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DRIVING INCLUSIVE GROWTH: SPURRING PRODUCTIVITY AND COMPETITIVENESS IN CANADA

Report of the Standing Committee on Finance

The Honourable Wayne Easter, Chair

**DECEMBER 2017
42nd PARLIAMENT, 1st SESSION**

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**Hon. Wayne Easter
Chair**

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NOTICE TO READER

Reports from committee presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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THE STANDING COMMITTEE ON FINANCE

has the honour to present its

TWENTY-FIRST REPORT

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

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SUMMARY

The House of Commons Standing Committee on Finance (the Committee) conducted its pre-budget consultations in advance of the 2018 federal budget from 19 September to 1 December 2017. This annual process is the central means for Canadian individuals and businesses to express their budgetary priorities to the federal government.

Members of the Committee travelled throughout Canada, as well as Washington and New York, to hear suggestions on how to improve the productivity and competitiveness of Canadian individuals and businesses. In all, the Committee heard recommendations from over 300 witnesses and received more than 400 written briefs that are summarized in this report.

The witnesses' proposals are organized into 10 broad federal public policy areas, covering a wide range of subjects such as, for example, research and development, mental health, taxes, international trade and infrastructure. The recommendations contained herein were developed by the Committee for the consideration of the Minister of Finance in the 2018 federal budget.

LIST OF RECOMMENDATIONS

As a result of their deliberations, committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

The House of Commons Standing Committee on Finance recommends that the Government of Canada:

Recommendation 1

Work with territorial and Indigenous governments to reduce the smoking rate in Indigenous communities..... 35

Recommendation 2

Provide funds to the Canadian Cardiovascular Society’s pan-Canadian heart health initiative..... 35

Recommendation 3

Invest in ovarian cancer research to advance a personalized medicine platform for this cancer and to reduce the five-year mortality rate associated with it..... 35

Recommendation 4

Work with the provinces/territories to introduce a pan-Canadian prescription drug program. 35

Recommendation 5

Commit to developing a Canadian action plan for brain health. The action plan should include increased brain health research, meaningful care and supports. 35

Recommendation 6

Provide funding to ParticipACTION’s multi-year, multi-channel national engagement initiative..... 35

Recommendation 7

Support the availability of mental health services in Northern and remote communities by implementing loan forgiveness for social workers who practise in such communities..... 36

Recommendation 8

Ensure that the Canada Student Loans program provides funding to support the upfront costs of mental health assessments required for academic accommodations..... 36

Recommendation 9

Address anxiety, depression and suicide among Canadian youth by supporting a program in cooperation with a pan-national around-the-clock post-secondary mental health service, as well as a new national texting service for mental health services. 36

Recommendation 10

Commit to expand the Mental Health Commission of Canada’s Road to Mental Readiness and Mental Health First Aid Programs to first responders and public health officials..... 36

Recommendation 11

Support mental health counselling and psychotherapy services by classifying them as zero-rated supplies for the purpose of the goods and services tax and the federal portion of the harmonized sales tax..... 36

Recommendation 12

Create and fund a national registry of emergency services contacts. The registry should include all 24/7 local and accessible numbers to 911 dispatch centres across Canada, to enable crisis line operators the ability to directly refer to the necessary emergency service providers. 36

Recommendation 13

Work to reduce recidivism rates, create safer communities, and offer much-needed programming in correctional institutions by making the necessary investments in the revitalization of Canada’s prison farms..... 36

Recommendation 14

Allocate the funds needed to establish a robust and effective redress system to end technical issues regarding “false positives” and other errors associated with the Passenger Protect Program, or “No Fly List.” 37

Recommendation 15

Invest in preventative healthcare for Canadians. 37

Recommendation 16

Increase Canadian students’ access to undergraduate research opportunities..... 46

Recommendation 17

Increase funding for Indigenous students pursuing post-secondary education and increase the number of students eligible for support under the Post-Secondary Student Support Program. 46

Recommendation 18

Expand employment options and career transition opportunities for students through investments in incubators for student entrepreneurs at post-secondary institutions. 46

Recommendation 19

Support a pilot grant through the Social Sciences and Humanities Research Council of Canada, the Natural Sciences and Engineering Research Council of Canada and the Canadian Institutes of Health Research that would provide students and faculty with an incentive to develop open educational resources. 46

Recommendation 20

Expand funding for youth employment programs, including Canada Summer Jobs and the Skills Link program. As well, the government should require that career development learning opportunities be incorporated into all employment programs that it funds. 46

Recommendation 21

Continue to work with stakeholders and make targeted investments to strengthen apprenticeship and training programs in order to ensure sufficient labour resources to meet the evolving needs of the economy, including support for green trades. 47

Recommendation 22

Support the Atlantic Partnership for Literacy and Essential Skills by providing stable, adequate and predictable funding to their literacy programs..... 47

Recommendation 23

Enhance existing financial literacy programs. Particular attention should be paid to the needs of specific demographic groups..... 47

Recommendation 24

Review the Social Security Tribunal and consider restoring the following: Employment Insurance Boards of Referees, the EI Umpire, the Canada Pension Plan (CPP) and Old Age Security (OAS) Review Tribunals, and the Pensions Appeals Board in an effort to restructure the system. 47

Recommendation 25

In partnership with relevant stakeholders, develop and implement a pan-Canadian mentoring program to increase access for tens of thousands of vulnerable young Canadians to the benefits and impacts of mentoring. 53

Recommendation 26

Allocate the funding needed to develop and implement an early learning and child care system. This system should ensure that all Canadian children and families are able to access high-quality, inclusive child care services. 53

Recommendation 27

Address violence against women by increasing the funds allocated to the Women’s Program at Status of Women Canada, in recognition that violence against women costs the Canadian economy \$12 billion per year. 53

Recommendation 28

Increase its investment in job training programs for Indigenous peoples and support reconciliation by providing increased funding for programs that strengthen Indigenous youth opportunities. These youth programs could include sports, culture and mentorship..... 53

Recommendation 29

Increase and update the funding agreement between Indigenous and Northern Affairs Canada and Indspire to deliver programs focused on reducing the educational gap between Indigenous and non-Indigenous Canadians. Funding provided to Indspire should be increased annually to account for inflation. 53

Recommendation 30

Fulfill the Truth and Reconciliation Commission’s calls to action by providing the University of Victoria with financial support for an Indigenous Legal Lodge. This support should be delivered through Indigenous and Northern Affairs Canada..... 54

Recommendation 31

Provide support for the Northwest Territories/Nunavut Council of Friendship Centres. 54

Recommendation 32

Allocate funding to affordable housing for people with disabilities. As well, the government should establish a plan that would ensure that 5% of all federal affordable housing investments are directed to support people with developmental disabilities..... 54

Recommendation 33

Allocate funding to existing or lapsed provincial/territorial oral health programs for vulnerable populations..... 54

Recommendation 34

Adopt a “whole of government” approach in developing a national seniors strategy. The strategy should include palliative and end-of-life care. 54

Recommendation 35

Increase funding for multiculturalism programs that support community capacity building, enact a national plan against racism, promote inter-faith dialogue, and support the fight against racism and discrimination. 54

Recommendation 36

Work towards eliminating the gap for child welfare funding for Indigenous children..... 54

Recommendation 37

Introduce pay equity legislation for federally regulated sectors and work with the provinces/territories as well as private sector stakeholders to close the gender pay gap in Canada..... 54

Recommendation 38

Facilitate decision-making in the mineral sector by renewing the Mineral Exploration Tax Credit for a three-year period. 62

Recommendation 39

Consider the creation of an investor tax credit in order to build capital investment and increase the productivity of Canada’s small and medium-sized businesses..... 62

Recommendation 40

Recognize the income earned by campgrounds and storage facilities as “active business income” for the purpose of determining eligibility for the small business deduction..... 62

Recommendation 41

Limit the underground economy through the creation of a home energy retrofit renovation tax credit..... 62

Recommendation 42

Consider becoming the world’s leading producer of artificial intelligence in the agricultural and agri-food sector..... 69

Recommendation 43

Ensure that the Stem Cell Network receives stable and predictable funding for translational research..... 69

Recommendation 44

Implement the Canadian Neutron Initiative, upgrade and fully utilize the McMaster nuclear reactor, and facilitate international nuclear research partnerships..... 70

Recommendation 45

Establish incentives for researchers receiving federal grants. The incentives could include a commercialization coupon or an innovation box, and the commercial activities could include intellectual property development, market studies and/or business plan preparation. 70

Recommendation 46

Create a first patent program that is similar in design to that launched by the Government of Quebec. This program should assist with the expenses incurred by small and medium-sized businesses when obtaining a first patent.

Recommendation 47

Work with the Canada-Israel Industrial Research and Development Foundation with the goal of encouraging a culture of entrepreneurship in Canada. In particular, the government should support innovative start-up companies and implement best practices associated with the Israeli model. 70

Recommendation 48

Build on the recently concluded Canadian Free Trade Agreement and continue to reduce internal trade barriers by pursuing regulatory modernization among the provinces/territories. 70

Recommendation 49

Pursue bilateral, regional and multilateral trade agreements. These agreements should address non-tariff trade barriers, ensure access to new markets for Canadian agricultural products, and ensure science-based regulatory standards. 70

Recommendation 50

Use the Fundamental Science Review (the Naylor Report) as a framework for long-term support of science and research. In particular, the government should invest in investigator-led research, the Canadian Foundation for Innovation, applied sciences research institutions, as well as in agricultural research. The government should also expand access to the Canadian Graduate Scholarship program. 70

Recommendation 51

Introduce a trusted employer program that would expedite the hiring process for qualified employers that have maintained good standing with the Seasonal Agricultural Worker Program..... 74

Recommendation 52

Help Canadian businesses meet their labour force needs by improving the efficiency of the Temporary Foreign Worker program..... 75

Recommendation 53

Invest in national mentoring programs designed to improve the employment outcomes of skilled immigrants and to encourage employers to hire such individuals. The government should also examine ways in which to establish work placements for these immigrants prior to their arrival in Canada. 75

Recommendation 54

Support Canada’s aquaculture sector by creating a federal aquaculture act that would define the term “aquaculture” and recognize the importance of the sector to Canada’s economy. As well, the government should re-establish funding for the Canadian Shellfish Sanitation program to allow facilities to be re-opened. 88

Recommendation 55

Establish an interdepartmental advisory council for the agricultural and agri-food sector. The council, which could be comprised of Employment and Social Development Canada, Service Canada, Citizenship and Immigration Canada and Agriculture and Agri-Food Canada, should support improved labour availability for the sector. 88

Recommendation 56

Create a perishable agricultural commodities act (PACA) –like deemed trust in Canada. 89

Recommendation 57

Increase funds through its A-base budget for small craft harbours. As well, where possible, the government should consider implementing the Small Craft Harbour Divesture program to support the divesting of non-core harbours..... 89

Recommendation 58

Examine and adapt, where appropriate, the value-driven Icelandic fisheries model. 89

Recommendation 59

Implement a program that would facilitate the permanent retirement of fishing licences. 89

Recommendation 60

Continue and enhance its commitment to the Geo-mapping for the Energy and Minerals program (GEM). 89

Recommendation 61

Enhance global market access for Canadian forest products..... 89

Recommendation 62

Introduce accelerated capital cost allowance rates for investments in oil and gas technologies that improve the environmental performance and efficiency in Canada’s oil and gas sector. 89

Recommendation 63

Look to using the Strategic Innovation Fund that was announced in the 2017 federal budget to make incremental investments in selected economic sectors. These sectors should include Canada’s chemical and related manufacturing sectors. 89

Recommendation 64

Consider making the 10-year extension of the accelerated capital cost allowance rates permanent for manufacturing and processing sectors. As well, the government should broaden the coverage of eligible capital assets. 90

Recommendation 65

Limit rising passenger and operational costs by preventing the privatization of Canadian airports. 90

Recommendation 66

Support the air transportation sector by:

- a) Introducing duty-free stores upon arrival from international flights.
- b) Establishing limits on rents at Canada’s airports.
- c) Developing a plan designed to lead to full reinvestment of rents paid into Canada’s airports.
- d) Allocating all revenue from the Air Travelers Security Charge to the Canadian Air Transport Security Authority. These funds should be used to ensure that Canada can establish globally competitive service level standards for security screening, that the Canadian Air Transport Security Authority is accountable for meeting these standards, and that the CATSA+ screening technology is deployed – on an expedited basis – at additional checkpoints and airports throughout Canada.

Recommendation 67

Support the national railway network by creating a capital funding program for shortline railways. 90

Recommendation 68

Support VIA Rail's Quebec City-Windsor Corridor fleet-renewal project and proceed with its procurement process. 90

Recommendation 69

Support the tourism sector by working towards the common goal of becoming one of the top 10 most visited countries in the world. This should include a focus on simplifying visa rules and applications for visitors by taking a “whole of government” approach. 91

Recommendation 70

Provide targeted and dedicated investments in tourism infrastructure associated with Canada’s national parks and heritage sites..... 91

Recommendation 71

Consistent with its national zero emission vehicle strategy, grant and allocate additional funding for the replacement, purchase or lease of electric vehicles by various departments each year. 91

Recommendation 72

Allow credit unions to use the verb “bank” or “banking”. 91

Recommendation 73

Introduce a Wine Industry Innovation Program to help develop and grow the grape wine industry in Canada..... 91

Recommendation 74

Support the agricultural research and innovation sector by providing long-term and predictable core investments to further encourage educational partnerships and private sector funding. 91

Recommendation 75

Undertake consumer research and consultations with industry and stakeholders prior to determining the optimal approach to food labelling. The government should consider the labelling options of Canada’s major North American and European trading partners. 100

Recommendation 76

While continuing to make the necessary investments needed to grow our economy and support the middle class, ensure that the federal debt to gross domestic product (GDP) ratio continue to decrease over the short, medium and long terms..... 100

Recommendation 77

Draw on the expertise and efficiency of the public service before hiring external private contractors when designing and conducting federal departmental spending reviews. 101

Recommendation 78

Revise the mandates of the Canada Food Inspection Agency and the Pest Management Regulatory Agency to include the promotion of Canadian innovation and the establishment of service standards..... 101

Recommendation 79

Consistent with the Advisory Council on Economic Growth (Barton Report) that identified the agri-food products sector as critically important to the Canadian economy, collaborate with that sector to drive agricultural innovation. Collaboration should include long-term and predictable core investments in agricultural research and innovation, renewal and expansion of Canada’s agricultural innovation infrastructure, and a comprehensive human capital strategy that involves the identification of specific skill requirements, among other elements..... 110

Recommendation 80

Review the environmental requirements with respect to dredging and ensure that such requirements are conducted with financial restraint and efficiency. 110

Recommendation 81

Increase the competitiveness of Canadian arts organizations and encourage new revenue streams for them by raising the annual cap on the Canada Cultural Investment Fund – Endowment Incentives to \$3 million, raise or eliminate the \$15 million limit on support for each arts organization, and explore the federal fiscal implications of extending the Canadian Cultural Investment Fund to art museums. 110

Recommendation 82

Adopt zero-carbon building standards and create opportunities for targeted retrofit investments for federally owned buildings. To this end, the government should buy zero-carbon technology in bulk, and embed the Investor Confidence Project as a requirement in the Low-Carbon Economy Fund, the Canada Infrastructure Bank, and the National Housing Strategy..... 110

Recommendation 83

Ensure that any federal-provincial/territorial incentive programs for energy-efficient retrofits in the private sector include mechanical insulation..... 110

Recommendation 84

Renew its partnership with the Earth Rangers to educate young Canadians and raise awareness in the areas of the environment and climate change adaptation. 110

Recommendation 85

Increase its official development assistance with the goal of allocating 0.7% of gross national income to the International Assistance Envelope by 2030, with 3 year rolling targets. With its official development assistance, the government should target food security, improved nutrition, and inclusive and high-quality education, particularly for girls and young women. 111

Recommendation 86

Invest in expanding access to high-quality French-language health services in official language minority communities. 111

Recommendation 87

Support research hospitals by providing direct eligibility for infrastructure and innovation support and by increasing funding, over a four-year period, for investigator-led fundamental research. 111

Recommendation 88

Work with provincial/territorial governments to reduce the infrastructure deficit in Northern Canada, and incorporate into its infrastructure funding programs the unique circumstances facing the territorial North with infrastructure programs using “base + population” or take a similar approach for the national allocation formula. 116

Recommendation 89

Allocate the funds necessary to reach full coverage of high-speed internet service across Canada..... 116

Recommendation 90

Advance the Infrastructure Bank to leverage the private sector for infrastructure investments in such areas as transportation, telecommunications and energy networks which are essential to Canada’s prosperity and global competitiveness. 116

Recommendation 91

Simplify the application approval process for federal infrastructure programs. 116

Recommendation 92

Work with the provinces/territories, municipalities, airport authorities and other partners to improve transit infrastructure and other crucial transportation hubs around Toronto’s Pearson International Airport, and other major Canadian airports. 116



DRIVING INCLUSIVE GROWTH: SPURRING PRODUCTIVITY AND COMPETITIVENESS IN CANADA

CHAPTER ONE: INTRODUCTION

According to the [Bank of Canada](#) (the Bank), in the first half of 2017, Canada's gross domestic product (GDP) growth exceeded 4%; it is expected to average 3.1% by the end of the year. Because of this strong economic performance, Canada is now the [fastest-growing economy among the Group of Seven \(G7\) countries](#).

