funding for implementation of the National Action Plan on Violence Against Women should be planned for future years in this mandate. ([YWCA Canada](#))
- Federal budget 2016 should restore the shelter enhancement program at \$10 million per year. ([YWCA Canada](#))

TOURISM

At the federal level, tourism is primarily supported by a national tourism marketing entity that focuses on particular countries, such as Australia, Brazil, China, France, Germany, India, Japan, Mexico, South Korea, the United Kingdom and the United States. From a federal perspective, the investment in this entity helps to create direct and indirect jobs, as well as to increase revenue and exports, among other outcomes. In addition to its economic contributions, the tourism sector is important for enhancing the country's image and global reputation as an attractive vacation, business and immigration destination, and showcases Canada's historical, geographic, cultural and artistic assets.

The Committee's witnesses that spoke about tourism during the consultations preceding the 2016 budget underlined the following issue: the need for increased support for the sector.

- [The government should adopt] a model, similar to Manitoba, where 3% of [federal tax revenue] from tourism are allocated to marketing by the Canadian Tourism Commission. ([Canadian Chamber of Commerce](#))
- Destination Canada's marketing budget [should] be increased to \$150 million ... to compensate for the loss in buying power in key markets attributed to currency exchange. ([Tourism Industry Association of Canada](#))

TRADE AND INVESTMENT

Under Canada's Constitution, the federal government has sole jurisdiction over the regulation of trade and commerce. In that context, it leads the negotiation of international trade agreements and the management of international trade dispute-resolution

mechanisms. It also provides advice and services to help Canadian businesses succeed abroad and fosters foreign direct investment in Canada, among other activities.

Witnesses that spoke to the Committee about internal and international trade and investment during the consultations in advance of the 2016 budget were focused on the following topics: trade and investment agreements; supports for internal and international trade; and supply-managed products.

Trade and Investment Agreements

- [The government should expand its efforts in relation to] global trade agreements such as [the Canada–European Union Comprehensive Economic and Trade Agreement, the Trans-Pacific Partnership and the Canada–Korea Free Trade Agreement], just to name a few. ([Carey Bonnell](#), as an individual)
- [The government should ratify] the Trans-Pacific Partnership Agreement quickly. ([Canadian Agri-Food Trade Alliance](#))
- [The government should work towards] the completion of the respective legal and political processes related to the Canada-Europe [Union *Comprehensive Economic and Trade Agreement*], ... while simultaneously completing technical discussions, so that the stated benefits of the agreement can be realized in the form of commercially viable access for all exporters. ([Canadian Agri-Food Trade Alliance](#))
- [The government] should allocate proper resources to the functions in charge of negotiating free trade agreements, specifically the team of negotiators working on the [Trans-Pacific Partnership agreement], the [Canada–European Union *Comprehensive Economic and Trade Agreement*], the [World Trade Organization] and the next generation of future agreements for Canada. ([Canadian Agri-Food Trade Alliance](#))
- [The government] should allocate proper resources to the functions in charge of implementing free trade agreements, and maintaining and restoring market access ... [including] the [M]arket [A]ccess [S]ecretariat, ... so it can continue its critical work of minimizing technical barriers to trade and restoring real access for exporters. ([Canadian Agri-Food Trade Alliance](#))
- [The government should] help the Canadian beef sector compete against international beef competitors ... [by ratifying the] Trans-Pacific Partnership ... [and the Canada–European Union Comprehensive Economic and Trade Agreement, and by fully funding] the agriculture [M]arket [A]ccess [S]ecretariat. ([Canadian Cattlemen's Association](#))
- [The government should conclude] and implement the Trans-Pacific Partnership ... and the [Canada–European Union] Comprehensive Economic and Trade Agreement. ([Canadian Chamber of Commerce](#))
- [The government should engage] with provinces to mobilize resources to tackle internal trade barriers and enhance alignment with Canada's trading partners. ([Canadian Chamber of Commerce](#))
- [The government should undertake] a comprehensive study on the benefits and costs of a free trade agreement with China. ([Canadian Chamber of Commerce](#))

- [The government should change trade] and foreign investment policies ... to ensure high levels of labour rights and environmental standards ... at home and around the world. ([Canadian Labour Congress](#))
- The government should [be] negotiating [corporate welfare] provisions in any new trade agreements that bind our trading partners to similar restrictions on subsidizing private business ([Canadian Taxpayers Federation](#))
- [The government should not ratify] the Trans-Pacific Partnership, [the Canada–European Union Comprehensive Economic and Trade Agreement or] other deals that expand corporate power at the expense of jobs, wages, the environment, and our democratic sovereignty. ([Canadian Union of Public Employees](#))
- [The government should reform] the Investment Canada Act ... by changing the default [position] to the government needing to prove detriment in order to reject a proposal [and by creating] a professional dispute resolution body. ([Centre for the Study of Living Standards](#))
- [The government should] begin the process of [tariff] reductions, especially where ... the duty in the U.S. is lower. ([Retail Council of Canada](#))
- [The government should] continue to pursue bilateral and multilateral free trade agreements like [the Canada–European Union Comprehensive Economic and Trade Agreement and the Trans-Pacific Partnership], and to press for accelerated tax relief under those and future agreements. ([Retail Council of Canada](#))
- [The government should not implement] a major increase to the *de minimis* level. ([Retail Council of Canada](#))
- [The government should ratify and implement the Canada–European Union Comprehensive and Economic Trade Agreement and the Trans-Pacific Partnership to promote] fair and reciprocal access to both domestic and international markets ... [in order] to stimulate investment, create jobs, and drive long-term growth. ([Saskatchewan Chamber of Commerce](#))
- [The government should be] taking a cautious approach to the Trans Pacific Partnership, and [should commit] to fixing defects in the agreement. ([Unifor](#))

Supports for Internal and International Trade

- [The government] should allocate proper resources to the network of Canadian representatives abroad, particularly the embassies and agriculture trade commissioners ... [in order to] open doors abroad and leverage relationships with relevant government and industry influences. ([Canadian Agri-Food Trade Alliance](#))
- [The government] should ... continue to [support relevant ministers and senior-level officials in their activities to build and cultivate relationships at a high level in foreign markets. ([Canadian Agri-Food Trade Alliance](#))
- [There is a need for greater and more diversified] market access ... for the oil and gas business in Canada, but ... also [for] natural resources. ([Canadian Association of Petroleum Producers](#))
- [The government should invest] in transportation infrastructure and improving Canada's border services and visa administration to make it easier for businesses to get their products in and out of Canada. ([Canadian Chamber of Commerce](#))

- [The government should expand] promotion of the Canadian [public-private partnership] model on trade missions and highlight the expertise of provincial partners in these endeavours. ([Canadian Council for Public-Private Partnerships](#))
- Ontario and Canada [need a diverse and robust jobs strategy,] with clear actions to address labour market reform through ... a new coordinated trade agenda shared by federal, provincial, and municipal governments. ([Large Urban Mayors' Caucus of Ontario](#))
- [The government should ensure] that Export Development Canada's top priority is attracting and supporting investments in Canadian-based, not foreign, factories. ([Unifor](#))

Supply-Managed Products

- [D]airy, poultry, and egg products [should] be excluded from the duty relief and drawbacks program by making an exception similar to the one that exists for fuel and plant equipment. This exclusion should be included in the budget to ensure its timely implementation. ([Canadian Federation of Agriculture](#))
- [T]he government should reject both [the Canada– European Union Comprehensive Economic and Trade Agreement's] and [the Trans-Pacific Partnership's] allocation of parts of Canada's supply-managed commodities' markets to imports and should address the loopholes to stop the dumping of dairy protein products into Canadian markets. ([National Farmers Union](#))

TRANSPORTATION AND COMMUNICATION

The federal government has jurisdiction over aviation, international and interprovincial rail and road transportation, and international and coastal marine shipping. It also owns several bridges, as well as national airports and ports systems, and owns and operates a number of smaller facilities. Moreover, federal Crown corporations provide national rail passenger services, as well as ferry services between the Province of Nova Scotia and the Island of Newfoundland.

In relation to communication, Canada's telecommunications system is regulated at the federal level, although the statutory doctrine of forbearance means that telecommunications services that are deemed to be operating in sufficiently competitive industries will not be directly regulated. As well, the federal government administers radiofrequency spectrum.

In speaking to the Committee about transportation and communication issues during the consultations in relation to the 2016 budget, witnesses underscored the following topic: a national transportation strategy; the air mode; the rail mode; the maritime mode; public broadcasting; and connectivity.

National Transportation Strategy

- [The government should develop] a national transportation/utility corridor plan linking all urban centres and regions in Canada, and support a comprehensive transportation and utility system. ([Alberta Chambers of Commerce](#))

- [The government should] engage provinces, territories, and municipalities without delay to ... develop a national transit strategy and a national affordable housing strategy for Canada. ([Canadian Labour Congress](#))

Air Mode

- [The government should establish] infrastructure funding criteria for ... small airports on federal land. ([Canadian Airports Council](#))
- [The government should provide stable and predictable funding to] meet the needs of Canadian air travellers, [the Canadian Air Transport Security Authority], airports, and air carriers ... [and] to support an internationally competitive level of service. ([Canada Airports Council](#))
- [The government should] make aviation cost structure a priority issue. ([WestJet Airlines Ltd.](#))
- [The government should establish] a senior level government-industry working group to take a close and focused look at the competitiveness of commercial aviation in Canada. ([WestJet Airlines Ltd.](#))

Rail Mode

- [The government should] establish a mechanism to develop additional producer car loading sites when requested by farmers, and ensure that the Canadian Transportation Agency has the funding and the resources it needs to enforce the statutory common carrier obligations of Canadian railways under the *Canada Transportation Act*. ([National Farmers Union](#))
- [The government should] capitalize on all levers available to improve rail access in terms of frequency, modal choice, and cost competitiveness. ([Saskatchewan Chamber of Commerce](#))