That said, in order to continue improving living standards into the future, Canada will need to ensure that its workers and businesses are productive and competitive. For this reason, the House of Commons Standing Committee on Finance (the Committee) encouraged Canadians to participate in its [pre-budget consultations](#) in advance of the 2018 federal budget by providing their thoughts and proposals on the topics of productivity and competitiveness. In some sense, the choice of these topics supports that of the pre-budget consultations a year ago: economic growth.

A. OVERVIEW OF PRODUCTIVITY AND COMPETITIVENESS

[Productivity](#) measures the efficiency with which production inputs, such as labour and capital, are being used in an economy to produce a given level of output. As explained by David Dodge – a former Governor of the Bank – in a 2005 [speech](#) to the Humber College Institute of Technology & Advanced Learning, the key determinants of productivity include “the education, training, and experience of the workers and the amount and type of equipment available to them,” as well as technological innovation and changes in both organizational and management practices. In his view, these “determinants are, in turn, influenced by broader factors such as competition, openness to foreign trade and investment, macroeconomic policies, and the efficiency of financial markets.” The Organisation for Economic Co-operation and Development (OECD) defines the term “[competitiveness](#)” as a measure of a country's advantage or disadvantage in selling its products or services in international markets.

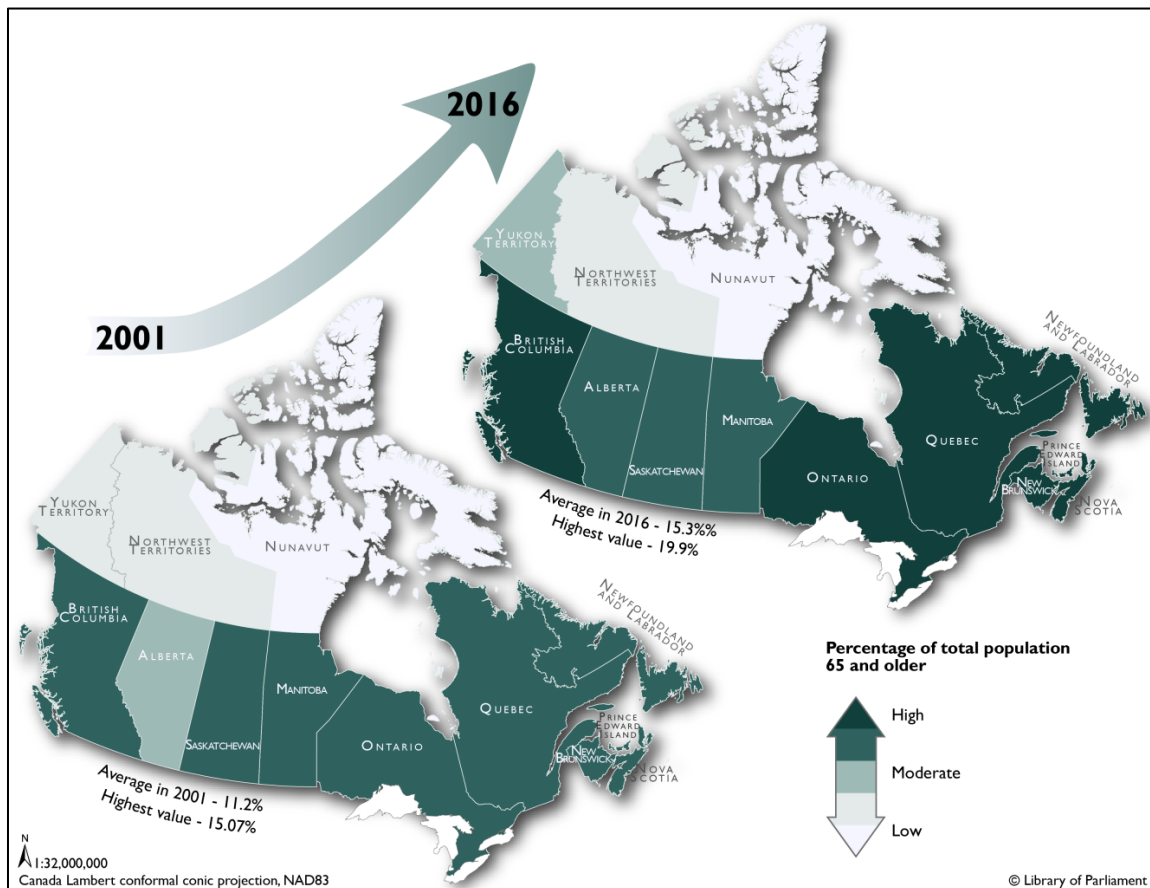
Productivity and competitiveness are interconnected concepts that contribute to strong economic growth and rising living standards. For example, the more efficiently Canadian businesses use resources to produce goods and services (that is, the more productive



they are), the greater their advantage in selling these goods and services in international markets (that is, the more competitive they will be).

In a 2010 [statement](#) to the Ottawa Economics Association, Mark Carney – also a former Governor of the Bank – explained that, as Canada’s population ages, the country’s labour force participation rate and hours worked will decline. As a result, economic growth will depend more on productivity growth that it has in the past decades. As shown in Figure 1, the impact of demographic aging on economic growth will likely vary among the provinces and territories because their populations are not aging at the same rate.

Figure 1 – Percentage of Total Population 65 and older, by Province or Territory, 2001 and 2016 (%)



Source: Map prepared by the Library of Parliament, 2017, using data from Natural Resources Canada (NRCan). [Boundary Polygons](#). In: Atlas of Canada National Scale Data 1:5,000,000 Series. Ottawa: NRCan, 2013; and Statistics Canada. 2001 and 2016 Census of Canada. Census Profile Tables at the Province Level. Using [CHASS](#) (accessed 10 November 2017). The following software was used: Esri, ArcGIS, version 10.3.1. Contains information licensed under [Open Government Licence – Canada](#) and [Statistics Canada Open Licence Agreement](#).

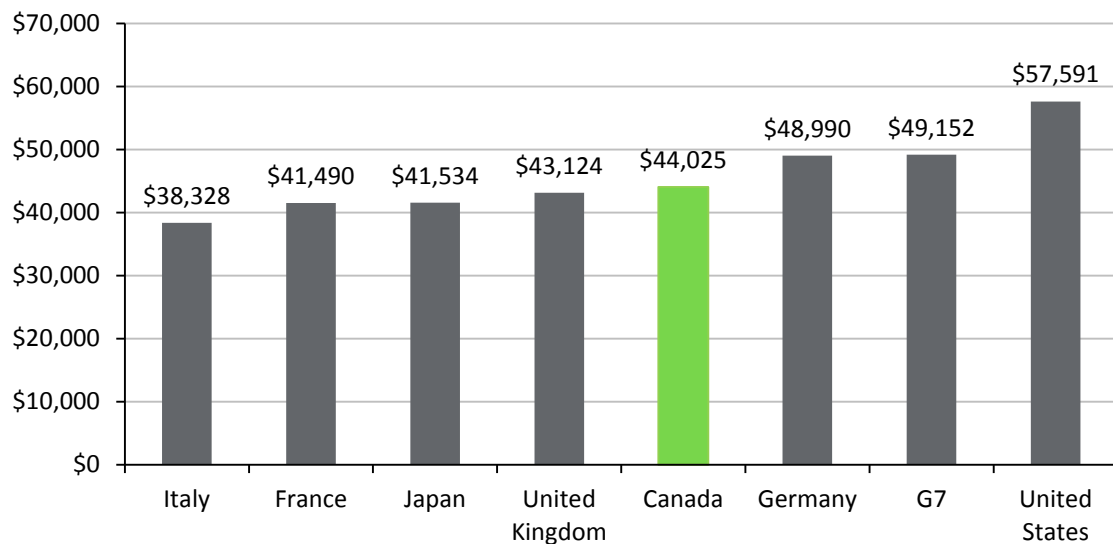
B. LIVING STANDARDS, PRODUCTIVITY AND COMPETITIVENESS: AN INTERNATIONAL COMPARISON

Canada’s living standards, productivity and competitiveness can be assessed in an international context, including by comparing Canada’s performance on these three measures to that of other G7 countries. As shown below, Canada is performing close to the G7 average.

1. Measuring the Living Standards of Canadians

GDP per capita is commonly used as a broad measure of the average living standards, or the overall economic well-being, of a country. In 2016, and as shown in Figure 2, Canada had the third-highest GDP per capita among the G7 countries, after the United States and Germany.

Figure 2 – Gross Domestic Product per Capita, G7 Countries and G7 Average, 2016 (US \$, Current Prices and Current Purchasing Power Parities)



Note: To adjust for price differences across countries for identical products, a calculation of gross domestic product that uses purchasing power parity assumes that a given product has the same price in each country.

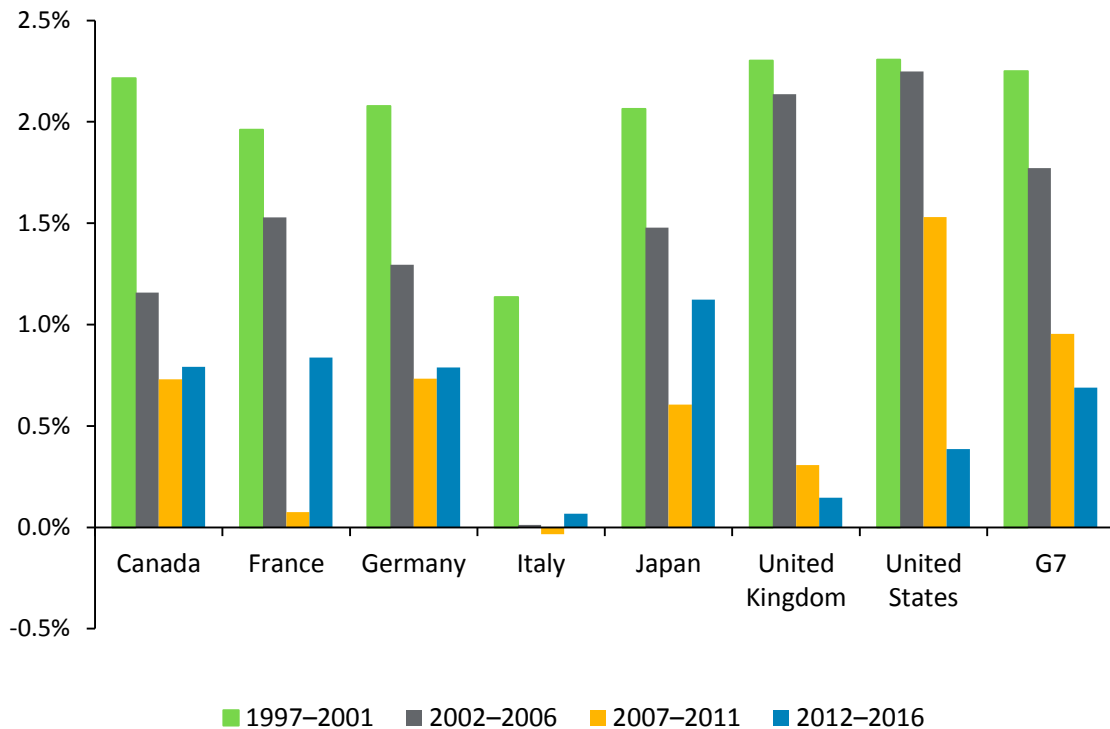
Source: Figure prepared using data obtained from: Organisation for Economic Co-operation and Development, “[Level of GDP per capita and productivity](#),” accessed 10 November 2017.



2. Measuring the Productivity of Canadians

Labour productivity is defined as the amount of goods and services produced by one hour of labour; it can be measured by GDP per hour worked. Figure 3 shows, for 1997–2016, the average growth in GDP per hour worked over each five-year period. For Canada, this growth rate for 2012–2016 was 0.7%; for 1997–2001, it was 2.2%. The G7’s average labour productivity growth rates declined continuously over the 1997–2016 period.

Figure 3 – Average Labour Productivity Growth, G7 Countries and G7 Average, 1997–2001 to 2012–2016 (%)



Note: Average for time period 2012–2016 for Japan excludes 2016. G7 average for 2016 excludes Japan.

Source: Figure prepared using data obtained from: Organisation for Economic Cooperation and Development, [“Growth in GDP per capita, productivity and ULC,”](#) accessed 6 November 2017.

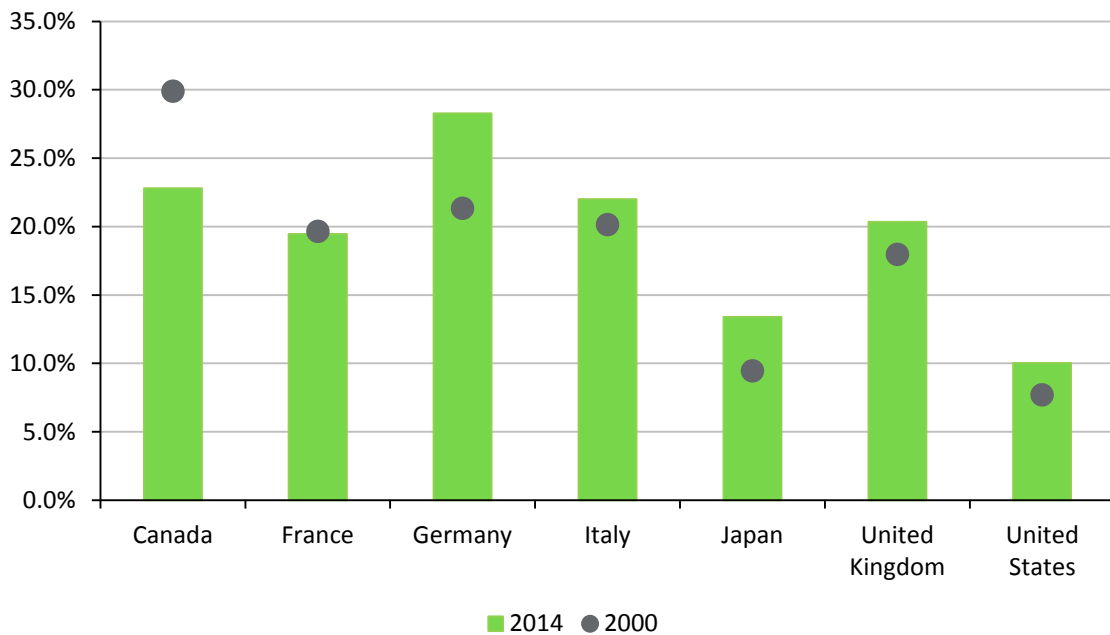
3. Measuring the Competitiveness of Canadian Businesses in International Markets

In a 2016 speech to the Saskatoon Regional Development Authority, Stephen Poloz – the current Governor of the Bank – characterized international trade as the “lifeblood” of the Canadian economy. Canada relies on exporting goods and services in order to

sustain its living standards. Given the interdependence between countries, Canadian businesses must produce goods and services as efficiently as possible in order to remain competitive in the global economy.

The OECD publishes a number of indicators of international competitiveness, including [value-added exports](#) as a percentage of GDP; this indicator measures the extent to which a country's domestic businesses are connected to foreign consumers through global value chains. According to Figure 4, when compared to the other G7 countries, Canada's value-added exports are a significant proportion of its GDP, which means that the country's domestic businesses are more connected to foreign consumers than are businesses in the other G7 countries. As well, Canada's value-added exports as a percentage of GDP decreased between 2000 and 2014, which suggests deterioration in the international competitiveness of Canada's domestic businesses over that period.

Figure 4 – Value-Added Exports as a Percentage of Gross Domestic Product, G7 Countries, 2000 and 2014 (%)



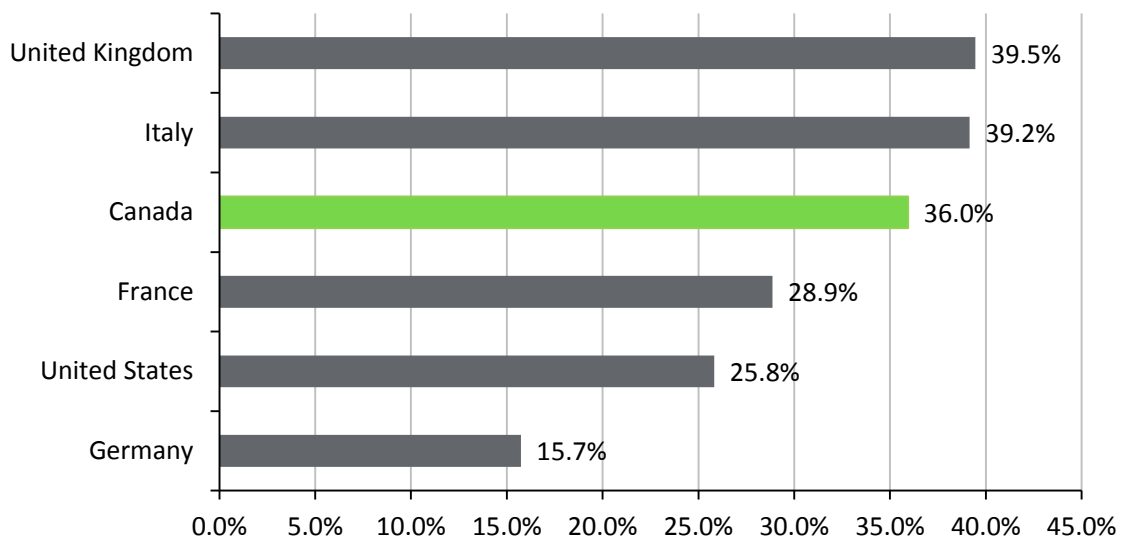
Note: The year 2014 is the most recent for which data are available.

Source: Figure prepared using data obtained from: Organisation for Economic Cooperation and Development, "[1. Gross Domestic Product \(GDP\)](#)," "[Trade in Value Added \(TiVA\): December 2016](#)" and "[TiVA Nowcast Estimates](#)," accessed 6 November 2016.



A second OECD indicator of international competitiveness is the [unit labour cost](#), which assesses a country’s labour costs relative to the productivity of its workers. When a country’s unit labour cost is rising, labour costs are growing more rapidly than its workers’ productivity. Between 2000 and 2016, Canada’s unit labour costs grew more rapidly than those of Germany, France and the United States; consequently, over that period, Canada’s cost competitiveness deteriorated relative to them.

Figure 5 – Unit Labour Cost Growth, Selected G7 Countries, 2000 and 2016 (%)



Note: Japan is excluded because no data are available for 2016.

Source: Figure prepared using data obtained from: Organisation for Economic Cooperation and Development, [“Growth in GDP per capita, productivity and ULC,”](#) accessed 8 November 2017.

4. Towards the Future

Because Canada’s economic growth will depend more on productivity as the country’s population ages, a federal focus should be policies and programs that strengthen Canada’s productivity and competitiveness to ensure that Canadian’s living standards will continue to increase in the future.

From 19 September to 1 December 2017, the Committee heard proposals for improving Canada’s productivity and competitiveness from over 300 witnesses and received more than 400 written briefs. These proposals are summarized in this report in three categories: individuals, businesses and government.

Chapter Two includes proposals for improving individuals' productivity and competitiveness. The policy areas range from basic human needs such as health, security and wellbeing to professional advancement. In addition, witnesses called for certain government measures to support underrepresented groups, including seniors, Indigenous peoples, women and individuals with disabilities.

Chapter Three concerns proposals for helping businesses to be more productive and competitive. The witnesses' proposals focus on the costs and regulatory requirements that come with running a business, as well as the overall business environment and labour market. Furthermore, it includes witnesses' proposals pertaining to certain sectors, some of which include: agriculture and agri-food, air transportation, electric vehicles, financial services, fisheries and aquaculture, forestry and mining, manufacturing and shipbuilding, oil and gas, rail, tobacco and tourism.

Chapter Four summarizes witnesses' proposals related to the government's role in helping Canadian individuals and businesses to become more productive and competitive. In this regard, witnesses emphasized the government's economic and fiscal policies, environmental, scientific and social policies, as well as federal policies on infrastructure and transportation.

CHAPTER TWO: INDIVIDUALS

In launching its pre-budget consultations in advance of the 2018 federal budget, the Committee posed the following question: What federal measures – such as education and training, health, housing, and labour market participation measures – would help Canadians to be more productive?

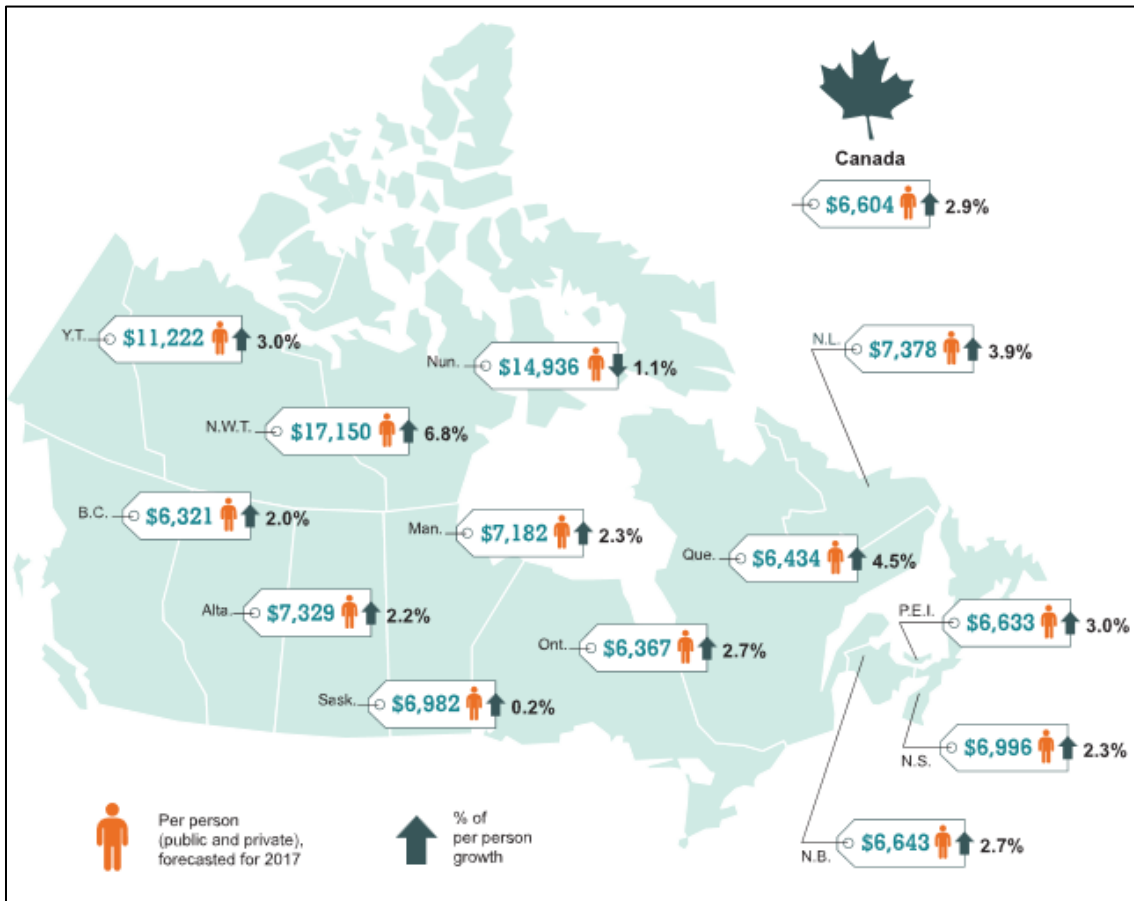
A. HEALTH, SECURITY AND WELLBEING

In its [*2015-16 Report on Plans and Priorities*](#), Health Canada indicated that one of the key priorities for the government is “to ensure a highly engaged, healthy, productive and effective workforce.” Health Canada is contributing to this “by cultivating innovation and respect, communication, and recognition, which will lead to improved productivity and excellence in service to Canadians in our ever-changing work environment.” In commenting on health and social assistance issues, the Committee’s witnesses highlighted healthcare, mental health, childcare, the Canada Social Transfer and social assistance measures, housing, and safety and security as factors that contribute to individuals’ productivity.



1. Healthcare

Figure 6 – Health Spending Per Person, Canada’s Provinces and Territories and Canada’s Average, 2017 (\$ and %)



Source: Map of the Canadian Institute for Health Information, “[How does health spending differ across provinces and territories?](#),” accessed 21 November 2017.

In terms of national programs, the [Canadian Union of Public Employees](#) and the [Canadian Labour Congress](#) insisted on enforcing the *Canada Health Act*. [Canada Without Poverty](#), the [Canadian Union of Public Employees](#) and the [Canadian Labour Congress](#) proposed developing a “national pharmacare program”. For the Public Service Health Care Plan, the [Canadian Counselling and Psychotherapy Association](#) suggested including the services of counsellors and psychotherapists as an eligible expense. The [Canadian Union of Public Employees](#) recommended the creation of a “national health strategy,” with a focus on the social determinants of health such as lifestyle, income inequality, job security, education and housing affordability. Similarly, the [Canadian Labour Congress](#) encouraged a

commitment to a long-term, national health funding arrangement with provinces and territories.

[Confédération des syndicats nationaux](#) suggested increasing funding for the Canada Health Transfer. Furthermore, the [Quebec Employers' Council](#) stressed reconsidering the Canada Health Transfer Agreements.

The [Canadian Union of Public Employees](#) encouraged more support and leadership on healthcare initiatives and suggested that the government provide new funding for any new healthcare program. [It](#) recommended that the government plan for the long-term financial stability of these programs.

Multiple witnesses touched on increasing awareness of specific health initiatives. [ParticipACTION](#) suggested a collaborative “full-court press” approach centered on public education and engagement in the physical activity movement in an effort to make the population more active and asked for \$10 million per year for five years to fund the “Let’s Get Moving Movement.” The [Canadian Association of Optometrists](#) also asked to establish a public awareness campaign about the importance of eye health and vision care with \$25 million over five years to fund it. [It](#) also requested the government consider developing a National Framework for Action such as the Australian National Framework for Vision Health. The [Canadian Cancer Society](#) asked for the government to partner with them by contributing \$10 million to cancer information programs.

Also, [Rogers Group Financial](#) supported the creation of a nationwide approach to inform Canadians of the need to plan for long-term care funding expenses and to develop a more unified approach for subsidizing access to long-term care services.

The [Centre for Israel and Jewish Affairs](#) advocated for Canada-wide palliative care to improve the quality and provide more support for caregivers. Also, [it](#) suggested ensuring that the system respects psychosocial and spiritual needs.

[Canadian Labour Congress](#) supported investment in home and community care. Further, the [Canadian Medical Association](#) encouraged the government to provide capital investment in residential care infrastructure, including retrofit and renovation as well as develop explicit operating principles for home care funding. [It](#) also suggested improving the awareness of the Canada Caregiver Credit and make it a refundable tax credit for caregivers.

The [Atlantic Chamber of Commerce](#) promoted continuing the tax-exempt status of health and dental plan benefits.



The [Halifax Chamber of Commerce](#) suggested that investment would be welcome to fund preventative healthcare. [Coalition québécoise sur la problématique du poids](#) also mentioned increasing investment in preventing weight-related problems. [HealthCareCAN](#) suggested helping healthcare organizations and requested \$25 million over five years to the Public Health Agency of Canada in order to fund projects centered on antimicrobial resistance.

Further investment requests came from the [Canadian Cardiovascular Society](#), who asked for \$2.5 million annually over five years in order to launch a heart health initiative. As well, [Association des collèges et universités de la francophonie canadienne](#) called for investing \$130 million for healthcare professionals' initial and continued education at more post-secondary institutions. [It](#) also asked for increased investment in expanding access to high-quality French language health services.

The [Canadian Association of Radiologists](#) requested increased investment of \$612 million over five years for imaging equipment, \$9 million over three years in project diagnostic imaging tools and \$10.5 million over three years in medicine and healthcare for artificial intelligence resources.

[Ovarian Cancer Canada](#) and the [Canadian Cancer Society](#) supported funding towards health research. The [former](#) specifically called for the investment of \$2.25 million in developing new research models, \$2.25 million to identify and prioritize the development of new treatment methods, and \$2.25 million to stratify patients in clinical trials. [It](#) also recommended establishing a formal mechanism to allow patient representatives to contribute to decision-making and regulatory processes on issues related to health and health research.

[Quebec Employers' Council](#) advocated for greater private sector involvement in healthcare in specific areas where it is justified.

[The Juvenile Diabetes Research Foundation Canada](#) proposed that Section 118.3(1.1)(d) of the *Income Tax Act* be amended by replacing the words “even if those” with the words “except where those” in order to help those with type 1 diabetes (T1D) for the purposes of claiming the disability tax credit (DTC). [It](#) also asked the government to amend Section 118.3(1)(a.1)(ii) and section 118.3(1.1) of the *Income Tax Act* by changing “14 hours” to “10 hours” to remove uncertainty and inequity of eligibility for Canadians with T1D.

2. Mental Health

The [Canadian Psychiatric Association](#) called on the need to increase annual funding earmarked for mental health and raised the issue of research, noting that less than 5% of the Canadian Institutes of Health Research’s grant funding goes to mental health research, while the burden of mental health stands at a higher level. The Committee heard support from witnesses such as the [Canadian Alliance on Mental Illness and Mental Health](#) for the establishment of a five-year \$100-million mental health innovation fund to jump-start the spread of innovation and lead to systemic and sustainable change that effectively addresses needs. The [Canadian Psychiatric Association](#) suggested that such an innovation fund could act as a strategic catalyst for change across the country.

In speaking of investments, [Kids Help Phone](#) talked about the effectiveness of its mental health helpline, such as Good2Talk in Ontario, and recommended to develop a national mental health helpline for post-secondary students that would involve appropriate partners in each province/territory and across Canada. The [Canadian Federation of Students](#) drew attention on the need for dedicated funding to improve on-campus mental health services to improve access to mental health supports for young people in Canada. To address risks of impediments on economic growth resulting from an increase in students struggling with mental health concerns and from non-completion of education, the [Canadian Alliance of Student Associations](#) felt that funding for upfront costs of mental health assessments required for academic accommodations should be available through the Canada Student Loans Program.

Mental health was also commented on with respect to health and safety. The [Canadian Association of Fire Chiefs](#) indicated that funding mental health prevention would help expedite access to mental health services offered to first responders, such as fire departments. [Kids Help Phone](#) also suggested improving access to mental health services through the launch of a national texting service.

[Addictions and Mental Health Ontario](#) voiced the need for timely intervention and prevention of the impact of mental illnesses over an individual’s life. After advocating for the creation of a “Mental Health Parity Act,” [the Canadian Alliance on Mental Illness and Mental Health](#) explained that communities and workplaces need to support mental health and physical health equally through their policies, programs and benefits. The [Canadian Alliance on Mental Illness and Mental Health](#) further suggested that the Expert Advisory Panel on Mental Health should include a wide range of mental health stakeholders from the public and private sectors as well as people who faced mental health challenges.



The [Canadian Counselling and Psychotherapy Association](#) raised the issue of gaps in the understanding of what is being delivered and the need for improved accountability and transparency of mental healthcare delivery, and suggested that these gaps be addressed through the implementation of a standardized set of pan-Canadian indicators.

In order to ensure a level playing field between counsellors and other mental healthcare providers, the [Canadian Counselling and Psychotherapy Association](#) stressed that mental health professional counselling services should be affordable to all Canadians, and suggested that all mental health counselling services be exempted from the goods and services tax/harmonized sales tax (GST/HST).

3. Childcare

Increased federal spending on childcare and indexation of the Canada Child Benefit were viewed by [Canada Without Poverty](#) as key measures to limit poverty and prevent economic activity decline. The need to develop much more robust public policy and implementation plans for the child care system was insisted upon by the [Canadian Child Care Federation](#), who also argued that Canada currently spends less on child care than other advanced economies. Hoping for a universal, affordable, high quality and inclusive system for all children and families in Canada, the [Child Care Advocacy Association of Canada](#) asked for additional funding in the child care federal spending envelope to begin building an early learning and child care system in Canada.

The [Canadian Child Care Federation](#) added that enhanced funding in the next federal budget to begin building an early learning and child care system would play a critical role in fully utilizing the potential of the female labour force. The [Canadian Labour Congress](#) agreed that increased funding for childcare spaces is needed to increase the labour-market participation of mothers.

The [Canadian Child Care Federation](#) further argued that an increase in female labour force participation is positively associated with labour productivity growth, and suggested that an expanded and more detailed evidence-based child care policy framework could support better policy-making and allow more women to enter the workforce. The [Canadian Centre for Policy Alternatives](#) pointed out that the Quebec Parental Insurance Program and its five weeks of “father only” leave has demonstrated a significant unmet need for such leave, with 78% of men now taking parental leave in Quebec, compared to 27% in the rest of Canada.

The [Canadian Union of Public Employees](#) mentioned that the government should ensure quality, universality and affordability in child care.

4. Canada Social Transfer and Social Assistance Measures

The [Canadian Association of Social Workers](#) encouraged the government to adopt a “Social Care Act” to provide a guide to social investments, such as the Canada Social Transfer. An increase in funding to the Canada Social transfer was proposed by the [Confédération des syndicats nationaux](#), [Canada Without Poverty](#) and the [Canadian Labour Congress](#).

The [Canadian Alliance on Mental Illness and Mental Health](#), and the [Canadian Association of Social Workers](#) called for implementation of a universal basic income for all Canadians.

In regards to refugees, [Canada Without Poverty](#) asked for the removal of the minimum residency requirement to be eligible for social assistance.

[Northwest Territories/Nunavut Council of Friendship Centres](#) supports providing justice clients with transitional support and housing.