Maritime Mode

- [The government should amend] the Competition Act [to] allow port authorities to collaborate, with an eye toward maximizing asset utilization to help ease the burden of uneven pressure and demands that are exerted on ports by shifting global trade patterns. ([Association of Canadian Port Authorities](#))
- [The government should streamline] the procedures and approval process for supplementary letters patent amendments to enable Canadian Port Authorities to meet market competition in leasing or acquiring port lands. ([Association of Canadian Port Authorities](#))
- [The government should review] the current funding models available to ports, including the caps on borrowing limits to provide enhanced financial flexibility to these entities. ([Association of Canadian Port Authorities](#))
- [The government should] invest \$1.9 billion in the rehabilitation of existing port assets ... [and, of this amount,] \$792 million is needed for waterside infrastructure, \$758 million for landside infrastructure and \$358 million for intermodal/other infrastructure. ([Association of Canadian Port Authorities](#))
- [The government should design] or amend federal trade support infrastructure programs so that they avoid embedding barriers to eligibility for participation by smaller ports. This may be achieved with [a] new ports program similar to Transport Canada's *Airports Capital Assistance Program*, and ... a long-term, dedicated no- or low-interest loan pool to enable ports to address

the rehabilitation and maintenance challenges of legacy port infrastructure. ([Association of Canadian Port Authorities](#))

- [The government should establish] a suitable, ongoing funding program to support the ports' security regime ... [with] an initial allocation of \$10 million. ([Association of Canadian Port Authorities](#))

Public Broadcasting

- [The government should provide] a \$150-million reinvestment [to] CBC/Radio-Canada. ([Tous Amis de Radio-Canada, Fédération nationale des communications](#))
- [The government should consider charging fees to broadcasters to compensate for their] use of ... [Canada's] technological infrastructure to reach Canadian users without paying ... taxes or contributing to the [Canadian broadcasting] system's funding. ([Tous Amis de Radio-Canada, Fédération nationale des communications](#))

Connectivity

- [A]dditional capital would be available for infrastructure investment if spectrum licence fees, which are currently 37 times greater than those paid by American service providers on a per-subscriber basis, were reduced. ([Canadian Wireless Telecommunications Association](#))
- [T]he government [should] join the provinces and private sector in investing in the next-generation 5G network. ([Information Technology Association of Canada](#))
- [The] government [should] consider aggressive investment to drive broadband expansion in rural and remote areas. ([Information Technology Association of Canada](#))
- [The government should create] an [Internet of Things] Secretariat in order to have a comprehensive national discourse on the Internet of Things and to identify opportunities and public policy gaps in order to ensure Canada is positioned for leadership in the next stage in the evolution of the digital world. ([Information Technology Association of Canada](#))

THE COMMITTEE'S RECOMMENDATIONS

Like a number of countries worldwide, Canada is experiencing certain economic and fiscal challenges. With its relatively small economy, reliance on trade and choice as a location for international investment, Canada – and the country's economic growth rate – are affected by both domestic and international forces. In recent months, for example, Canada has been affected by the decline in the global price of oil, the fall in the relative value of the Canadian dollar and slower growth in some emerging markets. Some of these forces have had positive effects on certain sectors, regions or groups of Canadians, while others have had detrimental impacts.

Without doubt, the future will continue to hold unforeseen events that will affect Canada's economic and fiscal conditions, and legislators should bear this unpredictability in mind when making public policy decisions that affect economic growth and fiscal sustainability. Economic growth enables greater prosperity for the nation, a higher standard of living and quality of life for residents, and an enhanced ability for governments

to undertake tax and program spending in priority areas. Like economic growth, fiscal sustainability provides greater flexibility, including to spend as the need arises.

In this context, the Committee makes recommendations about measures in relation to the following areas that would support economic growth, fiscal sustainability, and the “wellness” of Canadians and Canadian businesses: the federal debt-to-gross domestic product ratio; trade and investment; taxation; employment; health; education; and infrastructure.

Regarding the federal debt-to-gross domestic product ratio, trade and investment, and taxation, the Committee recommends that:

Recommendation 1

The federal government take action to ensure that the federal debt-to-gross domestic product ratio falls over the next four years as a means of ensuring that the government has the capacity to engage in significant fiscal stimulus measures in the event that the Canadian economy enters a recession like that experienced in 2008–2009.

Recommendation 2

The federal government – in an effort to stimulate growth, increase consumer choice and promote employment – work with the provinces/territories with a view to accelerating efforts designed to reduce internal trade barriers, including those that limit labour mobility.

Recommendation 3

The federal government protect Canada’s supply-managed sectors when engaged in international trade negotiations.

Recommendation 4

The federal government ensure stability in Canada’s forest sector by renegotiating the Softwood Lumber Agreement that the country has with the United States.

Recommendation 5

The federal government, in the forthcoming budget, include a robust plan designed to encourage private-sector business investment in Canada. The plan should include incentives, regulatory improvements, and certainty regarding taxation and other rules in relation to business investment.

Recommendation 6

The federal government initiate a comprehensive review of Canada's tax laws with the objective of making the country's taxation system simpler, fairer and more efficient.

Recommendation 7

The federal government review the country's taxation policy regarding small business transfers with a view to facilitating the transfer of such businesses within families.

Recommendation 8

The federal government not make any changes to the current federal taxation regime and other rules as they apply to small businesses, including professional businesses, incorporated as Canadian-controlled private corporations.

In relation to such "wellness" issues as employment, health, education, housing, infrastructure and research, all of which have the ability to enhance the contribution that individuals can make to their communities and their country, and businesses can make to the nation, the Committee recommends that:

Recommendation 9

The federal government, in the immediate term, address the negative impacts of the Temporary Foreign Worker Program on certain sectors, including livestock and fish processing.

Recommendation 10

The federal government conduct a full review of the Temporary Foreign Worker Program. This review should study the possibility of providing a path to citizenship for those who desire to become Canadian citizens.

Recommendation 11

The federal government, on a priority basis, amend the *Employment Insurance Act* to eliminate the 910-hour rule for new entrants and to reverse the changes that were made in 2012. As well, the Act should be amended to restore fairness to the governance, adjudication and appeals processes.

Recommendation 12

The federal government reinstate the Pilot Project to Extend Employment Insurance Benefits, which provided an additional five weeks of benefits to beneficiaries residing in areas of high unemployment and reduced the duration of time during which a beneficiary had no income or benefits.

Recommendation 13

The federal government review the structure and operation of the Social Security Tribunal of Canada as it relates to the Canada Pension Plan – Disability and Employment Insurance appeal processes, and ensure the establishment of a system that meets the needs of Canadians.

Recommendation 14

The federal government direct the Labour Market Information Council to develop and disseminate a list of specialized occupations for which skills are in high demand.

Recommendation 15

The federal government, as a means of contributing to economic growth, consider the development of a labour mobility tax measure that would enable workers to deduct the direct costs of expenses they incur for employment purposes.

Recommendation 16

The federal government, in negotiating a new health care accord, ensure that it honours the principles of the *Canada Health Act*, particularly regarding portability of coverage, ensures fair and equitable access to health care based on need rather than on ability to pay, and includes an accountability framework. As well, the government should pursue the feasibility of a universal, national prescription drug program and enhanced investments in home care.

Recommendation 17

The federal government commit to assisting the provinces/territories and Indigenous governments in improving access to psychological services. As well, the government should develop, and invest in, a national suicide prevention plan. This plan should include a national youth suicide prevention fund.

Recommendation 18

The federal government – in an effort to help young Canadians gain the skills that they need to enter trades that are in high demand – work with the provinces/territories, building trade unions and post-secondary institutions to develop and/or expand pre-apprenticeship training programs.

Recommendation 19

The federal government increase support to the provinces/territories for training and other employment measures provided to unemployed Canadians.

Recommendation 20

The federal government work with the provinces/territories to transform Canada's post-secondary education system with a view to giving more Canadian students access to affordable post-secondary education. As part of these efforts, tax expenditures associated with ineffective federal textbook and education tax credits should be reallocated to federal non-repayable grants and to increase the income thresholds for grant eligibility.

Recommendation 21

The federal government ensure that no graduate who has student loans will be required to make any repayment of principal until he/she is earning an income of at least \$25,000 per year.

Recommendation 22

The federal government establish a national housing strategy. In developing this strategy, the government should review the Housing First and Investment in Affordable Housing initiatives, housing co-operatives and measures to support first-time homebuyers.

Recommendation 23

The federal government undertake a review of the municipal infrastructure funding formula to ensure that – like the permanent and indexed Gas Tax Fund – funding is long term, predictable, sustainable and dedicated. As well, the government should ensure that access to funding occurs through streamlined and timely approval processes, and that coordination and consistency between federal and provincial/territorial infrastructure funding programs are greater.

Recommendation 24

The federal government make a commitment to spending on critical infrastructure. The primary focus of such spending should be economically strategic projects across Canada that have, as a key component, a net contribution to – and support for – long-term economic growth.

Recommendation 25

The federal government work with the provinces/territories and municipalities to develop and implement a national transit strategy. The strategy should include predictable, sustainable and long-term funding for transit infrastructure.

Recommendation 26

The federal government increase funding to the three federal granting councils and to the research support fund. In particular, over the next four years, funding should be increased to reach the councils' inflation-adjusted 2007–2008 funding levels; thereafter, funding should be indexed to inflation. In addition to an overall increase in funding, the government should consider the proposals for substantive increases in research funding that were highlighted during the consultation process in advance of the 2016 budget.

In addition to the aforementioned recommendations that the Committee believes would support economic growth, fiscal sustainability and “wellness,” measures could also be implemented to support specific groups of individuals and the communities in which they live. In addition to the existing and anticipated supports mentioned earlier, children, seniors, Indigenous peoples and other economically disadvantaged groups could benefit from measures that more specifically meet their needs; the same can be said in relation to the communities in which they live, whether urban, rural, remote, northern or having a predominant linguistic profile, such as Francophone. Within this context, the Committee makes recommendations about these specific groups and their communities.

Regarding children, seniors, Indigenous peoples and other economically disadvantaged groups, the Committee recommends that:

Recommendation 27

The federal government introduce a streamlined, more generous and better targeted Canada child benefit. As well, the government should work with the provincial/territorial governments with a view to ensuring that they do not deduct the amount of the benefit from social assistance payments or include the amount of the benefit when determining total income for purposes of means-tested benefits.

Recommendation 28

The federal government ensure that age 65 continues to be the age at which Old Age Security payments can begin to be made.

Recommendation 29

The federal government work with the provinces/territories to enhance the Canada Pension Plan.

Recommendation 30

The federal government increase the amount of Guaranteed Income Supplement benefits by establishing a “top-up” for unattached seniors.

Recommendation 31

The federal government, in seeking to ensure that the water in Indigenous communities is safe, consider funding for initiatives that have been successful in improving access to clean, safe drinking water. In particular, such initiatives as the Safe Water Project – a First Nations initiative that has been successful in ending boil water advisories – should be considered.

Recommendation 32

The federal government improve the educational prospects of Indigenous children by investing in on-reserve schools. To achieve this goal, the government should focus on better learning environments, reforms to the current on-reserve education system, and greater financial support for cultural and language programs.

Recommendation 33

The federal government support Indigenous learners through providing additional annual funding to the Post-Secondary Student Support Program. The government should ensure that funding is sufficient to meet the growing demand for support under this program, and should specifically fund post-secondary institutions that are Indigenous-operated.

Recommendation 34

The federal government encourage the implementation of Treaty Land Entitlements (Indigenous economic zones) in urban areas to facilitate Indigenous economic and social development.

Recommendation 35

The federal government, in light of the recent findings by the Canadian Human Rights Tribunal of discrimination in funding of on-reserve child welfare, consider increasing the funding for First Nations child protection and child welfare.

Recommendation 36

The federal government remove the 2% cap on funding for First Nations education, and link funding to the needs and population growth.

Recommendation 37

The federal government, in cooperation with the provinces/territories and First Nations communities, implement the recommendations of the Truth and Reconciliation Commission on a priority basis.

Recommendation 38

The federal government undertake a longitudinal study and implement a pilot project consistent with the concept of a guaranteed income.

As noted earlier, communities would benefit from measures that meet their specific needs. From this perspective, the Committee makes recommendations in relation to the environment and issues that affect communities, including those that are rural and/or have a large Francophone or Acadian presence. In particular, the Committee recommends that:

Recommendation 39

The federal government provide incentives for Canadian firms to develop and adopt green technologies, and support the development of emerging green technology manufacturing industries in Canada. Moreover, the government should invest in green infrastructure projects, such as clean energy generation, interprovincial energy grids, public transit and waste treatment facilities.

Recommendation 40

The federal government implement greater deterrence measures in relation to the illicit tobacco market, including additional resources for appropriate federal investigative agencies. Furthermore, the government should ensure that fines levied and penalties applied against illegal tobacco traffickers are collected, and that relevant laws are enforced.

Recommendation 41

The federal government, consistent with its fiscal plan, provide targeted support to those Canadian regions that are experiencing the most severe effects of the low value of the Canadian dollar, low oil and other commodity prices, and slower growth in emerging markets. In doing so, the government should focus on supports that would have an immediate impact in creating jobs and assisting those who have lost their jobs.

Recommendation 42

The federal government implement 700 megahertz public safety broadband network pilot programs in local communities to build systems that would allow public safety users to test the applications and to identify the solutions that could be used to improve the efficiency and efficacy of emergency services.

Recommendation 43

The federal government, in order to encourage investment in broadband and wireless networks in rural Canada, work with eligible telecommunication companies to create a rural broadband program. To fund the program, the government should consider changing the capital cost allowance rates for classes 8, 42 and 46, which address communications networks equipment, including broadband networks.

Recommendation 44

The federal government, in 2016–2017, release the funding in relation to the Roadmap for Canada’s Official Languages, and indicate its intention to index the funding that it invests in organizations and institutions throughout Francophone and Acadian communities.

Finally, like specific groups of individuals and communities, some of Canada’s sectors would better prosper – and contribute to the country’s growth and prosperity – if they were to receive specific supports. To this end, the Committee makes recommendations that address the particular needs of the following sectors: agriculture; tourism; arts; automotive; air; and forestry. Specifically, the Committee recommends that:

Recommendation 45

The federal government implement a dairy processing modernization program to support Canada’s dairy sector. The program’s focus should include new processing capacity and capabilities, new product development and commercialization, plant modernization and adaptation, and training for a highly skilled dairy processing workforce.

Recommendation 46

The federal government encourage proactive investment in future risk mitigation and competitiveness in the agricultural sector through changes to the Agri-Invest Program that would allow account holders to withdraw producer contributions (Fund 1) without first withdrawing taxable government contributions (Fund 2).

Recommendation 47

The federal government examine reinstatement of the Kingston Prison Farm program and consider prison farms at additional locations.

Recommendation 48

The federal government provide Western Canadian grains and oilseed farmers with a full and transparent accounting of the disposition of the Canadian Wheat Board's assets since the *Marketing Freedom for Grain Farmers Act* received Royal Assent, and of the effects on the grain handling and marketing system since that time.

Recommendation 49

The federal government consider re-establishing the Prairie Farm Rehabilitation Program. In this regard, the government should begin by reinstating funding for two initiatives: the publicly owned Community Pasture Program; and the Prairie Shelterbelt Program and Indian Head Tree Nursery.

Recommendation 50

The federal government provide additional funding to the Canadian Food Inspection Agency.

Recommendation 51

The federal government expand its efforts to attract international tourism by increasing the marketing budget of the Canadian Tourism Commission.

Recommendation 52

The federal government provide the Canadian Air Transport Security Authority with the additional funding it needs to provide screening services at Canadian airports that are comparable to those at international airports.

Recommendation 53

The federal government provide increased funding for CBC/Radio-Canada, the Canada Council for the Arts, Telefilm Canada and the National Film Board.

Recommendation 54

The federal government develop a national auto strategy that would ensure a timely and coordinated approach to maintaining current, and attracting new, assembly plants. As well, the strategy should facilitate innovation within the sector – including among auto parts suppliers – through tangible and effective supports.

Recommendation 55

The federal government, in implementing the National Airports Policy and infrastructure policy, ensure that small National Airports System airports are not unfairly excluded from eligibility for infrastructure funds.

Recommendation 56

The federal government strengthen its commitment to Canada's forest sector by supporting the manufacturing, innovation and promotion of forest products.

APPENDIX A: GROUPS AND INDIVIDUALS WHO DID NOT APPEAR AS WITNESSES

Agriculture, Food and Fisheries

[Canadian Association of Mutual Insurance Companies](#)

[Canadian Supply Chain Food Safety Coalition](#)

[Canadian Vintners Association](#)

[Chicken Farmers of Canada](#)

[Dairy Farmers of Ontario](#)

[Dietitians of Canada](#)

[Fédération culturelle canadienne-française](#)

[Food and Consumer Products of Canada](#)

[Gay Lea Foods Co-operative Ltd.](#)

[Genome Canada](#)

[Grain Growers of Canada](#)

[Ontario Federation of Anglers and Hunters](#)

[Parmalat Canada](#)

[Saskatchewan Association of Rural Municipalities](#)

[Yukon First Nation Chamber of Commerce](#)

Arts, Culture and Linguistic Identity

[Alliance of Canadian Cinema, Television and Radio Artists](#)

[Association des collèges et universités de la francophonie canadienne](#)

[Canadian Association of Research Libraries](#)

[Canadian Independent Documentary Fund](#)

[Canadian Media Producers Association](#)

[Canadian Museums Association](#)

[Confederation Centre of the Arts](#)

[International Alliance of Theatrical Stage Employees](#)

[National Trust for Canada](#)

[Ontario Federation of Anglers and Hunters](#)

[Orchestras Canada](#)

[Professional Association of Canadian Theatres](#)

[Royal Conservatory of Music](#)

[Society of Composers, Authors and Music Publishers of Canada](#)

Children, Youth and Families

[Abilities Centre](#)

[Campaign 2000](#)

[Canadian Federation of University Women](#)

[Canadians for Tax Fairness](#)

[Citizens for Public Justice](#)

[Coalition for Healthy School](#)

[Food](#)

[Dietitians of Canada](#)

[Oxfam Canada](#)

[Oxfam-Québec](#)

[Pathways to Education Canada](#)

[REAL Women of Canada](#)

[Royal Conservatory of Music](#)

[Smith, Beverley](#)

[United Way Centraide Canada](#)

Corporate Income Taxes, Consumption and Excise Taxes and Regulatory Issues

[Association of Canadian Financial Officers](#)

[Atlantic Provinces Community College Consortium](#)

[Beer Canada](#)

[Board of Trade of Metropolitan Montreal](#)

[Canadian Association of Mutual](#)

[Insurance Companies](#)

[Canadian Coalition for Action on Tobacco](#)

[Canadian Counselling and](#)

[Psychotherapy Association](#)
[Canadian Geothermal Energy Association](#)
[Canadian Media Producers Association](#)
[Canadian Real Estate Association](#)
[Canadian Supply Chain Food Safety Coalition](#)
[Canadian Trucking Alliance](#)
[Canadian Vintners Association](#)
[Canadians for Tax Fairness](#)
[Chartered Professional Accountants of Canada](#)
[Chronic Disease Prevention Alliance of Canada](#)
[Coalition for Healthy School Food](#)
[Consumer Health Products Canada](#)
[Deloitte](#)
[Financial Executives International Canada](#)

[Food and Consumer Products of Canada](#)
[Frontier Duty Free Association](#)
[Home Instead Senior Care](#)
[Imperial Tobacco Canada Limited](#)
[Innovative Medicines Canada](#)
[International Alliance of Theatrical Stage Employees](#)
[Investment Funds Institute of Canada](#)
[Investment Industry Association of Canada](#)
[Johnson and Johnson Family of Companies in Canada](#)
[Johnson, Donald K.](#)
[Mining Association of Nova Scotia](#)
[Mining Industry NL](#)
[National Airlines Council of Canada](#)
[National Allied Golf Association](#)
[National Association of Federal](#)

[Retirees](#)
[New Brunswick Prospectors and Developers Association](#)
[Orchestras Canada](#)
[Oxfam Canada](#)
[Oxfam-Québec](#)
[Partnership Group for Science and Engineering](#)
[Port Metro Vancouver](#)
[Professional Institute of the Public Service of Canada](#)
[Prospectors and Developers Association of Canada](#)
[Railway Association of Canada](#)
[Tardif, Jean-François](#)
[Universities Canada](#)
[University of Manitoba](#)