An investment in treatment and services aimed at preventing the opioid crisis from worsening in Ontario was encouraged by [Addictions and Mental Health Ontario](#).

[Big Brothers Big Sisters Canada](#) outlined a three-year investment strategy of \$20 million to advance a Canada-wide approach to mentoring programs.

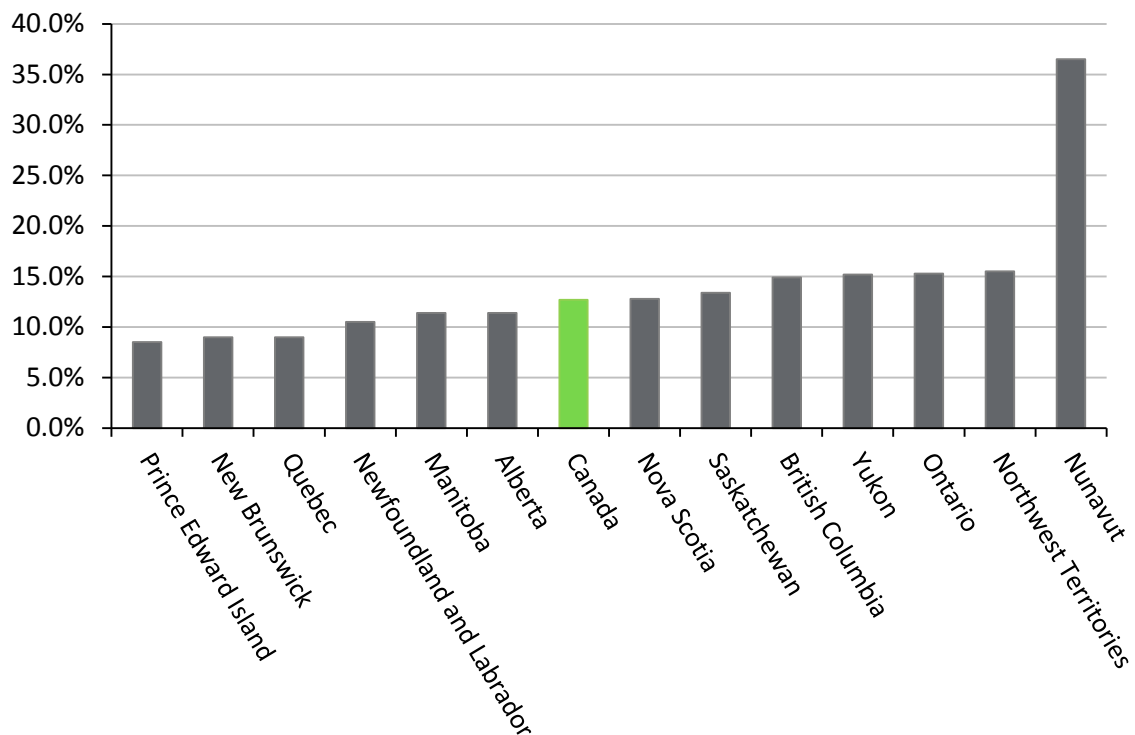
Moreover, the [Atlantic Partnership for Literacy and Essential Skills](#) requested \$600,000 in funding in order to ensure that there is no reduction in support to existing programs.

The [Community Sector Council Newfoundland and Labrador](#) promoted the consideration of a “social innovation fund” that would be similar to the strategic innovation fund, but with an emphasis on social innovation.



5. Housing

Figure 7 – Percentage of Households in Core Housing Need, Canada’s Provinces and Territories and Canada’s Average, 2016 (%)



Note: Statistics Canada defines a household in core housing need as one whose dwelling is considered unsuitable, inadequate or unaffordable and whose income levels are such that they could not afford alternative suitable and adequate housing in their community.

Source: Figure prepared using data obtained from: Statistics Canada, “[Core Housing Need, 2016 Census](#),” accessed 17 November 2017.

The Committee was presented with a range of suggestions with respect to housing. For example, implementing a “national housing strategy” to ensure affordability was mentioned by the [Canadian Home Builders' Association](#), the [Government of the Northwest Territories](#) and the [Northwest Territories/Nunavut Council of Friendship Centres](#). The [Federation of Canadian Municipalities](#) stressed the importance of ensuring that adequate funding would be available for such a strategy and [Canada Without Poverty](#) encouraged the government to continue to work with municipalities in this regard. The [Burnaby Board of Trade](#) also encouraged this partnership with municipalities in an effort to address the rapid increase in housing prices.

The [City of Calgary](#) called on the government to improve access to affordable housing. As well, the [Canadian Home Builders' Association](#) supported improved access for first-time home owners and recommended supporting affordable residential development with ready transit access. A 10-year investment of \$20 million above the current funding level for social and affordable housing was also proposed by the [City of London](#).

The [Appraisal Institute of Canada](#) had many recommendations on housing, such as mandating appropriate valuation fundamentals for investments and expanding the Office of the Superintendent of Financial Institutions (OSFI) B-20 and B-21 guidelines for lenders providing mortgage financing. Further, [it](#) recommended enhancing Canadians' financial literacy respecting mortgages and the dynamics of the real estate market, especially for seniors and new Canadians. Finally, [it](#) encouraged more access to reliable data on affordable housing. The [Canadian Home Builders' Association](#) also recommended more documentation of statistics, measures and indicators to deal with the issue of supply in the housing market.

The [Northwest Territories Association of Communities](#) encouraged allocating more funding to overcome gaps in the housing supply. As well, the [Co-operation Housing Federation of Canada](#) suggested designating supply measures to encourage the development of more affordable housing. [It](#) further recommended improvements in prepayment terms for co-operatives (co-ops) holding high interest Canada Mortgage and Housing Corporation (CMHC) mortgages.

In regards to social housing, [Addictions and Mental Health Ontario](#) suggested the construction of a minimum of 30,000 additional supportive housing units over 10 years, funded by targeted investments from the National Housing Fund. The [City of London](#) supported an increase in funding allocated to the Homeless Partnering Strategy to reduce homelessness. Additional increases in funding were requested by the [YWCA Yellowknife](#) for infrastructure, specifically for transitional emergency housing and child care facilities.

The [Northwest Territories and Nunavut Construction Association](#) encouraged the government to provide incentives to install energy retrofits for home owners in an effort to target adverse climate change effects. The [Canadian Labour Congress](#) further suggested the introduction of a "national green homes and building strategy." Similarly, the [Government of the Northwest Territories](#) proposed lowering energy costs through infrastructure investments. The [Canadian Home Builders' Association](#) added that the government should facilitate market adoption of net zero housing that Canadians can afford and the adoption of the Home Retrofit Program to advance energy efficiency. [It](#) also encouraged energy literacy by strengthening the [EnerGuide](#) rating System.



[Canada Without Poverty](#) recommended an increase in the capital gains tax payable on the profits derived from selling secondary residences and the implementation a tax on foreign investment in property as a way to address the financing of housing and the perception that housing is simply a commodity. The [Canadian Home Builders' Association](#) added that a home renovation tax credit could target key policy objectives. [It](#) also suggested fixing taxation such that it inhibits new market rental production.

The [Canadian Association of Fire Chiefs](#) recommended modernizing the Building Code.

[Airbnb](#) encouraged implementing “light” regulations on home sharing but also cautioned not to overregulate those who only home share occasionally.

[Canadian Home Builder's Association](#) suggested that the government undertake a review of federal investment in housing research and development. Specifically, [it](#) encouraged investment in research to build more energy efficient housing that does not cost more to build, and to continue investment in initiatives such as Natural Resources Canada's Local Energy Efficiency Partnerships (LEEP) and building-official acceptance of innovations.

6. Safety and Security

The Committee was informed about emergency services and disaster preparedness, with [Kids Help Phone](#) requesting the creation of a national registry of emergency services contacts in Canada, and the [Federation of Canadian Municipalities](#) asked the government to support national programs such as a \$2-billion Disaster Mitigation and Adaptation Fund to combat national disasters and extreme weather events.

With respect to firefighting, the [Canadian Association of Fire Chiefs](#) called for \$50 million annually for fire-related policy and research including complete modifications to Building Code applications and maintenance of the National Fire Incidence Database. [It](#) also commented that the government needs to maintain the volunteer firefighter tax credit and review Employment Insurance (EI) requirements in order to ensure that volunteer firefighters are not negatively affected by some requirements. The [Saskatchewan Association of Rural Municipalities](#) advocated that the government work with the Government of Saskatchewan to initiate an emergency fund that allows local fire departments to recover the costs associated with fire services. [It](#) also supported a mechanism to allow rural municipalities to receive payments under Mutual Aid Agreements.

[No Fly List Kids](#) raised the issue of false positives on the no-fly list that affects both children and adults. [It](#) reiterated the need for full funding to create a redress system to distinguish innocent children and young adults from persons of criminal interest.

On the topic of hate-crime prevention, the [Centre for Israel and Jewish Affairs](#) emphasized the need for additional funds to modernize the [Security Infrastructure Program](#). It also believed that more resources are needed to support the development of dedicated police hate-crime units, modelled on those in British Columbia, Montreal and other jurisdictions. Furthermore, it supported a national education campaign about the dangers of hate-speech directed at both law enforcement and the Canadian public.

7. The Committee's Recommendations

With a view to ensuring that people are productive workers and community members because they are physically and mentally healthy, the Committee recommends that the Government of Canada implement the following measures:

Recommendation 1

Work with territorial and Indigenous governments to reduce the smoking rate in Indigenous communities.

Recommendation 2

Provide funds to the Canadian Cardiovascular Society's pan-Canadian heart health initiative.

Recommendation 3

Invest in ovarian cancer research to advance a personalized medicine platform for this cancer and to reduce the five-year mortality rate associated with it.

Recommendation 4

Work with the provinces/territories to introduce a pan-Canadian prescription drug program.

Recommendation 5

Commit to developing a Canadian action plan for brain health. The action plan should include increased brain health research, meaningful care and supports.

Recommendation 6

Provide funding to ParticipACTION's multi-year, multi-channel national engagement initiative.



Recommendation 7

Support the availability of mental health services in Northern and remote communities by implementing loan forgiveness for social workers who practise in such communities.

Recommendation 8

Ensure that the Canada Student Loans program provides funding to support the upfront costs of mental health assessments required for academic accommodations.

Recommendation 9

Address anxiety, depression and suicide among Canadian youth by supporting a program in cooperation with a pan-national around-the-clock post-secondary mental health service, as well as a new national texting service for mental health services.

Recommendation 10

Commit to expand the Mental Health Commission of Canada's Road to Mental Readiness and Mental Health First Aid Programs to first responders and public health officials.

Recommendation 11

Support mental health counselling and psychotherapy services by classifying them as zero-rated supplies for the purpose of the goods and services tax and the federal portion of the harmonized sales tax.

Recommendation 12

Create and fund a national registry of emergency services contacts. The registry should include all 24/7 local and accessible numbers to 911 dispatch centres across Canada, to enable crisis line operators the ability to directly refer to the necessary emergency service providers.

Recommendation 13

Work to reduce recidivism rates, create safer communities, and offer much-needed programming in correctional institutions by making the necessary investments in the revitalization of Canada's prison farms.

Recommendation 14

Allocate the funds needed to establish a robust and effective redress system to end technical issues regarding “false positives” and other errors associated with the Passenger Protect Program, or “No Fly List.”

Recommendation 15

Invest in preventative healthcare for Canadians.

B. EDUCATION, SKILLS AND EMPLOYMENT

As outlined in the OECD report *The Future of Productivity*, “investment in education and skills is particularly important to ensure that workers have the capacity to learn new skills, to make the most of digitization and to adapt to changing technologies and working conditions. Skills and productivity are the real sources of strong, inclusive and sustainable growth.” In commenting on these issues, the Committee’s witnesses stated that education, individual labour and skills development, labour market information, mobility, integration and participation rates, personal income tax, wages and benefits, EI, and immigration and border services are factors that contribute to individuals’ productivity.

1. Education

Throughout its meetings, the committee heard proposals relating to the importance of education in Canada from various witnesses; among them, the [Canadian Union of Public Employees](#) and the [Canadian Labour Congress](#) advocated for the creation of a “Post-Secondary Education Act” that would ensure that national standards for post-secondary education are met, as well as provide transfer payments for post-secondary education. The [latter](#), as well as the [Canadian Federation of Students](#), argued in favour of universally free and accessible post-secondary education.

With respect to dedicated funding for post-secondary institutions, the [Canadian Association of University Teachers](#) underscored the need for increased federal support for post-secondary institutions, with federal transfers dedicated to post-secondary education to be increased by \$400 million per year. The [Canadian Federation of Students](#) added that the federal transfers to provinces and territories for post-secondary education should be restored to 1996 levels, at a federal fiscal cost of \$5.48 billion per year. As well, the [Southern Alberta Institute of Technology](#) requested that the regional funding agencies receive predictable annual funding to address uncertainty in their projects.



The [Canadian Alliance of Student Associations](#) proposed the creation of a Tri-Agencies pilot grant program to support the development and distribution of open educational resources, such as free textbooks that are – or could be – available online.

[Universities Canada](#), the [Canadian Association for Graduate Studies](#) and the [Southern Alberta Institute of Technology](#) emphasized the need to increase and facilitate the movement of international post-secondary students into Canada. The [latter](#) stressed that the government could adopt a nationwide “common front” to the attraction of international students, despite education falling under the constitutional powers of the provinces. The [Canadian Association for Graduate Studies](#) also suggested that the Canadian Graduate Scholarships Program be expanded to further open Canada and Canadian universities to the world and ensure diversity in graduate education.

With respect to student debt in Canada, the [Canadian Alliance of Student Associations](#) believed that the government ought to establish a Canada-wide interest-free non-repayment period on student loans to support students in their transition to employment and improve their overall productivity.

The [Conference Board of Canada](#) remarked that the government should invest more in early childhood education, and the [Canadian Association for Graduate Studies](#) found that there should be increased support for the education and training of graduate students. Furthermore, the [Canadian Consortium for Research](#) believed that greater harmonization, upgrades and strategic focus should be brought to the system of graduate students and postdoctoral fellow supports with a total base funding increase of \$140 million per year to be phased in over four years, in equal increments of \$35 million per year.

The [Southern Alberta Institute of Technology](#) also suggested that a “strategic infrastructure fund” or “knowledge infrastructure program” should be undertaken annually, as post-secondary facilities need to be upgraded annually to meet the needs of industry across the country.

2. Individual Labour and Skills Development

The Committee was told about the role of labour and skills development in making Canadians more productive. For example, the [Halifax Chamber of Commerce](#) emphasized the importance of effective training programs for Canadians. The [Canadian Apprenticeship Forum](#) proposed to implement a national vision for vocational education and training by sharing and adopting innovative programs across Canada as well as supporting more research, experimentation and evaluation. The [Northwest Territories and Nunavut Construction Association](#) voiced support for more education and training.

The [Burnaby Board of Trade](#) noted that the federal government should work with the provinces and territories to deliver innovative and effective training programs. The [Government of the Northwest Territories](#) pointed out that in the north, education and training related measures must be flexible to be effective.

With regard to work-integrated learning, including apprenticeships and internships, [Polytechnics Canada](#) argued that the government should create a “nationally registered apprenticeship number” to have a more complete picture of trades training processes. [It](#) asked for a scaling of existing federal work-integrated learning supports. In addition, [it](#) also suggested an investment in national prior learning recognition supports for mid-career workers. The [Board of Trade of Metropolitan Montreal](#) stated that the government should focus its attention on the requalification of workers in order to maintain productivity.

With a focus on youth work-integrated learning, the [Canadian Association of Student Financial Aid Administrators](#) advocated for a federal “work-study program” that would prioritize access to on-campus jobs to students who rely on the [Canada Student Loans Program](#). The [Canadian Chamber of Commerce](#) called for an expansion of Employment and Social Development Canada (ESDC)’s [Youth Employment Strategy](#) to equip youth with digital skills. The [Canadian Alliance of Student Associations](#) asked the government to expand the [Canada Summer Jobs Program](#) to include 400,000 new part-time year-round jobs. The [Halifax Chamber of Commerce](#) believed that the government should increase its support for youth and recent graduates to take part in experiential educational opportunities. The [Community Sector Council Newfoundland and Labrador](#) suggested that the financial support for youth employment programs should be increased.

In terms of skills training in the workplace, the [Confédération des syndicats nationaux](#) insisted that besides the needs of businesses, training programs should support workers’ autonomy by making the skills acquired transferable. The [Northwest Territories/Nunavut Council of Friendship Centres](#) shared that they can implement “grassroots” training to employment initiatives open to people from all age groups. The [Association of Canadian Faculties of Agriculture and Veterinary Medicine](#) suggested that additional investments should be made in employees’ training and development.

The [Community Sector Council Newfoundland and Labrador](#) added that career development learning sessions should be incorporated into employment programs funded by the federal government. [It](#) also expressed that the framework for delivering work and career training programs should be formed by a group of non-profit leaders with career development experience.