Education and Skills Training

[Abilities Centre](#)
[Alliance of Canadian Cinema, Television and Radio Artists](#)
[Association des collèges et universités de la francophonie canadienne](#)
[Association of Faculties of Medicine of Canada](#)
[Atlantic Provinces Community College Consortium](#)
[Board of Trade of Metropolitan Montreal](#)
[Campaign 2000](#)
[Canadian Apprenticeship Forum](#)
[Canadian Association for Co-operative Education](#)
[Canadian Association for Graduate Studies](#)
[Canadian Counselling and](#)

[Psychotherapy Association](#)
[Canadian Federation of University Women](#)
[Canadian Society for Medical Laboratory Science](#)
[Canadian Space Commerce Association](#)
[Canadian Trucking Alliance](#)
[Chemical Institute of Canada](#)
[Coalition for Healthy School Food](#)
[Dechinta Bush University](#)
[Fédération culturelle canadienne-française](#)
[Financial Executives International Canada](#)
[Indspire](#)
[Makivik Corporation](#)

[McGill University](#)
[Momentum](#)
[Nature Conservancy of Canada](#)
[Partnership Group for Science and Engineering](#)
[Pathways to Education Canada](#)
[Smith, Beverley](#)
[Toronto Region Board of Trade](#)
[United Way Centraide Canada](#)
[Universities Canada](#)
[University of British Columbia](#)
[University of Manitoba](#)
[University of Ontario Institute of Technology](#)

Employment and Labour Markets

[Abilities Centre](#)

[Action Canada for Sexual Health and Rights](#)

[Association des collèges et universités de la francophonie canadienne](#)

[Atlantic Provinces Community College Consortium](#)

[Campaign 2000](#)

[Canadian Apprenticeship Forum](#)

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

[Canadian Federation of University Women](#)

[Canadian Museums Association](#)

[Canadian Society for Medical Laboratory Science](#)

[Canadian Trucking Alliance](#)

[Chartered Professional Accountants of Canada](#)

[Fédération culturelle canadienne-française](#)

[Financial Executives International Canada](#)

[Food and Consumer Products of Canada](#)

[Forest Products Association of Canada](#)

[Funeral Service Association of Canada](#)

[Home Instead Senior Care](#)

[Imagine Canada](#)

[International Alliance of Theatrical Stage Employees](#)

[Momentum](#)

[Multiple Sclerosis Society of Canada](#)

[Nature Conservancy of Canada](#)

[Neurological Health Charities Canada](#)

[Pathways to Education Canada](#)

[Progressive Contractors Association of Canada](#)

[Stem Cell Network](#)

[Toronto Region Board of Trade](#)

[Universities Canada](#)

[University of Manitoba](#)

[University of Ontario Institute of Technology](#)

[University of Toronto](#)

Energy

[Canadian Gas Association](#)

[Canadian Geothermal Energy Association](#)

[Canadian Natural Gas Vehicle Alliance](#)

[Canadians for Tax Fairness](#)

[C-CORE](#)

[Citizens for Public Justice](#)

[Financial Executives International Canada](#)

[Genome Canada](#)

[Government of Yukon](#)

[Partnership Group for Science and Engineering](#)

[Yukon First Nation Chamber of Commerce](#)

Environment and Climate Change

[Association des Véhicules Électriques du Québec](#)

[Canada Mining Innovation Council](#)

[Canadian Federation of University Women](#)

[Canadian Natural Gas Vehicle Alliance](#)

[Canadian Steel Producers Association](#)

[Canadian Trucking Alliance](#)

[Canadian Urban Transit Association](#)

[Canadian Water Network](#)

[Canadian Worker Co-operative Federation](#)

[Canadians for Tax Fairness](#)

[C-CORE](#)

[Citizens for Public Justice](#)

[Ducks Unlimited Canada](#)

[Electric Mobility Canada](#)

[Federal Active Transportation Coalition](#)

[Fertilizer Canada](#)

[Financial Executives International Canada](#)

[Forest Products Association of Canada](#)

[Genome Canada](#)

[Grain Growers of Canada](#)

[Lake Winnipeg Foundation](#)

[National Airlines Council of Canada](#)

[Nature Conservancy of Canada](#)

[Ontario Federation of Anglers and Hunters](#)

[Railway Association of Canada](#)

Federal Finances, Fiscal Policy Development, The Public Service and Parliament

[Accelerating Social Impact CCC Ltd.](#)

[Association of Canadian Financial Officers](#)

[Board of Trade of Metropolitan Montreal](#)

[Campaign 2000](#)

[Canadian Association for Graduate Studies](#)

[Canadian Association of Research Libraries](#)

[Canadian Federation of University Women](#)

[Canadian Supply Chain Food Safety Coalition](#)

[Canadian Water Network](#)

[Chartered Professional Accountants of Canada](#)

[Imagine Canada](#)

[March of Dimes Canada](#)

[MaRS Discovery District](#)

[Newark, Scott](#)

[Philanthropic Foundations Canada](#)

[Professional Institute of the Public Service of Canada](#)

[REAL Women of Canada](#)

[Smith, Beverley](#)

[Social Enterprise Council of Canada](#)

[Toronto Region Board of Trade](#)

[Visa Canada Corporation](#)

Financial and Business Financing Issues

[Appraisal Institute of Canada](#)

[Association of Canadian Financial Officers](#)

[Board of Trade of Metropolitan Montreal](#)

[Canadian Association of Mutual Insurance Companies](#)

[Canadian Life and Health Insurance Association](#)

[Canadian Worker Co-operative Federation](#)

[Canadians for Tax Fairness](#)

[Chartered Professional Accountants of Canada](#)

[Co-operatives and Mutuals Canada](#)

[Financial Executives](#)

[International Canada](#)

[First West Credit Union](#)

[Fonds de solidarité des travailleurs du Québec](#)

[Funding Portal Inc.](#)

[Intellectual Property Institute of Canada](#)

[Investment Funds Institute of Canada](#)

[Investment Industry Association of Canada](#)

[Mining Association of Nova Scotia](#)

[Mining Industry NL](#)

[Momentum](#)

[New Brunswick Prospectors and](#)

[Developers Association](#)

[Ontario Federation of Anglers and Hunters](#)

[Port Metro Vancouver](#)

[Prospectors and Developers Association of Canada](#)

[Receivables Insurance Canada](#)

[Social Economy Working Group](#)

[Tardif, Jean-François](#)

[Toronto Stock Exchange](#)

[TSX Venture Exchange](#)

[Visa Canada Corporation](#)

Foreign Policy

[Action Canada for Sexual Health and Rights](#)

[Canadian Council for International Cooperation](#)

[Interagency Coalition on AIDS and Development](#)

[Oxfam Canada](#)

[Oxfam-Québec](#)

[RESULTS Canada](#)

[Tardif, Jean-François](#)

[The McLeod Group](#)

Forestry and Mining

[Canada Mining Innovation Council](#)

[Canadian Association of Mutual Insurance Companies](#)

[Forest Products Association of Canada](#)

[Genome Canada](#)

[Government of Yukon](#)

[Mining Association of Nova Scotia](#)

[Mining Industry NL](#)

[New Brunswick Prospectors and Developers Association](#)

[Omineca Beetle Action Coalition](#)

[Prospectors and Developers Association of Canada](#)

Health and Wellness

[Abilities Centre](#)

[Action Canada for Sexual Health and Rights](#)

[Alliance of Canadian Cinema, Television and Radio Artists](#)

[Association des collèges et universités de la francophonie canadienne](#)

[Association des Véhicules Électriques du Québec](#)

[Association of Faculties of Medicine of Canada](#)

[Board of Trade of Metropolitan Montreal](#)

[Brain Canada Foundation](#)

[Canada Health Infoway](#)

[Canadian Cancer Society](#)

[Canadian Chiropractic Association](#)

[Canadian Coalition for Action on Tobacco](#)

[Canadian Counselling and Psychotherapy Association](#)

[Canadian Diabetes Association](#)

[Canadian Foundation for Healthcare Improvement](#)

[Canadian Life and Health Insurance Association](#)

[Canadian Men's Health Foundation](#)

[Canadian Society for Medical Laboratory Science](#)

[Canadian Stem Cell Foundation](#)

[Centre for Drug Research and Development](#)

[Chronic Disease Prevention Alliance of Canada](#)

[Coalition for Healthy School Food](#)

[Consumer Health Products Canada](#)

[Dietitians of Canada](#)

[Federal Active Transportation Coalition](#)

[First Air](#)

[Genome Canada](#)

[Government of Yukon](#)

[Home Instead Senior Care](#)

[Hope Air](#)

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[Pallium Foundation of Canada](#)

[Parkinson Canada](#)

[Smith, Beverley](#)

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[Sport Matters Group](#)

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[Dechinta Bush University](#)

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[Pillar Nonprofit Network](#)

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[Royal Conservatory of Music](#)

[Saskatchewan Association of Rural Municipalities](#)

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[Yukon First Nation Chamber of Commerce](#)

Manufacturing and Value-Added Processing

[Aerospace Industries Association of Canada](#)

[Board of Trade of Metropolitan Montreal](#)

[Food and Consumer Products of Canada](#)

[Forest Products Association of Canada](#)

Not-for-Profit Sector, Charitable Giving and Social Enterprises

[Accelerating Social Impact CCC Ltd.](#)

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[Co-operatives and Mutuals Canada](#)

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[National Association of Friendship Centres](#)

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[Ontario Federation of Anglers and Hunters](#)

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[Pillar Nonprofit Network](#)

[Professional Association of Canadian Theatres](#)

[Smith, Beverley](#)

[Social Economy Working Group](#)

[Social Enterprise Council of Canada](#)

[United Way Centraide Canada](#)

[University of Manitoba](#)

Personal Tax Measures

[Alliance of Canadian Cinema, Television and Radio Artists](#)

[Association des Véhicules Électriques du Québec](#)

[Association of Canadian Financial Officers](#)

[Association of Fundraising Professionals](#)

[Board of Trade of Metropolitan Montreal](#)

[Canadian Chiropractic Association](#)

[Canadian Diabetes Association](#)

[Canadian Life and Health](#)

[Insurance Association](#)

[Canadian Real Estate Association](#)

[Canadian Urban Transit Association](#)

[Canadians for Tax Fairness](#)

[Chartered Professional Accountants of Canada](#)

[Chronic Disease Prevention Alliance of Canada](#)

[Consumer Health Products Canada](#)

[Deloitte](#)

[Fédération culturelle canadienne-française](#)

[Financial Executives International Canada](#)

[Fonds de solidarité des travailleurs du Québec](#)

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[Home Instead Senior Care](#)

[Imagine Canada](#)

[Investment Funds Institute of Canada](#)

[Investment Industry Association of Canada](#)

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[Johnson, Donald K.](#)
[Multiple Sclerosis Society of Canada](#)
[National Allied Golf Association](#)
[National Trust for Canada](#)

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[Prospectors and Developers Association of Canada](#)
[REAL Women of Canada](#)
[Smith, Beverley](#)

[Society of Composers, Authors and Music Publishers of Canada](#)
[Toronto Region Board of Trade](#)
[Toronto Stock Exchange](#)
[TSX Venture Exchange](#)

Poverty and Income Inequality

[Action Canada for Sexual Health and Rights](#)
[British Columbia Non-Profit Housing Association](#)
[Campaign 2000](#)
[Canadian Alliance to End Homelessness](#)
[Canadian Federation of University Women](#)
[Canadian Housing and Renewal Association](#)

[Chronic Disease Prevention Alliance of Canada](#)
[Citizens for Public Justice](#)
[Co-operative Housing Federation of Canada](#)
[Dietitians of Canada](#)
[First Unitarian Congregation of Ottawa](#)
[Hope Air](#)
[Momentum](#)

[New Brunswick Non-Profit Housing Association](#)
[Ontario Non-Profit Housing Association](#)
[Pathways to Education Canada](#)
[Réseau québécois des OSBL d'habitation](#)
[Smith, Beverley](#)
[United Way Centraide Canada](#)

Research, Development, Innovation and Commercialization

[Aerospace Industries Association of Canada](#)
[Association of Faculties of Medicine of Canada](#)
[Atlantic Provinces Community College Consortium](#)
[Brain Canada Foundation](#)
[Canada Foundation for Innovation](#)
[Canada Mining Innovation Council](#)
[Canadian Association for Graduate Studies](#)
[Canadian Association of Research Libraries](#)
[Canadian Cancer Society](#)
[Canadian Chiropractic Association](#)
[Canadian Foundation for Healthcare Improvement](#)
[Canadian Gas Association](#)
[Canadian Institutes of Health Research](#)
[Canadian Natural Gas Vehicle Alliance](#)

[Canadian Space Commerce Association](#)
[Canadian Stem Cell Foundation](#)
[Canadian Trucking Alliance](#)
[Canadian Urban Transit Association](#)
[Canadian Water Network](#)
[C-CORE](#)
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[Compute Canada](#)
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[Electric Mobility Canada](#)
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[Financial Executives International Canada](#)

[Food and Consumer Products of Canada](#)
[Forest Products Association of Canada](#)
[Genome Canada](#)
[Grain Growers of Canada](#)
[Innovative Medicines Canada](#)
[Intellectual Property Institute of Canada](#)
[Interagency Coalition on AIDS and Development](#)
[Johnson and Johnson Family of Companies in Canada](#)
[Juvenile Diabetes Research Foundation Canada](#)
[MaRS Discovery District](#)
[McGill University](#)
[Mood Disorders Society of Canada](#)
[Multiple Sclerosis Society of Canada](#)
[Natural Sciences and Engineering Research Council of Canada](#)

[Neurological Health Charities Canada](#)

[Partnership Group for Science and Engineering](#)

[Professional Institute of the Public Service of Canada](#)

[RESULTS Canada](#)

[Social Sciences and Humanities Research Council of Canada](#)

[Sport Matters Group](#)

[Stem Cell Network](#)

[Toronto Stock Exchange](#)

[TSX Venture Exchange](#)

[Universities Canada](#)

[University of Alberta](#)

[University of British Columbia](#)

[University of Manitoba](#)

[University of Ontario Institute of Technology](#)

[University of Toronto](#)

Retirement Income Measures and Seniors

[Abilities Centre](#)

[Board of Trade of Metropolitan Montreal](#)

[Canadian Life and Health Insurance Association](#)

[Canadian Worker Co-operative Federation](#)

[Canadians for Tax Fairness](#)

[Financial Executives](#)

[International Canada](#)

[Funeral Service Association of Canada](#)

[Home Instead Senior Care](#)

[Investment Funds Institute of Canada](#)

[Investment Industry Association of Canada](#)

[National Association of Federal Retirees](#)

[Smith, Beverley](#)

[Speech-Language and Audiology Canada](#)

[United Way Centraide Canada](#)

Rural, Remote and Northern Communities

[Alliance of Canadian Cinema, Television and Radio Artists](#)

[Atlantic Provinces Community College Consortium](#)

[Canadian Gas Association](#)

[Canadian Society for Medical Laboratory Science](#)

[C-CORE](#)

[Chronic Disease Prevention Alliance of Canada](#)

[Copland, Luke](#)

[Dietitians of Canada](#)

[Federal Active Transportation Coalition](#)

[First Air](#)

[Food and Consumer Products of Canada](#)

[Government of Yukon](#)

[Hope Air](#)

[Makivik Corporation](#)

[Partnership Group for Science and Engineering](#)

[Prospectors and Developers Association of Canada](#)

[United Way Centraide Canada](#)

[Yukon First Nation Chamber of Commerce](#)

Safety, Security and Emergency Preparedness

[Action Canada for Sexual Health and Rights](#)

[Association des collèges et universités de la francophonie canadienne](#)

[Canadian Coalition for Action on Tobacco](#)

[Canadian Federation of University Women](#)

[Canadian Gas Association](#)

[C-CORE](#)

[Ducks Unlimited Canada](#)

[Financial Executives International Canada](#)

[Funeral Service Association of Canada](#)

[Imperial Tobacco Canada Limited](#)

[Motorola Solutions Canada Inc.](#)

[National Airlines Council of Canada](#)

[National Association of Federal Retirees](#)

[National Coalition Against Contraband Tobacco](#)

[Railway Association of Canada](#)

[Saskatchewan Association of Rural Municipalities](#)

Tourism

[Canadian Museums Association](#)

[Frontier Duty Free Association](#)

[National Airlines Council of Canada](#)

[National Trust for Canada](#)

[Visa Canada Corporation](#)

Trade and Investment

[Association des Véhicules Électriques du Québec](#)

[Board of Trade of Metropolitan Montreal](#)

[Canadian Apparel Federation](#)

[Canadian Coalition for Action on Tobacco](#)

[Canadian Steel Producers Association](#)

[Canadian Trucking Alliance](#)

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[Chicken Farmers of Canada](#)

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[Forest Products Association of Canada](#)

[Gay Lea Foods Co-operative Ltd.](#)

[Grain Growers of Canada](#)

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Transportation and Communication

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[Friends of Canadian Broadcasting](#)

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[Royal Conservatory of Music](#)

[Yukon First Nation Chamber of Commerce](#)

APPENDIX B LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
<p>Assembly of First Nations Peter Dinsdale, Chief Executive Officer Dale LeClair, Chief of Staff</p>	2016/02/16	2
<p>Atlantic Institute for Market Studies John Williamson, Vice President, Research</p>		
<p>Atlantic Provinces Economic Council Finn Poschmann, President and Chief Executive Officer</p>		
<p>Canada Green Building Council Thomas Mueller, President and Chief Executive Officer</p>		
<p>Canadian Airports Council Daniel-Robert Gooch, President</p>		
<p>Canadian Cattlemen's Association Dennis Laycraft, Executive Vice-President</p>		
<p>Canadian Labour Congress Angella MacEwen, Senior Economist, Social and Economic Policy</p>		
<p>Conference Board of Canada Glen Hodgson, Senior Vice-President and Chief Economist</p>		
<p>Green Budget Coalition Annie Bérubé, Coordinator</p>		
<p>Inuit Tapiriit Kanatami Natan Obed, President</p>		
<p>Métis National Council Clément Chartier, President</p>		
<p>Saskatchewan Chamber of Commerce Steve McLellan, Chief Executive Officer</p>		
<p>Canadian Alliance of Student Associations Erik Queenan, Board Chair</p>	2016/02/16	3
<p>Canadian Association of Retired Persons Janet Gray, Chapter President, Ottawa Chapter</p>		

Organizations and Individuals	Date	Meeting
Canadian Association of Social Workers	2016/02/16	3
Fred Phelps, Executive Director		
Canadian Centre for Policy Alternatives		
David Macdonald, Senior Economist, National Office		
Canadian Chamber of Commerce		
Warren Everson, Senior Vice-President, Policy		
Canadian Climate Forum		
Thomas Pedersen, Chair		
Canadian Community Economic Development Network		
Michael Toye, Executive Director		
Canadian Construction Association		
Bill Ferreira, Vice-President, Government Relations and Public Affairs		
Canadian Doctors for Medicare		
Monika Dutt, Chair		
Canadian Electricity Association		
Sergio Marchi, President and Chief Executive Officer		
Canadian Federation of Independent Business		
Daniel Kelly, President and Chief Executive Officer		
Canadian Home Builders' Association		
Kevin Lee, Chief Executive Officer		
Cement Association of Canada		
Michael McSweeney, President and Chief Executive Officer		
City of Rimouski		
Éric Forest, Mayor		
City of Témiscouata-sur-le-Lac		
Gilles Garon, Mayor		
Fédération nationale des communications		
Pascale St-Onge, Member, Tous Amis de Radio-Canada		
First Nations Child and Family Caring Society of Canada		
Cindy Blackstock, Executive Director		
Mental Health Commission of Canada		
Michael Wilson, Chair		