Regarding literacy, the [Canadian Labour Congress](#) remarked that the government should restore funding for literacy programs and literacy organizations, such as the Office of Literacy and Essential Skills. [It](#) also commented that the government should invest in a new “national workplace literacy program.” The [Association of Canadian Publishers](#) stressed the importance of maintaining existing reading and literacy programs as well as establishing new programs for new Canadians, Indigenous communities, at-risk youth, and others.

In commenting on regional and sector-specific education and training funding, the [Northwest Territories Chamber of Commerce](#) urged that the funding to the Aurora College needs to be increased to strengthen its training program. [It](#) also voiced its support for an expansion of the Canada-NWT Job Grant. The [Association des collèges et universités de la francophonie canadienne](#) requested that the government enhance the study programs, the research, and the networking initiatives of the post-secondary institutions of the Canadian Francophonie. The [Recreation Vehicle Dealers Association of Canada](#) proposed that the government should create an “Apprenticeship Travel Grant” for the apprenticeship training programs that require travelling.

3. Labour Market Information, Mobility, Integration and Participation Rates

To help ensure that Canadians have the right mix of skills and experiences to succeed in their careers, and in order to help employers design training programs for new workers, the [Business Council of Canada](#) stressed that comprehensive and accessible labour market information (LMI) is needed. [It](#) concurred that the creation of a comprehensive, widely promoted hub of LMI data at the national level would help post-secondary institutions, job-seekers and employers make more informed decisions.

In addition, the [Greater Charlottetown Area Chamber of Commerce](#) was of the view that all federal programming that supports the transition of school to work should be examined in order to ensure that the level of funding and program designs are meeting current labour market challenges and needs. From a programming perspective, the [Canadian Association of University Teachers](#) touched on the need to strengthen the Federal Contractors Program (FCP) under the *Employment Equity Act* by reducing the threshold to ensure that more Canadian workplaces are subject to this Act, as well as enhancing enforcement and compliance to help Canadian organizations and businesses further diversify their workforce.

The [Canadian Centre for Policy Alternatives](#) called for more support for part-time workers. Canadians wages, working conditions and training for child-care workers were pointed out by the [Canadian Union of Public Employees](#) as collective challenges that would require increased funding over the next decade through shared framework

respectful of the provinces, territories and aboriginal communities. From a regional community perspective, the [Burnaby Board of Trade](#) described how productivity suffers when traffic and congestion is experienced by workers commuting to work, or businesses who are delivering goods and services to their customers. It viewed continued government's investment in both rapid transit and major transportation infrastructure as the most direct way for the 2018 federal budget to achieve tangible improvements in efficiency and productivity in the movement of our goods, services, and people.

The committee also heard about the economic restructuring in response to the “4th Industrial Revolution,” which is characterized by the massive and rapid infiltration of digital technologies into all stages of design, production, distribution and consumption of goods and services in all sectors. The [Quebec Employers' Council](#) indicated that workers lack the required skills to work effectively in a digital environment and asked that this become a priority, in terms of both young Canadians who are still in school and the Canadians who are employed.

Some witnesses also highlighted the need to build a skilled and mobile workforce able to respond to short-term labour gaps and longer-term demographic changes, but they cautioned that duplication of efforts should be avoided. The [Council of the Great Lakes Region](#) suggested that the federal government work collaboratively with Ontario and Quebec, as well as other cities, to align and leverage investments in skills training and talent attraction. The [Toronto Region Board of Trade](#) also spoke about the Future Skills Lab (FSL) as a means to provide better training and employment data by sector and region, and help direct federal job grants towards areas of economic growth with a view to align with provincial funding, avoid duplication and achieve the best results possible.

Increased access to training and mobility of workers was identified by the [Atlantic Chamber of Commerce](#) in order to better respond to market needs, and the [Atlantic Partnership for Literacy and Essential Skills](#) requested that annual investments of \$600,000 be made in Atlantic Canadians with a focus on the people who have inadequate skills for the workplace. [Colleges and Institutes Canada](#) spoke about persistent regional skill shortages and high unemployment in Atlantic Canada and the need to bolster Canadian productivity and competitiveness by providing greater access to research grants and internships, particularly for increasing students' involvement in applied research. The [Canadian Association for Graduate Studies](#) suggested that additional investments in Mitacs accelerate internship programs could help promote research culture across labour sectors. [Polytechnics Canada](#) reasoned that all forms of post-secondary education and training should be on an equal footing and requested that the government should make it easier for people to respond to labour market trends and improve the economic opportunities for all workers in all sectors.



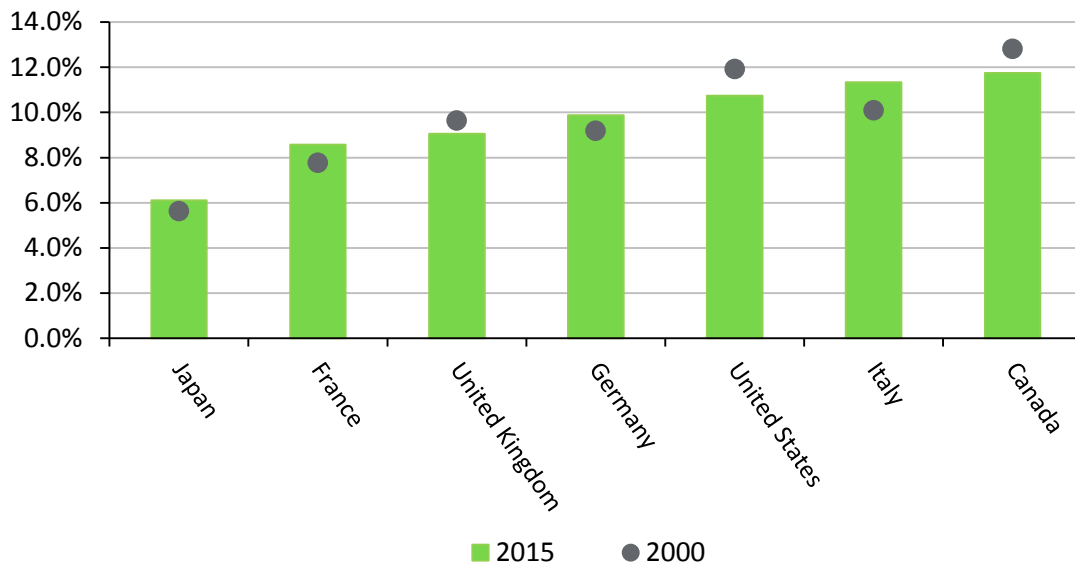
To reduce existing shortages of highly skilled workers in Canada’s agricultural sector, the [Agricultural Institute of Canada](#) suggested to invest in a comprehensive “human capital strategy,” and the [Agriculture and Agri-Food Labour Task Force](#) called for a national career awareness initiative to better connect with agricultural career opportunities.

Speaking of jobs, trades, credentials and the need to enable students to acquire skills required to be competitive in a global marketplace, the [Windsor-Essex Regional Chamber of Commerce](#) asked the government to drive changes in apprentice ratios and encourage a larger number of young Canadians – possibly through tax incentives – to take on skilled trades as a career. The [Canadian Home Builders' Association](#) found that measures with a federal leadership component could help promote young people getting into the skilled trades, nurturing parity of esteem in Canada for trade paths compared to university paths. Also, once people are in the trades, [it](#) called for harmonized qualifications across Canada to promote labour mobility.

The [Toronto Region Immigrant Employment Council](#) maintained that there is a need for investments in mentoring programs across Canada to improve the employment outcomes of skilled immigrants and to encourage employers to hire them. The [Greater Vancouver Board of Trade](#) explained that recognition of foreign credentials needs to be looked at in order to attract, develop and retain human capital in Canada.

4. Personal Income Tax, Wages and benefits

Figure 8 – Taxes on Personal Income as a Percentage of Gross Domestic Product, G7 Countries, 2000 and 2015 (%)



Note: The Organisation for Economic Co-operation and Development defines taxes on personal income as taxes levied on the net income (gross income minus allowable tax reliefs) and capital gains of individuals. This indicator relates to government as a whole (all government levels). 2015 is the latest year for which data are available.

Source: Figure prepared using data obtained from: Organisation for Economic Co-operation and Development, "[Tax on Personal Income](#)," accessed 20 November 2017.

In providing comments to the Committee about taxation measures applicable to individuals, the [Board of Trade of Metropolitan Montreal](#) proposed that the personal income tax system should provide better incentives for unemployed individuals to return to work.

The [Confédération des syndicats nationaux](#) indicated that the government should reduce the stock option deduction in order to promote tax fairness.

In discussing wages and benefits for individuals, [Canada Without Poverty](#) asked the government to set national wage standards so that a living wage indexed to the Consumer Price Index can be achieved.

The [Canadian Labour Congress](#) believed that the government should promote measures that strengthen wage formation, raise labour standards and give workers more bargaining power.



The [Retail Council of Canada](#) voiced its opposition to a tax rule change that would have treated retail workers' discounts as taxable benefits.

The [Canadian Union of Public Employees](#) urged the government to develop a modernized fair wage policy that requires federal procurement and funding to uphold certain level of social and environmental standards.

5. Employment Insurance

The Committee was told about various reforms to EI. The [Canadian Labour Congress](#) identified a need for implementing a single national eligibility standard, a review of the valid job separation eligibility requirement and suggested a reversal of the 2014 changes to the economic regions. [It](#) also recommended that Service Canada should strive to provide proper and timely advice to Canadians. Regarding sickness benefits, the [Canadian Labour Congress](#) requested a reform of the clawback to allow workers to top up their income and expand the number of weeks for sickness benefits. The [Canadian Cancer Society](#) expanded on this and proposed the extension of the EI Sickness Benefit to up to 26 weeks.

The [Confédération des syndicats nationaux](#) called for the creation of an independent EI fund that would be kept separate from the rest of the government's revenues and suggested that increasing the benefit period would better protect seasonal workers. [It](#), along with the [Canadian Labour Congress](#), also advocated for an increase in the replacement rate to at least 60% of the maximum insurable earnings. The [Canadian Labour Congress](#) further suggested implementing a single national eligibility standard for EI regular benefits with a threshold of 360 hours.

[Restaurants Canada](#) supported making EI beneficiaries eligible for transportation allowances in order to find work where the jobs are located. [It](#) also pointed out that the government should grant youth employers a 12-month "holiday" on EI contributions to promote the hiring of youth. The [Canadian Federation of Independent Business](#) also recommended the implementation of the "EI holiday" for hiring youth.

The [Quebec Employers' Council](#) remarked that EI should strive to have a balance between incentives to work and compensation for being unemployed.

The [Canadian Construction Association](#) advocated allowing unemployed construction workers to be eligible to receive an advance from their approved benefit of up to \$2,000.

The [Canadian Union of Public Employees](#) encouraged ending the Social Security Tribunal and advised restoring the following: Employment Insurance Boards of Referees, the EI

Umpire, the Canada Pension Plan (CPP) and Old Age Security (OAS) Review Tribunals, and the Pensions Appeals Board in an effort to restructure the system.

6. Immigration and Border Services

Witnesses provided testimony with regard to individuals immigrating into Canada, as well as the processes that all individuals face when traveling or entering into the country.

The [Canadian Airports Council](#) and the [Greater Toronto Airports Authority](#) recommended that additional funding be allocated to the Canada Border Services Agency (CBSA), as travel is an important aspect to Canada's trade and tourism. The [Greater Toronto Airports Authority](#) also requested that additional funding be allocated to the Canadian Air Transport Security Authority (CATSA) for this reason, as well as advocated in favour of the implementation of a federally mandated level of service for border screening. Similarly, the [Atlantic Canada Airports Association](#) felt that the system for security screening at Canadian airports should be strengthened. Also speaking on this topic, the [Tourism Industry Association of Canada](#) highlighted that the government should invest in new technologies to accelerate the move towards mandatory biometrics information collection at the country's borders.

The [Toronto Region Board of Trade](#) noted that the border remains a major impediment to businesses that rely on an integrated North-American supply chain, and that the government should speed up improvements to border infrastructure.

With respect to immigration, the [Canadian Chamber of Commerce](#) noted that express entry program should be improved in order to address skills gaps in the Canadian workforce. The [Toronto Region Board of Trade](#) believed that the government should create a "global skills strategy" that includes new work permit exemptions, a two-week processing time for certain high-skilled workers and the creation of a "global talent stream" in order to attract world-leading talent to Canada.

The [Atlantic Chamber of Commerce](#) proposed that the application and processing for immigrants and temporary foreign workers should be simplified, and that the government should reduce the hurdles for international graduates to immigrate to Canada.

With respect to new immigrants to Canada, the [Halifax Chamber of Commerce](#) pointed out that additional funding for settlement services would help to retain workers in specific regions, and the [Agriculture and Agri-Food Labour Task Force](#) contended that increased outreach to new immigrants could connect them to sectors with labour shortages – such as the agricultural sector – to the benefit of the Canadian economy.



The [Greater Charlottetown Area Chamber of Commerce](#) endorsed regular summary reports on Atlantic Province immigration and the status of the Atlantic Canada Opportunities Agency's international immigration program in order to better attract, retain and integrate international immigrants into local economies.

7. The Committee's Recommendations

In order to support the productivity of people by ensuring that their educational and training needs are met, the Committee recommends that the Government of Canada should take the following actions:

Recommendation 16

Increase Canadian students' access to undergraduate research opportunities.

Recommendation 17

Increase funding for Indigenous students pursuing post-secondary education and increase the number of students eligible for support under the Post-Secondary Student Support Program.

Recommendation 18

Expand employment options and career transition opportunities for students through investments in incubators for student entrepreneurs at post-secondary institutions.

Recommendation 19

Support a pilot grant through the Social Sciences and Humanities Research Council of Canada, the Natural Sciences and Engineering Research Council of Canada and the Canadian Institutes of Health Research that would provide students and faculty with an incentive to develop open educational resources.

Recommendation 20

Expand funding for youth employment programs, including Canada Summer Jobs and the Skills Link program. As well, the government should require that career development learning opportunities be incorporated into all employment programs that it funds.

Recommendation 21

Continue to work with stakeholders and make targeted investments to strengthen apprenticeship and training programs in order to ensure sufficient labour resources to meet the evolving needs of the economy, including support for green trades.

Recommendation 22

Support the Atlantic Partnership for Literacy and Essential Skills by providing stable, adequate and predictable funding to their literacy programs.

Recommendation 23

Enhance existing financial literacy programs. Particular attention should be paid to the needs of specific demographic groups.

Recommendation 24

Review the Social Security Tribunal and consider restoring the following: Employment Insurance Boards of Referees, the EI Umpire, the Canada Pension Plan (CPP) and Old Age Security (OAS) Review Tribunals, and the Pensions Appeals Board in an effort to restructure the system.

C. UNDERREPRESENTED GROUPS

In their report *[Policies for Stronger and More Inclusive Growth in Canada](#)*, the OECD concluded that “policy action is needed to enable all Canadian people to be well integrated into the labour market and contribute to economic prosperity, to give all Canadian firms a chance to create jobs, enhance their productivity and disseminate innovative ideas, and to put in place strong governance structures that support inclusive growth objectives.” In commenting on underrepresented groups, the Committee’s witnesses talked about Canada’s aging population and retirement savings and identified Indigenous peoples, women, individuals with disabilities and other underrepresented groups as those for which specific federal actions could make significant improvements in their ability to contribute to the Canadian economy.



Figure 9 – Selected Underrepresented Groups as a Percentage of the Canadian Population, 2016 (%)



Note: 2016 Census provides 2015 data for low-income persons.

Source: Figure prepared using data obtained from: Statistics Canada, "[Data Products, 2016 Census](#)," accessed 20 November 2017.

1. Aging Population and Retirement Savings

Regarding seniors, the [Fraser Institute](#) recognized the challenges associated with an aging population in both the short and long terms. The [Canadian Labour Congress](#) advocated for the development of a "national senior strategy." Expanding public funding to assist in the development of such a strategy was suggested by the [Canadian Medical Association](#). The [Canadian Union of Public Employees](#) also supported expanding funding to assist with long-term care of seniors.

[Ag-West Biotech Inc.](#) encouraged the government to find a way to support longer life expectancy. It offered two suggestions: increasing the age of eligibility to Old Age Security by one year or allowing small business owners to make extraordinary contributions to their Registered Retirement Savings Plans (RRSPs) when unusual events occur. The [Business Council of Canada](#) also proposed increasing the age of eligibility for Old Age Security and the Guaranteed Income Supplement from 65 to 67.

As per RRSPs, [Rogers Group Financial](#) suggested the government permit RRSP annuitants to withdraw up to \$2,000 per year from their RRSP or Registered Retirement Income Fund (RRIF) tax-free to fund qualifying long-term care insurance. The [Canadian Worker Co-operative Federation](#) proposed restoring pre-2011 Co-operative RRSP rules and to

index the cap to inflation. The [Investment Industry Association of Canada](#) stressed the importance of improving tax-assisted retirement savings programs.

The [Canadian Medical Association](#) called for an all-party parliamentary international study that would examine the approaches taken to mitigate inappropriate use of acute care for elderly persons.