Organizations and Individuals	Date	Meeting
Mood Disorders Society of Canada Phil Upshall, National Executive Director	2016/02/16	3
Mouvement Action-Chômage de Montréal Hans Marotte, Lawyer		
Agence interrégionale de développement des technologies de l'information et des communications André Nepton, Coordinator	2016/02/17	4
Broadbent Institute Andrew Jackson, Senior Policy Advisor, National Office		
Canadian Association of Petroleum Producers Alex Ferguson, Vice-President, Policy and Performance		
Canadian Convenience Stores Association Alex Scholten, President		
Canadian Energy Pipeline Association Chris J. Bloomer, President and Chief Executive Officer		
Canadian Federation of Agriculture Scott Ross, Director of Business Risk Management and Farm Policy		
Canadian Federation of Students Bilan Arte, National Chairperson		
Canadian Medical Association Cindy Forbes, President		
Canadian Nurses Association Anne Sutherland Boal, Chief Executive Officer		
Canadian Renewable Fuels Association Andrea Kent, President		
Canadian Union of Public Employees Toby Sanger, Senior Economist		
Canadian Wireless Telecommunications Association Kurt Eby, Director, Regulatory Affairs and Government Relations		
Centre of Excellence in Energy Efficiency Donald Angers, Chief Executive Officer		
Institute for Research on Public Policy Stephen Tapp, Research Director		

Organizations and Individuals	Date	Meeting
<p>National Farmers Union Jan Slomp, President</p> <p>RBC Financial Group Craig Wright, Senior Vice-President and Chief Economist</p> <p>Tourism Industry Association of Canada Charlotte Bell, President and Chief Executive Officer</p> <p>YWCA Canada Ann Decter, Director, Advocacy and Public Policy</p>	2016/02/17	4
<p>As an individual Evelyn Forget, Professor, University of Manitoba</p> <p>Business Council of Canada Brian Kingston, Vice-President, International and Fiscal Issues</p> <p>Canadian Pharmacists Association Perry Eisenschmid, Chief Executive Officer</p> <p>Centre national en électrochimie et en technologies environnementales Nancy Déziel, Executive Director</p> <p>Colleges and Institutes Canada Denise Amyot, President and Chief Executive Officer</p> <p>Mining Association of Canada Brendan Marshall, Senior Director, Economic and Northern Affairs</p> <p>Public Service Alliance of Canada Jeannie Baldwin, Regional Executive Vice-President, Executive Office</p> <p>Sheldon Kennedy Child Advocacy Centre Bonnie Johnston, Chief Executive Officer</p>	2016/02/18	5
<p>Canada Council for the Arts Simon Brault, Director and Chief Executive Officer, Director's Office</p> <p>Canada's Building Trades Unions Christopher Smillie, Senior Advisor, Government Relations and Public Affairs</p> <p>Canada's Ecofiscal Commission Christopher Ragan, Chair</p>	2016/02/18	6

Organizations and Individuals	Date	Meeting
Canadian Council for Public-Private Partnerships Mark Bain, Vice-Chair Canadian Credit Union Association Martha Durdin, President and Chief Executive Officer Canadian Housing and Renewal Association Jeff Morrison, Executive Director Canadian Manufacturers and Exporters Martin Lavoie, Director, Business Tax and Innovation Canadian Taxpayers Federation Aaron Wudrick, Federal Director Centre for the Study of Living Standards Matthew Calver, Economist Child Care Advocacy Association of Canada Morna Ballantyne, Member of the Board of Directors Fédération des communautés francophones et acadienne du Canada Sylviane Lanthier, Chair Federation of Canadian Municipalities Raymond Louie, President	2016/02/18	6
As an individual Bernard Dussault, Former Chief Actuary of Canada As an individual Ian Lee, Assistant Professor, Carleton University Alberta Chambers of Commerce Ken Kobly, President and Chief Executive Officer Association of Canadian Port Authorities Wendy Zatylny, President C.D. Howe Institute Alexandre Laurin, Director of Reseach Canadian Agri-Food Trade Alliance Claire Citeau, Executive Director Canadian Association of University Teachers Sylvain Schetagne, Associate Executive Director Canadian Psychological Association Karen R. Cohen, Chief Executive Officer	2016/02/19	7

Organizations and Individuals	Date	Meeting
<p>Heart and Stroke Foundation of Canada Manuel Arango, Director, Health Policy and Advocacy</p> <p>Hunter Wire Products Ltd. Richard Koss, President</p> <p>Information Technology Association of Canada Karna Gupta, President and Chief Executive Officer</p> <p>Large Urban Mayors' Caucus of Ontario Jeff Lehman, Chair, Mayor, City of Barrie</p>	2016/02/19	7
<p>As an individual Robin Boadway, Emeritus Professor, Department of Economics, Queen's University</p> <p>As an individual Carey Bonnell, Head, School of Fisheries, Fisheries and Marine Institute of Memorial University</p> <p>Canadian Association of Oilwell Drilling Contractors Mark A. Scholz, President</p> <p>Council of Canadian Academies Eric M. Meslin, President & CEO</p> <p>Partners for Mental Health Ian Manion, Chair, Child and Youth Advisory Committee</p> <p>Polytechnics Canada Nobina Robinson, Chief Executive Officer</p> <p>Retail Council of Canada Karl Littler, Vice-President, Public Affairs</p> <p>Siloam Mission Vanessa Gamblin, Manager of Drop In and Shelter</p> <p>U15 Group of Canadian Research Universities Feridun Hamdullahpur, Chair</p> <p>Unifor Jerry Dias, National President</p> <p>Villa Rosa Inc. Mary Pidlaski, Board Member</p> <p>WestJet Airlines Ltd. Andy Gibbons, Director, Government Relations and Regulatory Affairs</p>	2016/02/19	8

Organizations and Individuals	Date	Meeting
<p>Department of Finance Richard Botham, Assistant Deputy Minister, Economic Development and Corporate Finance</p>	2016/02/23	9
<p>Department of Finance Diane Lafleur, Assistant Deputy Minister, Federal-Provincial Relations and Social Policy Branch</p>		
<p>Department of Finance Nicholas Leswick, Assistant Deputy Minister, Economic and Fiscal Policy Branch</p>		
<p>Department of Finance Andrew Marsland, Senior Assistant Deputy Minister, Tax Policy Branch</p>		
<p>Department of Finance Paul Rochon, Deputy Minister</p>		
<p>House of Commons Bill Morneau, Minister of Finance</p>		

APPENDIX C LIST OF BRIEFS

Organizations and Individuals

Abilities Centre

Accelerating Social Impact CCC Ltd

Action Canada for Sexual Health and Rights

Aerospace Industries Association of Canada

Agence interrégionale de développement des technologies de l'information et des communications

Alberta Chambers of Commerce

Alliance of Canadian Cinema, Television and Radio Artists (ACTRA)

Appraisal Institute of Canada

Association des collèges et universités de la francophonie canadienne

Association des véhicules électriques du Québec

Association of Canadian Financial Officers

Association of Canadian Port Authorities

Association of Consulting Engineers of Canada

Association of Faculties of Medicine of Canada

Association of Fundraising Professionals

Atlantic Provinces Community College Consortium

Beer Canada

Board of Trade of Metropolitan Montreal

Brain Canada Foundation

British Columbia Non-Profit Housing Association

C.D. Howe Institute

Campaign 2000

Canada Foundation for Innovation

Organizations and Individuals

Canada Green Building Council

Canada Health Infoway

Canada Mining Innovation Council

Canada's Building Trades Unions

Canadian Airports Council

Canadian Alliance of Student Associations

Canadian Alliance to End Homelessness

Canadian Apparel Federation

Canadian Apprenticeship Forum

Canadian Association for Co-operative Education

Canadian Association for Graduate Studies

Canadian Association of Mutual Insurance Companies

Canadian Association of Research Libraries

Canadian Association of Retired Persons

Canadian Association of Social Workers

Canadian Association of University Teachers

Canadian Cable Systems Alliance

Canadian Cancer Society

Canadian CED Network

Canadian Chamber of Commerce

Canadian Chiropractic Association

Canadian Climate Forum

Canadian Coalition for Action on Tobacco

Canadian Council for International Cooperation

Organizations and Individuals

Canadian Council for Public-Private Partnerships

Canadian Counselling and Psychotherapy Association

Canadian Credit Union Association

Canadian Diabetes Association

Canadian Doctors for Medicare

Canadian Electricity Association

Canadian Federation of Agriculture

Canadian Federation of Independent Business

Canadian Federation of Students

Canadian Federation of University Women

Canadian Foundation for Healthcare Improvement

Canadian Gas Association

Canadian Geothermal Energy Association

Canadian Home Builders' Association

Canadian Housing and Renewal Association

Canadian Independent Documentary Fund

Canadian Institutes of Health Research

Canadian Labour Congress

Canadian Life and Health Insurance Association Inc.

Canadian Media Producers Association

Canadian Medical Association

Canadian Men's Health Foundation

Canadian Museums Association

Canadian Natural Gas Vehicle Alliance

Organizations and Individuals

Canadian Nurses Association

Canadian Parks and Recreation Association

Canadian Pharmacists Association

Canadian Psychological Association

Canadian Public Works Association

Canadian Real Estate Association

Canadian Recreation Facilities Council

Canadian Society for Medical Laboratory Science

Canadian Space Commerce Association

Canadian Steel Producers Association

Canadian Stem Cell Foundation

Canadian Supply Chain Food Safety Coalition

Canadian Taxpayers Federation

Canadian Trucking Alliance

Canadian Union of Public Employees

Canadian Urban Transit Association

Canadian Vintners Association

Canadian Water Network

Canadian Wireless Telecommunications Association

Canadian Worker Co-operative Federation

Canadians for Tax Fairness

C-CORE

Centre for Drug Research and Development

Centre for the Study of Living Standards

Organizations and Individuals

Centre of Excellence in Energy Efficiency

Chartered Professional Accountants of Canada

Chemical Institute of Canada

Chicken Farmers of Canada

Chronic Disease Prevention Alliance of Canada

Citizens for Public Justice

City of London

City of Rimouski

City of Témiscouata-sur-le-Lac

Coalition for Healthy School Food

Colleges and Institutes Canada

Compute Canada

Confederation Centre of the Arts

Consumer Health Products Canada

Co-operative Housing Federation of Canada

Co-operatives and Mutuels Canada

Copland, Luke

Council of Canadian Academies

Dairy Farmers of Ontario

Dechinta Bush University

Deloitte

Dietitians of Canada

Ducks Unlimited Canada

Dussault, Bernard

Organizations and Individuals

eBay Canada Limited

Electric Mobility Canada

Engine Seven Four

Ernest C. Manning Awards Foundation

Federal Active Transportation Coalition

Fédération culturelle canadienne-française

Fédération nationale des communications

Fertilizer Canada

Financial Executives International Canada

First Air

First Nations Child and Family Caring Society of Canada

First Nations Market Housing Fund

First Unitarian Congregation of Ottawa

First West Credit Union

Fonds de solidarité des travailleurs du Québec

Food and Consumer Products of Canada

Forest Products Association of Canada

Friends of Canadian Broadcasting

Frontier Duty Free Association

Funding Portal Inc.

Funeral Service Association of Canada

Gay Lea Foods Cooperative Ltd.

Genome Canada

Government of Yukon

Organizations and Individuals

Grain Growers of Canada

Green Budget Coalition

Heart and Stroke Foundation of Canada

Home Instead Senior Care

Hope Air

Hunter Wire Products Ltd.

Imagine Canada

Imperial Tobacco Canada Limited

Indspire

Information Technology Association of Canada

Innovative Medicines Canada

Intellectual Property Institute of Canada

Interagency Coalition on AIDS and Development

International Alliance of Theatrical Stage Employees

Investment Funds Institute of Canada

Investment Industry Association of Canada

Johnson & Johnson Family of Companies in Canada

Johnson, Donald K.

Juvenile Diabetes Research Foundation Canada

Keewatinook Okimakanak Tribal Council

Lake Winnipeg Foundation

Large Urban Mayors' Caucus of Ontario

Lee, Ian

LIFT Philanthropy Partners

Organizations and Individuals

Makivik Corporation

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MaRS Discovery District

McGill University

Mental Health Commission of Canada

Mining Association of Canada

Mining Association of Nova Scotia

Mining Industry NL

Momentum

Mood Disorders Society of Canada

Motorola Solutions Canada Inc.

Multiple Sclerosis Society of Canada

National Airlines Council of Canada

National Allied Golf Associations

National Association of Federal Retirees

National Association of Friendship Centres

National Coalition Against Contraband Tobacco

National Farmers Union

National Trust for Canada

Natural Sciences and Engineering Research Council of Canada

Nature Conservancy of Canada

Neurological Health Charities Canada

New Brunswick Non-Profit Housing Association

New Brunswick Prospectors and Developers Association

Organizations and Individuals

Newark, Scott

Omineca Beetle Action Coalition

Ontario Federation of Anglers and Hunters

Ontario Non-Profit Housing Association

Orchestras Canada

Oxfam Canada

Oxfam-Québec

Pallium Foundation of Canada

Parkinson Canada

Parmalat Canada

Partnership Group for Science and Engineering

Pathways to Education Canada

Philanthropic Foundations Canada

Pillar Nonprofit Network

Polytechnics Canada

Port Metro Vancouver

Professional Association of Canadian Theatres

Professional Institute of the Public Service of Canada

Progressive Contractors Association of Canada

Prospectors and Developers Association of Canada

Railway Association of Canada

REAL Women of Canada

Receivables Insurance Association of Canada

Réseau québécois des OSBL d'habitation

Organizations and Individuals

RESULTS Canada

Retail Council of Canada

Royal Conservatory of Music

Saskatchewan Association of Rural Municipalities

SCcyber E-Learning

Sheldon Kennedy Child Advocacy Centre

Smith, Beverley

Social Economy Working Group

Social Enterprise Council of Canada

Social Sciences and Humanities Research Council of Canada

Society of Composers, Authors and Music Publishers of Canada

Speech-Language and Audiology Canada

Sport Matters Group

Stem Cell Network

Tardif, Jean-François

The McLeod Group

Toronto Region Board of Trade

Toronto Stock Exchange

TSX Venture Exchange

U15 - Group of Canadian Research Universities

Unifor

United Way Centraide Canada

Universities Canada

University of Alberta

Organizations and Individuals

University of British Columbia

University of Manitoba

University of Ontario Institute of Technology

University of Toronto

Visa Canada Corporation

Vision College

Yellowquill College

Yukon First Nation Chamber of Commerce

YWCA Canada

MINUTES OF PROCEEDINGS

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12](#)) is tabled.

Respectfully submitted,

Hon. Wayne Easter
Chair

Standing Committee on Finance, 2016 Pre-Budget Consultations: Supplementary Report

This supplementary report reflects the views of the following Members of Parliament (“We”) who served on the Standing Committee on Finance (the “Committee”) during its 2016 Pre-Budget Consultation hearings: Ron Liepert (Calgary Signal Hill), Lisa Raitt (Milton), Phil McColeman (Brantford-Brant), as well as, Ziad Aboultaif (Edmonton Manning), who participated in a majority of the Committee meetings as an observer and alternate member.

We thank the 92 individuals and organizations who appeared before the committee as witnesses, many of whom appeared on short notice, all of whom provided thoughtful feedback on a range of issues in consideration of the 2016 federal budget. We hope and expect that the Finance Minister will provide every due consideration to the testimony that the Committee received.

We would like to also highlight some particular themes that came through in these meetings, as well as other economic and fiscal developments that are relevant to the preparation of the 2016 federal budget.

We believe that while the economic situation may justify limited measures to boost growth, this spending should be targeted towards depressed regions and economically productive infrastructure projects. Moreover, the government must ensure that any new spending fit within a responsible fiscal framework. Canada needs clear, credible ‘fiscal anchors’ that will discipline government spending, prevent runaway borrowing and avoid the structural deficits that have historically resulted in service cuts and tax hikes.

Growing the economy and creating jobs:

Although the Committee heard from witnesses that Canada’s economic growth will be below average in 2016, experts are not predicting a major downturn or recession. In fact, more recent data from Statistics Canada shows higher than expected growth in GDP and exports. The problems remain isolated to certain regions, notably Alberta, Saskatchewan and parts of Eastern Canada that have been hit hard by low oil prices. Though some targeted, short-term financial support to these regions may be necessary, current conditions do not justify the sort of deficit spending reserved for times of national emergency, such as the period following the 2008 financial crisis.

The primary drag on economic growth has been a decline in business investment. Witnesses warned against increasing taxes or other costs that would hold back companies from growing and hiring new workers. The government should avoid new taxes on payrolls and small business, as well as regulatory changes that create

uncertainty and red tape. Some witnesses urged the Committee to consider ways to accelerate or incentivize private investments, such as those related to pipelines and upgrades to telecommunication networks. These would be cost neutral and more likely to be commercially sustainable than those selected by the federal government.

We agree with witnesses who told the Committee that federal investments in infrastructure can enhance long-term economic growth. However, we also heard from them that to achieve such positive returns, the government must choose projects that are 'shovel smart', not simply 'shovel ready'. This means prioritizing projects proven to boost private sector productivity and enable Canadian exporters to move their products to global markets. It will be difficult to get these types of projects underway before the end of the 2016 construction season. There is more than enough time to identify the right investments and the best way to finance them, using arrangements with the private sector when possible.

Given that Canada is not in a recession; that the regions requiring immediate stimulus are limited; that investments to improve Canada's long-term growth rate should not be rushed and can be delivered over a medium term and long-term horizon; and that there are a variety of steps that the government can take to encourage private sector investment without spending any additional taxpayer dollars; it is possible for the Liberal government to deliver a budget that promotes long-term economic growth without forcing Canada into a prolonged period of borrowing.

Responsible budgeting:

We are very concerned that there will not be sufficient fiscal prudence built into the upcoming federal budget. Canada's current debt situation is sustainable thanks to the fiscal discipline exercised by governments of all stripes over the past two decades. The current government, however, plans to significantly increase spending and borrowing, even if that results in annual deficits far into the future. Should their plans fail to produce substantially higher rates of economic growth, this borrowing will inevitably have to be repaid through higher taxes or cut-backs to government services.

Already, the government has blown through three of its 'fiscal anchors'. In the 2015 federal election, the Liberal Party campaigned on a platform that promised to run modest, temporary federal deficits of no more than \$10 billion; reduce *Canada's debt-to-GDP ratio annually to 27 percent; and balance the federal budget in 2019:*

“We will run modest short-term deficits of less than \$10 billion in each of the next two fiscal years to fund historic investments in infrastructure and our middle class.

After the next two fiscal years, the deficit will decline and our investment plan will return Canada to a balanced budget in 2019.¹

In every year of our plan, federal debt-to-GDP will continue to fall... Our plan ensures that the government of Canada remains in a sustainable fiscal position. We have two fiscal anchors that guide our overall fiscal framework.

In 2019/20, we will:

- *Reduce the federal debt-to-GDP ratio to 27 percent*
 - *Balance the budget”²*

These were confirmed in Prime Minister’s Mandate Letter to the Minister of Finance:

“As Minister of Finance, your overarching goal will be to use the fiscal and budgeting tools at our disposal to implement our New Plan for a Strong Middle Class.

In particular, I will expect you to work with your colleagues and through established legislative, regulatory, and Cabinet processes, including our first Budget, to deliver on your top priorities:

- *Ensure that our fiscal plan is sustainable by meeting our fiscal anchors of balancing the budget in 2019/20 and continuing to reduce the federal debt-to-GDP ratio throughout our mandate.”*

On Tuesday, February 23rd, 2016, the Committee heard from the Minister of Finance about his budgetary objectives. His testimony included no commitment to operating within the fiscal framework that the Liberal Party promised during the election; there was no mention of a \$25 billion deficit cap and no commitment to balancing the budget in 2019. While the Minister also made no commitment to annually lowering Canada’s debt-to-GDP ratio, as outlined in the Liberal Party Platform, the Minister did state general commitment to reducing the ratio overall during the government’s current mandate:

¹ Liberal Party Platform, “Real Change: A Strong Plan for the Middle Class” p.12

² Liberal Party Platform, “Real Change: A Strong Plan for the Middle Class” pp. 74-75

“It is our intent over the course of our mandate from the first budget to the last budget to reduce our net debt-to-GDP ratio. Those are very specific promises. We will follow through.”³

Following the Committee’s Pre-Budget Hearings, TD Bank released a report which projected that the federal government will likely far exceed all of its publicly affirmed ‘fiscal anchors’:

“Deficits of \$30 billion in magnitude are likely to persist over the next five years, resulting in cumulative deficits of \$150 billion The debt-to-GDP ratio is on track to edge up to over 36% by FY [Fiscal Year] 2020/21”⁴

We believe that the Finance Minister must ensure that the 2016 federal budget fits within a responsible and sustainable fiscal framework that ensures an annually decreasing debt-to-GDP ratio. We also believe that the Finance Minister must present, within the budget document, a clear plan to return the federal government to budgetary balance in 2019.