2. Indigenous Peoples

The Committee heard about a number of issues for Indigenous peoples. Regarding funding, [Indspire](#) recommended to increase the main agreement funding from Indigenous and Northern Affairs Canada (INAC) from \$817,000 to \$2,450,000 per year, with an increase of 2% annually thereafter. The [North Saskatoon Business Association](#) cautioned that this funding should be directed to actionable items rather than studies or reports. Conversely, the [Conference Board of Canada](#) stated that funding should be available to measure the progress of diversity targets and that initiatives for diversity need clear benchmarks.

The [Assembly of First Nations](#) requested funding for Indigenous peoples in numerous capacities. It listed an increase in funding from INAC for education, infrastructure, claims, climate change mitigation, additions to reserves, child welfare as well as legislative and policy review. Further, it called for an increase in funding from other federal departments. The [Saskatchewan Mining Association](#) encouraged investing in the socioeconomic capacity of Indigenous communities, and the [Mining Association of Canada](#) suggested increasing funding towards health, housing, water, education, skills and entrepreneurship. [Dene Nation](#) added to these requests by suggesting an increase in both the stability and the amount of long-term financing for Indigenous peoples.

The [University of Saskatchewan](#), the [Canadian Association for Graduate Studies](#), [Colleges and Institutes Canada](#) and the [Federation for the Humanities and Social Sciences](#) advocated for increased funding for Indigenous students. The [Canadian Association of University Teachers](#) urged the government to double the 2017 federal budget's commitment to education, and [Colleges and Institutes Canada](#) proposed that the government invest in a second round of the Post-Secondary Institutions Strategic Investment Fund, and the [Canadian Association for Graduate Studies](#) called for the creation of graduate scholarships for First Nations students.

Additionally, [Indspire](#) encouraged additional investments of an additional \$5 million per year for Building Brighter Futures: Bursaries, Scholarships, and Awards Program, as the current funding of the program will expire in March of 2018 and currently only meets the needs of 11% of indigenous post-secondary students.



The [University of Victoria](#) requested federal support for outreach and educational facilities of the Indigenous Legal Lodge.

The [North Saskatoon Business Association](#) proposed that the government emphasize business development education and finance for band chiefs receiving funding and create educational programs for their bands.

The [Canadian Federation of Students](#) suggested that \$10 million in funding go towards the development of learning materials and language courses at the post-secondary level from the Aboriginal Languages Initiative.

[Addictions and Mental Health Ontario](#) offered to partner with Indigenous communities on mental health and addiction. As well, the [Canadian Counselling and Psychotherapy Association](#) argued for the reversal of a 2015 decision to remove Canadian Certified Counsellors from the list of approved service providers for the First Nations Inuit Health Branch program. It also asked for additional funding for the program. Additionally, the [Canadian Association of Social Workers](#) committed to continue working with First Nations communities.

[Kids Help Phone](#) supported the Truth and Reconciliation Commission of Canada Calls to Action. The [Government of the Northwest Territories](#) insisted on settling issues regarding outstanding land, and recourse and self-government agreements. Also, the [University of Victoria](#) requested working to restore the relationship between Indigenous peoples and the government, as well as building robust institutions. [Colleges and Institutes Canada](#) suggested investing \$26 million per year in post-secondary institutions to support truth and reconciliation programming and “wrap around” services.

The [Canadian Chamber of Commerce](#) and the [Atlantic Chamber of Commerce](#) requested an increase in funding towards Aboriginal financial institutions. The [Canadian Chamber of Commerce](#) specifically called for additional capital for Aboriginal Financial institutions in order to assist Indigenous entrepreneurs.

The [Canadian Labour Congress](#) stressed the importance of eliminating the gap for child welfare funding for Indigenous children.

The [Tlicho Government](#) of the Northwest Territories called for acknowledgement that INAC received its proposals and requested that they be included in the 2018 federal budget.

The [Mining Industry NL](#) advocated for full participation of Indigenous peoples in mining by supporting education and training, business development partnerships and employment. Also, [Colleges and Institutes Canada](#) supported further skills training for Indigenous peoples.

In addition, [Canada Without Poverty](#) stressed the need for dedicated funding for a National Right to Food Policy with collaboration with First Nations, Inuit, and Métis peoples.

3. Women

In informing the Committee on women's issues, [Oxfam Canada](#) advocated stopping a system that puts profits before people by taking steps to ensure women earn living wages. [It](#) commented that meaningful action needs to be taken to protect workers' rights and address women's precarious work through the following measures: modernize labour standards, adjust living wages, improve EI, and fund women's rights organizations. The [Canadian Centre for Policy Alternatives](#) also suggested making direct investments in women's organizations, which according to its calculations have been historically underfunded in Canada despite the important role that they play in providing expertise and research to the federal government.

The [Canadian Partnership for Women and Children's Health](#) supported expanding the Official Development Assistance Program to include women and children's health by investing \$3.5 billion before 2020.

The [Canadian Association of Science Centres](#) and the [Business Council of Canada](#) spoke about making science more inclusive by increasing participation of underrepresented groups and supporting women in science, technology, engineering and mathematics (STEM). Similarly, the [Canadian Centre for Policy Alternatives](#) advocated for investing equally in male and female dominated occupational sectors. [It](#) provided the example of instituting a living wage for home care workers.

Additionally, the [Canadian Labour Congress](#), [Oxfam Canada](#) and the [Canadian Union of Public Employees](#) recommended introducing a pay equity legislating as a measure to close the gender pay gap in Canada. [Oxfam Canada](#) encouraged setting up an advisory council on gender budgeting in order to set clear gender equality targets. [The Conference Board of Canada](#) added that funding should be available to measure progress towards these diversity targets.

The [Canadian Association for Graduate Studies](#) encouraged starting review processes to eliminate unconscious bias against women for scholarships, research grants or fellowships.

As well, the [Business Council of Canada](#) and [Oxfam Canada](#) suggested encouraging women to join the labour force through investment in child care.



[Oxfam Canada](#) suggested that the Committee should ensure that at least 15% of witnesses for pre-budget consultations are women's rights organizations or that their proposals are focused on gender equality.

4. Individuals with Disabilities and Other Underrepresented Groups

In commenting on issues facing people with disabilities, the [Canadian Dental Association](#) asked the government to invest in existing or lapsed provincial and territorial oral health programs for people with disabilities, while the [Centre for Israel and Jewish Affairs](#) requested that a specific portion of the 2018 budget be allocated to affordable housing for people with disability.

With regard to accessibility for people with disabilities, [March of Dimes Canada](#) advocated that the government take steps to make the accessibility criteria of the information and communications technology (ICT) systems and services mandatory for public procurement in Canada. [It](#) believed that making ICT accessibility for public procurement mandatory would demonstrate the government's commitment to equality for people with disability and would make accessible products more affordable to the government as well as the community as a whole. The [Canadian Association for Graduate Studies](#) suggested that the Tri-Council update their funding and scholarship policies to ensure accessibility, accommodation and inclusivity of students with disabilities, including the access to essential graduate research-related activities for students with long-term disabilities.

With a focus on those with limited means, [Canada Without Poverty](#) urged the government to adopt a human rights approach to the 2018 federal budget by analyzing the effect of spending on marginalized groups. [It](#) added that the new Canadian Poverty Reduction Strategy should also use a human rights approach with dedicated funding in the 2018 federal budget. The [Co-operative Housing Federation of Canada](#) commented that the government should preserve affordability of housing co-ops for low-income households while the [Canadian Home Builders' Association](#) said that instead of providing funding tied to specific social housing units, the government should introduce portable housing benefits that are tied to people in order to improve the mobility of lower-income families. The [Northwest Territories/Nunavut Council of Friendship Centres](#) believed that the government should conduct research into homelessness at a local level as it is one of the biggest barriers to success for their clients.

The [Community Sector Council Newfoundland and Labrador](#) called on the government to continue its effort to help lower-income Canadians access post-secondary education through the Canada Learning Bond by increasing its ceiling and indexing it to inflation.

The [Canadian Labour Congress](#) thought that the objectives of the Canadian Poverty Reduction Strategy could be achieved by measures such as strengthening employment standards and introducing a federal minimum wage in Canada. However, the [Quebec Employers' Council](#) and [Restaurants Canada](#) believed that the government should provide fiscal and tax incentives to encourage the hiring and training of marginalized Canadians.

5. The Committee's Recommendations

Recognizing that different groups of Canadians – including children and youth, women, Indigenous peoples, persons with disabilities and seniors – have particular needs that must be met to ensure their productivity in their workplaces and their communities, the Committee recommends that the Government of Canada should ensure the implementation of the following:

Recommendation 25

In partnership with relevant stakeholders, develop and implement a pan-Canadian mentoring program to increase access for tens of thousands of vulnerable young Canadians to the benefits and impacts of mentoring.

Recommendation 26

Allocate the funding needed to develop and implement an early learning and child care system. This system should ensure that all Canadian children and families are able to access high-quality, inclusive child care services.

Recommendation 27

Address violence against women by increasing the funds allocated to the Women's Program at Status of Women Canada, in recognition that violence against women costs the Canadian economy \$12 billion per year.

Recommendation 28

Increase its investment in job training programs for Indigenous peoples and support reconciliation by providing increased funding for programs that strengthen Indigenous youth opportunities. These youth programs could include sports, culture and mentorship.

Recommendation 29

Increase and update the funding agreement between Indigenous and Northern Affairs Canada and Indspire to deliver programs focused on reducing the educational gap between Indigenous and non-Indigenous Canadians. Funding provided to Indspire should be increased annually to account for inflation.



Recommendation 30

Fulfill the Truth and Reconciliation Commission's calls to action by providing the University of Victoria with financial support for an Indigenous Legal Lodge. This support should be delivered through Indigenous and Northern Affairs Canada.

Recommendation 31

Provide support for the Northwest Territories/Nunavut Council of Friendship Centres.

Recommendation 32

Allocate funding to affordable housing for people with disabilities. As well, the government should establish a plan that would ensure that 5% of all federal affordable housing investments are directed to support people with developmental disabilities.

Recommendation 33

Allocate funding to existing or lapsed provincial/territorial oral health programs for vulnerable populations.

Recommendation 34

Adopt a "whole of government" approach in developing a national seniors strategy. The strategy should include palliative and end-of-life care.

Recommendation 35

Increase funding for multiculturalism programs that support community capacity building, enact a national plan against racism, promote inter-faith dialogue, and support the fight against racism and discrimination.

Recommendation 36

Work towards eliminating the gap for child welfare funding for Indigenous children.

Recommendation 37

Introduce pay equity legislation for federally regulated sectors and work with the provinces/territories as well as private sector stakeholders to close the gender pay gap in Canada.

CHAPTER THREE: BUSINESSES

In launching its pre-budget consultations in advance of the 2018 federal budget, the Committee posed the following question: What federal measures – such as those that would help businesses to undertake research, innovation and commercialization – would help businesses to be more productive and competitive?

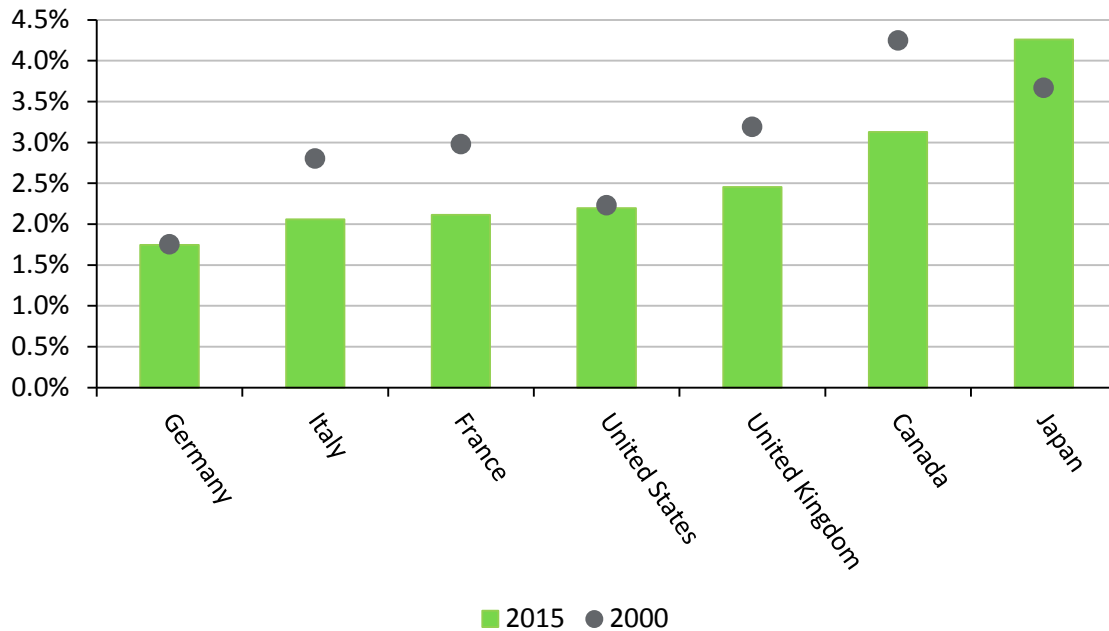
A. TAXATION AND REGULATORY REQUIREMENTS

According to the OECD's working paper [*How do Taxes Affect Investment and Productivity?: An Industry-Level Analysis of OECD Countries*](#), taxes can have an effect on countries' material living standards by affecting the determinants of GDP per capita, labour, capital and productivity. In commenting on business taxes and regulatory issues, the Committee's witnesses pointed out that corporate taxation, the small business tax rate, accelerated capital cost allowance, excise tax, carbon pricing, and modernization and red tape reduction are important factors that contribute to the productivity and competitiveness of Canadian businesses.



1. Corporate Taxation

Figure 10 – Taxes on Corporate Profits as a Percentage of Gross Domestic Product, G7 Countries, 2000 and 2015 (%)



Note: The Organisation for Economic Co-operation and Development defines taxes on corporate profits as taxes levied on the net profits (gross income minus allowable tax reliefs) of enterprises. It also covers taxes levied on the capital gains of enterprises. This indicator relates to government as a whole (all government levels). 2015 is the latest year for which data are available.

Source: Figure prepared using data obtained from: Organisation for Economic Co-operation and Development, "[Tax on Corporate Profits](#)," accessed 20 November 2017.

The [Confédération des syndicats nationaux](#) requested that the government adopt the new international standard for automatic exchange of financial account information that seeks to end banking secrecy as well as the standard that seeks to end base erosion and profit shifting. It also stressed the need to amend the legislation governing tax information exchange agreements (TIEA) and tax conventions, especially the agreement between Canada and Barbados, to prevent Canadian companies from using tax havens to repatriate dividends tax-free. The [Canadian Union of Public Employees](#) proposed that the federal corporate income tax rate be restored to the 2006 level of 21%.

In commenting on the overall corporate tax burden, [Restaurants Canada](#) advocated for an overall tax reduction for small and medium-sized businesses. The [North Saskatchewan Business Association](#) asked the government to implement a growth-friendly tax policy.

The [Quebec Employers' Council](#) recommended that, if the government reduces or eliminates some tax credits or other forms of tax relief following an assessment of their effectiveness, it should reduce the general tax rate correspondingly. [3M Company Canada](#) suggested that the government should change the corporate tax rules to give tax-exempt status to the portion of corporate income that is retained to reinvest into new capital.

When discussing a possible American tax reform, the [Montreal Economic Institute](#) asked the government to counter the American reform by introducing a form of proportional taxation based on the 10% rate for small businesses so that one single federal rate remains for all Canadian businesses.

Speaking on the taxation of online businesses, the [Canadian Union of Public Employees](#) spoke about the need to tax e-commerce companies with operations in Canada in order to level the playing field. The [Quebec Employers' Council](#) thought that the government should adapt to new trade technologies and work to collect lost tax revenues from online sales. The [Hotel Association of Canada](#) offered to work with the government to conduct a review on tax policies for the short-term rental industry. The [Board of Trade of Metropolitan Montreal](#) believed that the issue of the taxation of e-commerce needs be treated as a matter of urgency to encourage deep reflection.

Witnesses from across Canada representing small and large businesses in a wide range of sectors and regions spoke about federal tax credits in relation to competitiveness and productivity. The [Canadian Federation of Independent Business](#) called for the reintroduction of a hiring or training tax credit while the [Investment Industry Association of Canada](#) explained that the implementation of a broadly based, market-driven tax incentive would enable small and mid-sized businesses to grow, innovate and create jobs in Canada.

The [Canadian Chamber of Commerce](#) proposed to make British Columbia's investment tax credit a national program in order to grow the community of angel investors and incent them to do more. Further, to boost the competitiveness and productivity of local firms, the [Burnaby Board of Trade](#) encouraged investment in new equipment, technology, machinery and software, including by helping businesses overcome potential upfront financial barriers to making these types of capital investments. Noting that only 1.4% of Canadian medium-size companies become large businesses, which are a key driver of workforce productivity, job growth, and business efficiency, the [Calgary Chamber of Commerce](#) suggested creating a federal investor tax credit, similar to those in certain provinces, that would be equal to 30% of investment against federal taxes to encourage greater capital investment in Canadian small and mid-sized companies.