We are also concerned about the federal government’s now singular focus on Canada’s debt-to-GDP ratio with respect to its budget planning. Though it is a helpful indicator of overall debt sustainability, a country’s debt-to-GDP ratio is not a suitable benchmark or ‘anchor’ for fiscal policy in the short or medium term. One reason is that it is imprecise. Public sector balance sheets are hard to capture in a meaningful way. The federal government’s official net debt does not include the liabilities of the Canada Pension Plan, for instance. Neither does it currently cover the debt of the provinces. Different ways of measuring the ratio produces very different numbers across different countries; for instance, most small OECD countries have official debt-to-GDP ratios below 25%, but in Japan the ratio is over 200%.

The other drawback of only focusing on the debt-to-GDP is that it is very sensitive to changes in growth, inflation and interest rates. Unlike a balanced budget, it is a moving target. Whether a government meets this target says very little about their ability to manage the country’s finances.

A responsible fiscal framework for the 2016 federal budget; recommendations

In light of our concerns, we offer the following further recommendations for the 2016 federal budget:

³ The Honourable Bill Morneau, Minister of Finance, appearance before the Standing Committee on Finance, February 23, 2016

⁴ TD Bank, Report: *“Persistent Federal Deficits on the Horizon”*, March 1, 2016

- That the 2016 federal budget reiterate the government's commitment to balance the budget by 2019, while reducing Canada's debt-to-gdp ratio.
- That the government refrain from repealing the Balanced Budget Act, requiring the government to report to parliament on the reasons for its borrowing and present a credible plan to get back to balance
- That the federal government respond to the pleas of organizations like the Alberta Chamber of Commerce who recommended: "Do no harm in this budget, please" by refraining from introducing any new or increased taxes or fees on job creating businesses in the 2016 federal budget.
- That new spending be limited to measures that are shown to generate either: a) a short-term economic stimulus in depressed regions, or b) long-term productivity improvements, within the boundaries of the Liberal government's publicly affirmed 'fiscal anchors'.
- That the government identify and state which key performance indicators it will use to assess the success of its spending plans.
- That, in order to avoid creating a structural deficit, the federal budget provide a clear plan to unwind temporary additional infrastructure spending.
- That the Government continue with its plan to reduce the Small Business Tax Rate from 11% down to 9% and maintain access to the small business rate for all small businesses, including professionals such as doctors, dentists and veterinarians.
- That the federal budgets continue building on the previous government's track record of enhancing investments in skills training, with direct involvement from employers, in order to ensure that investments in skills training result in Canadians filling in-demand jobs.

Budget 2016: NDP Supplementary Report on the Pre-budget Consultations
Building a fairer and more prosperous country

1. Introduction

After years of Conservative government, the economic situation of families, workers and those with the least continues to deteriorate. In combination with the current uncertain global economic climate, the NDP recognizes that the challenges are significant and that choices must be made.

However, the newly elected Liberal government cannot hide behind the economic situation to lower Canadians' expectations before tabling the budget and back tracking on its promises. Canadians expect to see action in the upcoming budget to deliver on the measures they were promised.

Moreover, the NDP is concerned that the interests of the most vulnerable are being put aside. Concrete steps must be taken to help the less fortunate, low-income families, seniors and Indigenous peoples. The NDP is disappointed that, instead of helping those who really need it, the Liberals introduced a costly tax cut that excludes 60% of Canadians while giving the largest benefits to the wealthy.

The New Democrats also note the limitations of the 2016-2017 pre-budget consultation process. The consultations held by the Standing Committee on Finance are among the few opportunities available to Canadians to influence the most important initiatives the government will take over the course of a normal year. The NDP notes that the Committee could not carry out the usual process this year, and greatly thanks all those who participated in these shortened consultations. The NDP remains disappointed, however, that the concerns of many Canadians were not heard.

2. The uncertain global economic climate and the Canadian economy

The New Democrats recognize that the global economy remains fragile. Oil prices may not rise as quickly as expected, China's economic rebalancing could lead to a slowdown and new volatility, fluctuations in exchange rates could lead to tensions in financial markets and the weak Canadian dollar could continue to raise the costs of our imports.

The New Democrats remain concerned about the impact of the economy on the lives of Canadians:

- Canadian household debt continues to rise. Among G7 countries, Canada had the largest increase in household debt relative to income since 2000. In the third quarter of 2015, total household debt reached 171% of disposable income.¹
- As of January 2016, the unemployment rate in Canada was 7.2%, and 14.4% in Newfoundland and Labrador.²
- Access to EI benefits has plunged to a historic low, with fewer than 4 in 10 unemployed Canadians qualifying for benefits.
- Poverty rates among seniors are increasing and reached 11.1% in 2013, according to the low-income measure (LIM). The poverty rate for elderly women living alone is at 30%.³

3. Concrete measures to move Canada forward

Over four days of hearings in Ottawa, the Committee heard from 92 witnesses and received 175 briefs from individuals and groups who were not able to appear. They highlighted the significant challenges Canada faces and the need for the government to increase its efforts to find solutions to social, economic and environmental issues.

The New Democrats believe the government has an important and crucial role to play in ensuring the delivery of services to Canadians, reducing inequality and ensuring conditions for long-term success. Below we expand on certain measures that the government should adopt to this end and that were not included in the committee's report:

Agriculture, Forest and Mining

- The Government should match the \$1 billion provincial contribution to support the infrastructure needed to unlock the potential of the Ring of Fire in Northern Ontario.

Art, Culture and Linguistic Identity

- The Government should commit to an immediate reinvestment of at least \$ 150 million to the CBC / Radio-Canada.
- The Government should reinvest in our cultural and creative institutions such as the Canada Council for the Arts, Telefilm Canada and the National Film Board.

¹ Parliamentary Budget Officer, "Household Indebtedness and Financial Vulnerability", on line : http://pbo-dpb.gc.ca/en/blog/news/Household_Debt

² Statistic Canada, on line : <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/lfss01a-eng.htm>

³ Broadbent Institute, "An analysis of the Economic Circumstances of Canadian Seniors, on line : https://d3n8a8pro7vhmx.cloudfront.net/broadbent/pages/4904/attachments/original/1455216659/An_Analysis_of_the_Economic_Circumstances_of_Canadian_Seniors.pdf?1455216659

Employment Insurance

- The Government should ensure the Employment Insurance (EI) fund is used solely for EI benefits, and should also reverse 2012 EI reforms in order to help unemployed Canadians by making EI more accessible and eliminating the significant backlogs of appeals before the Social Security Tribunal and in service delivery.

Businesses and SMEs

- The Government should implement a cap on credit card fees and surcharges for merchants, retailers and small business owners.

Environment and Renewable Energy

- The Government should enshrine the “polluter-pay” principle in law and set a price for carbon emissions, in order to encourage investments in green energy and help meet our international climate change obligations.
- The Government should announce a clear timetable for the elimination of existing subsidies for fossil fuels.
- The Government should strengthen the review process for major natural resource projects to ensure that cumulative environmental impacts are considered, that meaningful consultations with Indigenous peoples occur, and that arbitrary restrictions on public participation are removed.
- The Government should take advantage of opportunities to make Canada a world leader in the development and export of renewable energy by supporting investments in this sector.
- The Government should establish new, more ambitious targets for greenhouse gas emissions and put in place transparency and accountability measures to ensure we meet those targets.

Tax System

- The Government should close the stock option deduction loophole which mainly benefits wealthy Canadians.
- The Government should take action to combat tax evasion through the use of offshore tax havens.

Income Inequality and Poverty

- The Government should reinstate a federal minimum wage and gradually increase it to \$15 an hour.
- The Government should increase direct support for low-income Canadians by expanding benefits and eligibility under the Working Income Tax Benefit.
- The Government should commit to addressing the rising prevalence of precarious work, including by ending the abuse of unpaid internships.

Infrastructure and Transport

- The Government should review the Building Canada program to make municipal streets, municipal ports, non-professional sports and cultural infrastructure projects eligible, and should review the definition of eligible broadband projects to add cellular telephone infrastructure.
- The Government should not force communities to adopt a public-private partnership or outsourcing model. Also, the government should not impose conditions leading to the privatisation of public infrastructure.
- The Government must ensure that municipalities of all sizes and types including small, rural, northern, and Indigenous communities are able to receive access to their fair share of infrastructure funding.

Social and Affordable Housing

- The Government should act immediately to address the affordable housing shortage experienced by Canadian municipalities by renewing social housing agreements and by working towards the development and implementation of a national housing strategy.
- The Government should provide significant investments and offer incentives for the development and construction of social and affordable housing units.

Indigenous Peoples

- The Government should make it a priority to implement the recommendations of the Truth and Reconciliation Commission, in cooperation with provinces and First Nations, Métis and Inuit communities.
- The Government should immediately end the punitive 2 percent cap on First Nations funding and put in place a fair and equitable financial relationship with built in indexation to close the gap between First Nations communities and other Canadians.

Retirement Security and Seniors

- The Government should enhance retirement security for all Canadians by working with the provinces and territories to increase Canada and Quebec Pension Plan benefits, increasing Guaranteed Income Supplement (GIS) benefits and returning the age of eligibility for Old Age Security and the Guaranteed income Supplement from 67 to 65.

Child Care

- The Government should work with the provinces and territories to implement a universal and affordable national child care program, to provide quality daycare spaces for preschool children.

Health and Wellness

- The Government should reverse the Conservatives' planned cuts to health care transfers and restore the funding escalator in the next Health Accord.
- The Government should take concrete steps to make prescription drugs more affordable and more accessible by working with the provinces and territories to implement a National Pharmacare Program that will ensure universal coverage for prescription drugs.
- The Government should work with provinces, territories and health experts to develop and implement a National Mental Health and Dementia Strategy.
- The Government should increase compassionate care benefits to ensure caregivers are eligible to a paid six-month leave to take care of a gravely sick member of the family.