The [Saskatchewan Economic Development Association](#) asked the government to preserve tax incentives for farm operations and rural businesses to support the growth of the agricultural industry and support rural economies. [Mining Industry NL](#) explained that by providing Canadians with a strong incentive to continue to invest in mineral exploration activities, it would be possible to support the advancement of new discoveries through to mining projects, and asked that mineral exploration tax credit be renewed for a period of three years and that flow-through shares be maintained to ensure continued interest and investment in the sector. The [Northwest Territories and Nunavut Construction Association](#) called for an investment tax credit for businesses that invest in equipment to modernize their fleets and reduce GHG emissions.

The [Quebec Employers' Council](#) drew attention to the downward trend in investments in the area of scientific research and experimental development (SR&ED) tax credits and suggested that its impact be reviewed. [It](#) also voiced support for private investment and R&D by referring to the Quebec tax incentives on patents, which encourages the marketing and manufacturing of innovations and called for federal refundable R&D tax credits for large corporations as well as an increase in the accelerated deduction of capital costs for eligible investments.

The [Atlantic Chamber of Commerce](#) requested an increase in venture capital tax credits to support companies, reduce compliance costs and promote economic growth. [3M Company Canada](#) suggested extending the current Atlantic Investment Tax Credit across Canada and raising the credit level from 10% to 25% of eligible expenses in order to improve Canada's manufacturing productivity and competitiveness. [It](#) also argued that reducing manufacturers' federal corporate tax rate from 15% to 12% through the creation of a national manufacturing and processing tax credit would make Canada a more attractive place to locate manufacturing activities.

The [Atlantic Institute for Market Studies](#) insisted that entrepreneurs ought to be taxed less to improve their productivity, and the [Windsor-Essex Regional Chamber of Commerce](#) stated that the government should offset some businesses' costs to help them compete with lower-tax jurisdictions.

2. Small Business Tax Rate

In regard to small business tax rate, the [Canadian Cable Systems Alliance](#), [Restaurants Canada](#), the [Canadian Federation of Independent Business](#), and the [Calgary Chamber of Commerce](#) advocated that the small business tax rate be reduced to 9%.

The [Canadian Chamber of Commerce and](#) the Calgary Chamber of Commerce also suggested that the threshold for the small business tax rate should be increased from

\$500,000 to \$1,000,000. The [Sarnia Lambton Chamber of Commerce](#) requested that the GST/HST tax filing threshold for small businesses be increased from \$30,000 to \$50,000 and that it be indexed to inflation.

In discussing the eligibility of the small business deduction, the [Canadian Federation of Independent Business](#) urged government not to implement policies that narrow eligibility for the small business deduction. [It](#) also believed that the rules should be modified for self-storage facility and campground owners operating active businesses so that they are not denied benefits offered to other small business owners. The [Canadian Vintners Association](#) called for the elimination of the small business tax deduction qualifying asset test for the agriculture and agrifood industry. The [Greater Vancouver Board of Trade](#) testified that there is a sacrosanct relationship between government and small business and the government should not further dictate how small businesses are operated.

The [Confédération des syndicats nationaux](#) remarked that, in order to achieve tax fairness, the government should eliminate the use of the lower small business tax rate by wealthy individuals to reduce their own taxes.

3. Accelerated Capital Cost Allowance

According to the [Atlantic Chamber of Commerce](#) and the [Canadian Chamber of Commerce](#), a one year 100% write off on capital investments is needed. The [Chemistry Industry Association of Canada](#) suggested this write off happen for a minimum of one full business cycle to allow for upgrading resources into manufactured products. [It](#) further advised that the 10-year extension of the accelerated capital cost allowance for manufacturing and processing should become permanent. This permanent tax structure was also suggested by [3M Company Canada](#) and [Canadian Manufacturers & Exporters](#).

The [Railway Association of Canada](#) highlighted the need for the government to introduce an accelerated capital cost allowance measure to encourage the investment in railway track and related property.

The [Canadian Construction Association](#) suggested an increase from 30% to 50% in the permissible depreciation rate for [Class 38 assets](#) in order to improve the overall construction sector productivity.

[Canadian Manufacturers & Exporters](#) encouraged extending the current Atlantic Investment Tax Credit program across Canada and raising its level to 25% from 10% of eligible expenses.



4. Excise Tax

With regard to issues related to the excise tax on alcohol, [Restaurants Canada](#), [Beer Canada](#) and [Spirits Canada](#) supported the elimination of the provision that indexes the excise tax on alcohol to inflation. The [Canadian Vintners Association](#) argued that there needs to be a review of the structure of excise tax on alcohol while [Restaurants Canada](#) thought that an analysis on the economic impact of the annual indexation of the excise tax on alcohol should be conducted.

[Spirits Canada](#) also advocated for a reduced excise tax rate on spirit producer's first 100,000 litres of pure alcohol sold in Canada each year.

In discussing excise tax on sugary drinks, the [Coalition québécoise sur la problématique du poids](#) called on the government to impose a tax on sugary drinks and use the collected revenues to prevent obesity and chronic diseases. However, the [Canadian Beverage Association](#) believed that the government should refrain from implementing such a tax on sugary drinks citing Mexico's experience as an example of the ineffectiveness of this tax.

The [Hotel Association of Canada](#) asked the government to amend the *Excise Tax Act* to compel the short-term rental industry to charge and remit GST/HST on the service fee they levy on hosts and guests and to pay income tax on their Canadian activities.

The [Canadian Construction Association](#) reasoned that while the Gas Tax Fund being indexed at 2% provides municipalities with reliable funding, improvements to the fund should be made to cover inflation and population growth between census years.

5. Carbon Pricing

Business associations raised concerns about carbon pricing; for example the [Air Transport Association of Canada](#) emphasized its opposition to the federal carbon tax by explaining that fuel cost increases are impediments to their industry's competitiveness.

The [Northwest Territories and Nunavut Chamber of Mines](#) explained that use of greener fuels in the north is limited and that the adoption of a carbon tax should be reprieved until northern infrastructures can catch up. Quebec's Green Fund was identified by the [Railway Association of Canada](#) as an example of how to redirect carbon revenues into rail infrastructure. On the issue of using ecofiscal policies to raise new government revenues, the [Quebec Employers' Council](#) warned that these revenues should instead be used to promote certain behaviours and environmental objectives. [It](#) argued that additional carbon tax obligations should not be placed on top of the Québec Cap and Trade System for Greenhouse Gas Emissions Allowances.

Implementation of a “made in the north” alternative to the carbon tax was called for by the [Northwest Territories Chamber of Commerce](#) while expressing concerns about mobility problems that would be exacerbated with a carbon tax and contribute to stagnant productivity growth in the Northwest Territories.

6. Modernization and Red Tape Reduction

Certain witnesses commented on the need to modernize federal processes and reduce red tape in order to improve the productivity and competitiveness of Canadian businesses. For example, the [Canadian Home Builders' Association](#) and the [Halifax Chamber of Commerce](#) believed that the government need to address regulation and red tape delays so that the business community can receive timely customer service and be consulted early in the regulatory process. [Food and Consumer Products of Canada](#) urged the government to modernize regulations and study the impact of new regulations to ensure that they are forward-looking, factual and supportive of both innovation and growth.

In discussing ways in which the administrative burden can be ameliorated, the [Toronto Region Board of Trade](#) argued that the government should recommit to the “one-for-one rule,” which mandates the removal of one regulation for every new one introduced as a way to reduce inefficient and obsolete regulations. The [Canadian Federation of Independent Business](#) thought that the one-for-one rule should be broadened to include guidelines, policies and legislation in addition to regulations. It also proposed that the government should create incentives and rewards to encourage public servants’ red tape reduction efforts. Furthermore, it shared that, in order to understand the total amount of red tape small businesses are facing, a more comprehensive baseline measure of the total number of rules that can be tracked over time should be implemented.

The [Association of Consulting Engineering Companies - Canada](#) pointed out that clear and efficient regulatory approval regimes could be achieved by harmonizing federal and provincial approval processes.

The [Canadian Federation of Independent Business](#) commented on regulatory barriers between jurisdictions and suggested that the government focus its red tape reduction efforts on five areas: corporate registration, food inspections, transportation regulations, professional and trade licensing, and workers’ compensation and occupational health and safety.

The [Canadian Federation of Independent Business](#) believed that the government should address customer service levels for small businesses by consulting broadly with



Canadians on methods of “red tape” reduction in order to gather ideas for both simplifying existing rules and improving government customer service.

7. The Committee’s Recommendations

In order to ensure that the tax measures applicable to Canadian businesses contribute to productivity and competitiveness, the Committee recommends that the Government of Canada take the following tax-related actions:

Recommendation 38

Facilitate decision-making in the mineral sector by renewing the Mineral Exploration Tax Credit for a three-year period.

Recommendation 39

Consider the creation of an investor tax credit in order to build capital investment and increase the productivity of Canada’s small and medium-sized businesses.

Recommendation 40

Recognize the income earned by campgrounds and storage facilities as “active business income” for the purpose of determining eligibility for the small business deduction.

Recommendation 41

Limit the underground economy through the creation of a home energy retrofit renovation tax credit.

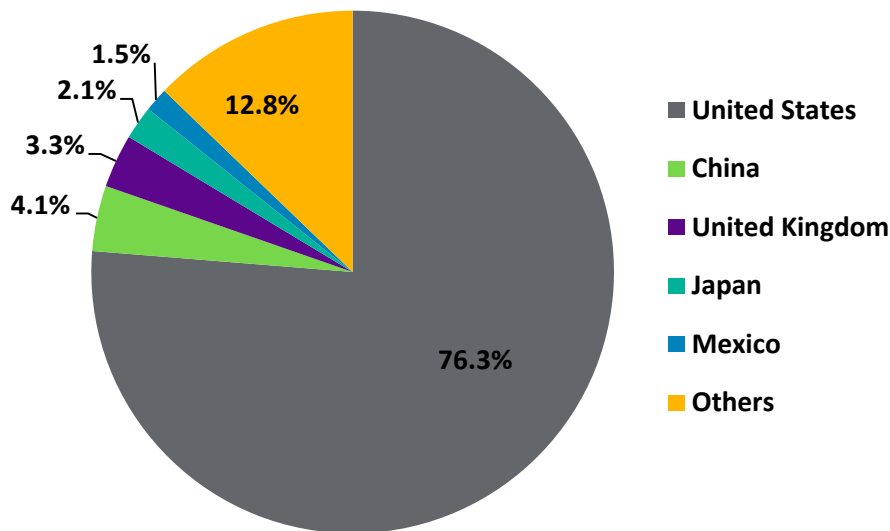
B. TRADE AND BUSINESS SUPPORTS

As stated in the Innovation, Science and Economic Development Canada report [*SME Profile, Canada Small Business Financing Program Borrowers*](#), small and medium-sized enterprises (SMEs) are significant drivers of economic growth and employment within Canada's economy. The [*Advisory Council on Economic Growth*](#) indicated that SMEs need support in the area of international trade. Furthermore, they outlined that “economies active in international trade ... benefit from bigger inflows of foreign direct investment (FDI) in production facilities, research labs, distribution centers, office buildings, and the like. These inward FDI flows often embody the latest and best technologies and therefore enhance Canada’s productive potential.” In commenting on these issues, the Committee’s

witnesses highlighted trade, specific federal business supports and intellectual property as key factors that contribute to the productivity and competitiveness of Canadian businesses.

1. Trade

Figure 11 – Canadian Exports by Country, 2016 (%)



Source: Figure prepared using data obtained from: Government of Canada, "[Trade Data Online](#)," accessed 17 November 2017.

Many witnesses talked about a number of trade-related issues. For example, [CropLife Canada](#) and the [Calgary Chamber of Commerce](#) advocated for the removal of trade barriers while the [Canadian Chamber of Commerce](#) urged the government to improve the flexibility of the [CanExport Program](#). The [Board of Trade of Metropolitan Montreal](#) stressed that measures in place to support businesses in international trade must be consistent instead of changing with each government-organized mission.

Regarding recent renegotiation of the North American Free Trade Agreement (NAFTA), [3M Company Canada](#), the [Greater Charlottetown Area Chamber of Commerce](#), the [Confédération des syndicats nationaux](#), the [Board of Trade of Metropolitan Montreal](#), the [Windsor-Essex Regional Chamber of Commerce](#), [Food & Consumer Products of Canada](#), the [Canadian Urban Transit Association](#), the [Saskatchewan Mining Association](#) and the [Business Council of Canada](#) expressed their concerns over the limited progress



achieved since the beginning of the negotiations and stressed the importance of reaching a new agreement that benefits all three countries.

More specifically, the [Confédération des syndicats nationaux](#) asked the government to ensure that softwood lumber is included in the agreement as a condition for the renegotiation while [3M Company Canada](#) underscored the importance of the absence of any trade retaliation or border adjustability measures. With 6,000 people commuting from Windsor-Essex to Michigan for employment, the [Windsor-Essex Regional Chamber of Commerce](#) requested that the government ensure certainty in terms of work visas during the renegotiation of NAFTA. [Food & Consumer Products of Canada](#) commented that the government should conduct the negotiations with the objective of increasing Canadian value-added products and jobs while the [Canadian Urban Transit Association](#) called on the government to pursue the goal of national treatment for Canada-based products. The [Business Council of Canada](#) identified several opportunities for modernizing NAFTA in the following areas: intellectual property, e-commerce, the treatment of state-owned enterprises, competition rules, sanitary and phytosanitary measures, telecommunications, customs procedures, labour, environment, procurement and regulatory co-operation. It also suggested that, in seeking to renew NAFTA, the government should strive to improve energy security, promote greater energy co-operation, increase access to lower-carbon energy sources and regulatory co-operation in order to bolster the competitive position of the North American industry. The [Board of Trade of Metropolitan Montreal](#) believed that the government should develop a “plan B” in case the NAFTA negotiations fail. The [Mining Association of Canada](#) supported greater liberalization of trade through the new agreement.

In light of the NAFTA renegotiation, many witnesses pointed out the need for Canada to diversify its international trade markets. The [Board of Trade of Metropolitan Montreal](#), the [Business Council of Canada](#) and the [Quebec Employers' Council](#) encouraged the government to engage in talks for trade agreements with Asian economies such as Japan, South Korea, China and India.

In terms of implementation of the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), the [Canadian Chamber of Commerce](#) urged the government to use resources to ensure the implementation of CETA and begin the negotiation of a trade agreement with the United Kingdom. The [Toronto Region Board of Trade](#) proposed that the government partner with chambers of commerce and industry associations to inform small and medium-sized enterprises of the opportunities and benefits of CETA.

The [Canadian Chamber of Commerce](#) and the [Halifax Chamber of Commerce](#) requested that the government include more trade-enabling infrastructure as part of its

infrastructure investment plan. The [Canadian Vehicle Manufacturers' Association](#) and the [Canadian Chamber of Commerce](#) asked the government to continue investing in trade corridors while the [North Saskatoon Business Association](#) supported the development of trade corridors outside of Canada's largest metropolitan centres.

In commenting on inter-provincial trade barriers, the [Northwest Territories and Nunavut Construction Association](#) and the [North Saskatoon Business Association](#) encouraged the government to work with provincial and territorial governments to remove trade barriers to doing business between provinces and territories. [Restaurants Canada](#) suggested that the government ensure Canadians' right to the free flow of goods and services including alcohol, and work to reduce interprovincial non-tariff trade barriers on alcohol.

The [Canadian Produce Marketing Association](#) insisted that in response to the loss of preferential access to the dispute resolution mechanism under the U.S. *Perishable Agricultural Commodities Act* (PACA), the government must take immediate action to create a PACA-like deemed trust to re-establish the preferential access thereby increasing the industry's competitiveness. The [Toronto Region Board of Trade](#) recommended that the government partner with its World Trade Centre Toronto (WTC-T) to expand its trade education services nationally to prepare more Canadian firms for international trade.

2. Federal Business Supports

With respect to ways that the government can support Canadian businesses, the [Canadian Beverage Association](#) shared that the government needs to ensure that regulation, policy, and taxation measures are principle based, science based and equitable. The [Quebec Employers' Council](#) supported Canada maintaining a very attractive fiscal and regulatory business environment for all corporations.

The [Northwest Territories and Nunavut Construction Association](#) proposed the development of a federal navigator service to assist businesses in accessing the appropriate federal programs, services, and funding. Additionally, the [Association of University Research Parks Canada](#) speculated that a standardization program could be developed towards the consolidation of information, standardization, benchmarks and metrics necessary to maximize business outcomes and potential economic impacts to Canada.

Speaking on ways to foster innovation in Canadian businesses, the [Canadian Vehicle Manufacturers Association](#) noted that the innovation policy framework must remain responsive and sensitive to the competitive needs of the sectors to support the attraction of investments. The [Atlantic Chamber of Commerce](#) encouraged the



government to engage businesses in the development of Canada's innovation strategy in order to reduce the compliance burden and promote economic growth.

The [Association of Canadian Faculties of Agriculture and Veterinary Medicine](#) insisted that the government should provide initial funding to develop an innovation marketplace to enhance collaboration between the private sector and universities.

With respect to the [Strategic Innovation Fund](#), which allocates repayable and non-repayable contributions to businesses of all sizes to spur innovation in Canada, [Canadian Manufacturers & Exporters](#) suggested that it be expanded to \$2 billion per year, be made a permanent program, and that half of those funds be earmarked for innovations tied to the manufacturing sector. Furthermore, [it](#) pointed out that the Strategic Innovation Fund should be expanded to include tax credits for process improvements and software purchases.

The [Canadian Association for Graduate Studies](#) contended that the government should provide predictable and stable funding to the Canada Foundation for Innovation in order to support high calibre world-class research in universities, colleges, research hospitals and non-profit research institutions, as well as mandate the Canadian Foundation for Innovation to undertake regional analysis of the impact of the rules around matching funds to address unintended regional biases.

Speaking about the commercialization of Canadian ideas, [Polytechnics Canada](#) believed that the College and Community Innovation Program should be consolidated within Innovation Canada in order to improve businesses' access to polytechnic innovation capability, and that a "regional commercialization voucher program" should be created to stimulate regional innovation and deepen industry-academic ties. The [Canadian Produce Marketing Association](#) added that a "commercialization funding strategy" should be developed that is consistent with the principles of trust and transparency in order to help bring new products to market and grow the Canadian economy. The [Conference Board of Canada](#) reasoned that improvement in commercialization could be achieved through additional funding for programs that bring researchers together with industry, like the grants from the Natural Sciences and Engineering Research Council of Canada (NSERC).

The [Business Council of Canada](#) noted that the government ought to prioritize industry-led innovation initiatives that match public funds with private investment, and that these initiatives should be selected based on merit through an open process that is independent from political influence.

With respect to the government's [Innovation Supercluster Initiative](#), which aims to support certain "business-led innovation superclusters with the greatest potential to energize the economy and become engines of growth," the [Board of Trade of Metropolitan Montreal](#) remarked that the next budget should identify ways to expedite the projects that have been submitted in the supercluster initiative, so as not to miss out on opportunities for growth. The [Toronto Region Board of Trade](#) expressed that Canada must focus on improving and scaling up existing areas of strength within the Innovation Supercluster Initiative in order to generate the greatest economic return for the investments made.

Speaking about specific superclusters, the [Confédération des syndicats nationaux](#) thought that additional innovation superclusters could be created and funded, such as the forestry bio-products industry. [Bruce Power](#) promoted further investment in the nuclear industry supercluster, while the [Forest Products Association of Canada](#) supported the implementation of the recent budget announcement relating to the transportation and innovation superclusters.

With respect to direct investment the government could make in building the Canadian economy, the [Canadian Chamber of Commerce](#) pointed out that the government should make investments in venture capital in order to improve the return of private sector investments and leverage the funding for entrepreneurs. [Canadian Manufacturers & Exporters](#) thought that the government should increase direct investment in high-potential sectors by creating a risk-sharing funding program aimed at improving productivity and accelerating the commercialization of innovative products. The [Council of the Great Lakes Region](#) believed that manufacturing, sustainable food production, and services like tourism were examples of such high potential sectors.

Speaking on SMEs, the [Association pour le développement de la recherche et de l'innovation du Québec](#) claimed that programs that encourage collaboration between large companies and SMEs ought to be implemented federally, similar to programs already operating in Quebec. The [Canadian Federation of Independent Business](#) told the Committee that there ought to be better communication with SMEs on government programs, and the [Conference Board of Canada](#) suggested that fast-growing SMEs should be the focus of government investment in order to enhance Canada's productivity.

With respect to federal support for [incubators](#), which are organizations dedicated to supporting the growth of new and early-stage businesses, the [Canadian Chamber of Commerce](#) observed that the government should invest in incubators that specifically foster the acceleration of learning and innovation. The [Northwest Territories/Nunavut Council of Friendship Centres](#) indicated that the government should work with



friendship centres to create more business incubators and provide additional support for small businesses, entrepreneurship training and start-up funding. [Colleges and Institutes Canada](#) welcomed investment in incubators for student entrepreneurs at colleges and other institutes to expand employment options for young graduates and career transition opportunities for mature learners.

3. Intellectual Property

The [Association francophone pour le savoir](#) thought that the federal government should adopt an intellectual property (IP) policy that creates a virtuous cycle of the production and dissemination of knowledge, with research and innovation feeding each other, in order to position Canada as a global leader of the knowledge economy. As explained by the [Association francophone pour le savoir](#), improvements should also be made to the Canada Foundation for Innovation (CFI) program to facilitate adequate funding access for both small and large projects. [Stem Cell Network](#) also stressed that policy links are missing between discovery research, intellectual property and full-commercialization discoveries and, as a result, problems in access to venture capital, healthcare therapy delivery, infrastructure and the clinical trials regulatory burden make the establishment of biotech companies throughout the regenerative medicine ecosystem difficult. The [Canadian Institute of Nuclear Physics](#) spoke about the need to implement the recommendations of the report on Canada's Fundamental Science Review (also known as the 2017 Naylor Report) highlighting the need to update Canada's intellectual infrastructure in order to generate more prosperity.

The [Association of University Research Parks Canada](#) remarked that development of a deeper understanding of the intellectual property available in Canada throughout its academic institutions and federal departments would help overcome barriers to commercially viable opportunities and growth, and therefore suggested the creation of a "national intellectual property inventory mapping and matchmaking program."

To help Canadian businesses and researchers improve on the crucial step of commercializing their innovations and intellectual property, the [Intellectual Property Institute of Canada](#) thought that launching a "commercialization coupon" would provide an incentive for adequate planning. [It](#) also highlighted the possibility of providing subsidies to help new innovators obtain their first patents.

In relation to intellectual property the [Canadian Chamber of Commerce](#) suggested the creation of a sovereign patent pool and called for the development of an industry-led certification that would encourage protection of Canada's innovation in the digital marketplace.

The [Intellectual Property Institute of Canada](#) suggested that business income derived from intellectual property should be taxed at a lower rate than regular income in order to create an “innovation box.” The concept of an innovation box was mentioned by several witnesses from the business sector, including the [Canadian Chamber of Commerce](#) which referred to the Netherlands’ experience with the concept, and explained that an “innovation box regime” could broaden the tax base and increase the number of high-value jobs in Canada. Similarly, the “innovation box” was viewed by [BIOTECCanada](#) as a means to support a company's early stage growth by providing reduced tax rates on revenues earned from commercial activity relating to a company's intellectual property, and it was referred to by the [North Saskatoon Business Association](#) as a “patent or innovation box,” which could support commercialization, encourage entrepreneurship and grow the economy while adding value to society. The [Chartered Professional Accountants of Canada](#) promoted an “IP trade and made in Canada” innovation box that would provide a preferential tax rate on income derived from intellectual property in order to encourage research and development in Canada, and encourage Canadian businesses to develop, commercialize and retain patents in Canada.

The [Canadian Music Publishers Association](#) suggested that the *Copyright Act* is due for a comprehensive review with the arrival of new technologies and music services. It prioritized three changes including the revision of exceptions in the *Copyright Act* that reduce the compensation for rights holders, a solution to the issues regarding the process and output of the Copyright Board, and extension of the term of copyright to the life of the author plus 70 years.

4. The Committee’s Recommendations

Recognizing the importance of research, development and commercialization in contributing to the productivity and competitiveness of Canada’s businesses, the Committee recommends that the Government of Canada should:

Recommendation 42

Consider becoming the world’s leading producer of artificial intelligence in the agricultural and agri-food sector.

Recommendation 43

Ensure that the Stem Cell Network receives stable and predictable funding for translational research.



Recommendation 44

Implement the Canadian Neutron Initiative, upgrade and fully utilize the McMaster nuclear reactor, and facilitate international nuclear research partnerships.

Recommendation 45

Establish incentives for researchers receiving federal grants. The incentives could include a commercialization coupon or an innovation box, and the commercial activities could include intellectual property development, market studies and/or business plan preparation.

Recommendation 46

Create a first patent program that is similar in design to that launched by the Government of Quebec. This program should assist with the expenses incurred by small and medium-sized businesses when obtaining a first patent.

Recommendation 47

Work with the Canada-Israel Industrial Research and Development Foundation with the goal of encouraging a culture of entrepreneurship in Canada. In particular, the government should support innovative start-up companies and implement best practices associated with the Israeli model.

Recommendation 48

Build on the recently concluded Canadian Free Trade Agreement and continue to reduce internal trade barriers by pursuing regulatory modernization among the provinces/territories.

Recommendation 49

Pursue bilateral, regional and multilateral trade agreements. These agreements should address non-tariff trade barriers, ensure access to new markets for Canadian agricultural products, and ensure science-based regulatory standards.

Recommendation 50

Use the Fundamental Science Review (the Naylor Report) as a framework for long-term support of science and research. In particular, the government should invest in investigator-led research, the Canadian Foundation for Innovation, applied sciences research institutions, as well as in agricultural

research. The government should also expand access to the Canadian Graduate Scholarship program.

C. EMPLOYMENT MEASURES AND CONTRIBUTIONS

According to the OECD report [MultiProd: The micro drivers of aggregate productivity](#), “employment patterns and productivity growth play a central role in shaping the welfare of societies and the competitiveness of countries.” In commenting on employment measures and contribution issues, the Committee’s witnesses observed that business labour and skills development, employer contributions to EI and the Temporary Foreign Workers Program are factors that contribute to the productivity and competitiveness of Canadian businesses.

1. Labour and Skills Development

Figure 12 – The Nine Essential Skills for Workers



Source: Figure prepared using information obtained from: Employment and Social Development Canada, “[What are essential skills?](#),” accessed 22 November 2017.

Some witnesses discussed labour and skills development from a business perspective. For example, [Restaurants Canada](#) commented that job training grants should be made more widely available to the restaurant industry. The [Canadian Federation of](#)



[Independent Business](#) stated that the government should ensure that training dollars address the needs of small business owners.

With a focus on incentives for businesses to train employees, the [Canadian Construction Association](#) and the [Northwest Territories and Nunavut Construction Association](#) expressed that the government should provide more robust financial support and incentives to employers engaged in apprenticeship training, and proposed that the government increase the annual value of the Apprenticeship Job Creation Tax Credit and broaden its application. The [Calgary Chamber of Commerce](#) also supported a broad tax credit for employers who offer training, post-secondary co-op placements, and internships.

In commenting on federal procurement and job training, the [Canadian Labour Congress](#) and the [Canadian Apprenticeship Forum](#) suggested that there should be a new mechanism to link procurement spending to apprenticeship training. However, the [Northwest Territories and Nunavut Construction Association](#) cautioned that the government should enhance the incentives offered to employers to train apprentices rather than mandating apprentices on federal construction projects.

With regard to collaborations in skills training, the [Northwest Territories and Nunavut Construction Association](#) proposed that government-funded entrepreneurial and business mentorship services be expanded. The [Atlantic Partnership for Literacy and Essential Skills](#) spoke about the need for collaboration between stakeholders through investment in workplace skills training. The [International Association of Heat and Frost Insulators and Allied Workers](#) asked the government to continue its support of union-based training programs.

The [Canadian Labour Congress](#) commented that the government should invest \$10 million to develop and expand pre-apprenticeship training programs.

[Canadian Manufacturers and Exporters](#) suggested that the government should increase investment in employer-led workforce training, while also working with industry to attract underrepresented groups to jobs in manufacturing.

The [Canadian Chamber of Commerce](#) supported moving forward on labour market information improvement and to increase work-integrated learning by providing incentives to employers. The Committee heard about the need for enhanced labour market information across Canadian regions, including from the [Atlantic Chamber of Commerce](#), highlighting that this would help businesses find adequate supply of skilled workers where and when they are needed. The [Canadian Association for Graduate](#)

[Studies](#) also underlined that championing the LMI Initiative would permit meaningful comparisons across jurisdictions and regions.

[Hospitality Newfoundland and Labrador](#) referred to research conducted by Tourism HR Canada to express concerns with respect to the perspective of unfilled positions in the Canadian tourism industry, but it believed that labour capacity issues could be overcome by timely labour market research as well as industry export readiness and workforce development programming. In addition, the [Burnaby Board of Trade](#) told the Committee of key priorities affecting the productivity of workers and member businesses and urged that the government focus on transportation challenges and labour mobility in its 2018 federal budget. After expressing support for the Innovation Superclusters Initiative, the [Association pour le développement de la recherche et de l'innovation du Québec](#) stressed the importance of facilitating information sharing among the federal, provincial and territorial governments in order to identify co-operation opportunities with regard to the superclusters that will be chosen.

[Polytechnics Canada](#) explained that better labour market alignment between job seekers and employers is needed and suggested to invest in a new “Skills-in-Demand” survey.

The [Canadian Apprenticeship Forum](#) asked that employer barriers related to apprenticeship training be addressed to help employers navigate the hiring process and on-the-job training as well as regulatory and educational systems. Also, in order to improve employability of Canadians, [Colleges and Institutes Canada](#) promoted enhanced incentives to employers for the retention of third and fourth year apprentices through program completion. The [Canadian Produce Marketing Association](#) suggested that a “trusted employer program” be introduced to expedite the hiring process for qualified employers who have maintained good standing with the Seasonal Agricultural Workers Program (SAWP). It also asked the government to diminish the administrative burden on companies that utilize the SAWP, mentioning that employers who have had placements approved by Service Canada should not need to reapply for this previously approved placement should the intended seasonal foreign worker be unable to complete the service.

In order to increase the number of Canadians who receive training and education through the Canada-Saskatchewan Job Grant, the [Saskatchewan Association of Rural Municipalities](#) advocated extending the job grant program to municipalities.

2. Employer Contributions to Employment Insurance

Regarding EI premiums, the [Canadian Chamber of Commerce](#) supported reducing premiums to the seven-year break even rate, which represents \$1.49 per \$100 of insurable earnings. The [Canadian Federation of Independent Business](#) explored



implementing a 50/50 split of the premiums between the employee and the employer. It alternatively suggested introducing a permanently lower EI rate for small businesses.

The [Canadian Federation of Independent Business](#) stressed the importance of better aligning EI training programs and initiatives with small business needs.

For its part, the [Quebec Employers' Council](#) advocated for the creation of an “employment insurance contributions credit” for training expenses, particularly for formal training associated with new investments.

3. Temporary Foreign Workers

A number of witnesses highlighted the importance of the Temporary Foreign Worker Program for Canadian businesses. For example, the [Board of Trade of Metropolitan Montreal](#) encouraged the government to set out measures that would make the hiring of temporary foreign workers easier in the upcoming budget. Similarly, the [Canadian Chamber of Commerce](#) and [Greater Vancouver Board of Trade](#) stressed that the Temporary Foreign Worker Program should be streamlined, revised and improved in order to fully deliver on the program’s potential.

After highlighting that the Canadian agriculture and agri-food sector employs 45,000 temporary foreign workers annually, the [Agriculture and Agri-Food Labour Task Force](#) called on the government to ensure that the Seasonal Agricultural Worker Program remain an identifiable and stand-alone program. Furthermore, it argued that Temporary Foreign Worker Program and the Seasonal Agricultural Worker Program should support a pathway to permanent residency for farm and food workers.

The [Quebec Employers' Council](#) remarked that the changes announced to the Temporary Foreign Worker Program should be expedited, because delays and unpredictability in the program can represent major obstacles for businesses.

4. The Committee’s Recommendations

To meet the goal of optimal worker productivity, the Committee recommends that the Government of Canada should:

Recommendation 51

Introduce a trusted employer program that would expedite the hiring process for qualified employers that have maintained good standing with the Seasonal Agricultural Worker Program.

Recommendation 52

Help Canadian businesses meet their labour force needs by improving the efficiency of the Temporary Foreign Worker program.

Recommendation 53

Invest in national mentoring programs designed to improve the employment outcomes of skilled immigrants and to encourage employers to hire such individuals. The government should also examine ways in which to establish work placements for these immigrants prior to their arrival in Canada.

D. SECTOR AND BUSINESS SPECIFIC PROPOSALS

In combination with broader federal measures, individual sectors or businesses can be targeted directly by the federal government in order to increase their productivity and competitiveness. The committee heard such proposals from various witnesses, including tobacco and electric vehicle advocates as well as representatives from the following sectors: agriculture and agri-food, air transportation, financial services, fisheries and aquaculture, forestry, mining, manufacturing, ship building, oil and gas, rail and tourism.

1. Agriculture and Agri-food

The [Agricultural Institute of Canada](#) spoke about the need to set medium and long-term agricultural research priorities and strategic direction for sustainable agricultural production by creating a national coordination body for agricultural research and innovation. The issue of cross-border knowledge spillovers in agriculture was discussed and the [Agricultural Institute of Canada](#) called on the government to improve its international science and technology cooperation policy and federal programming for agricultural science.

The [Agricultural Institute of Canada](#) asserted that it is important, for greatest success and return on investment, to invest in long-term and predictable core agricultural research and innovation through a combination of funding mechanisms – public, levy-based and private funding. Incentives that create a climate for private investment in agriculture, ranging from seed and patient capital funds to increased risk tolerance and risk-sharing mechanisms were called for by [Agricultural Institute of Canada](#), who declared that incentives for firms to invest in R&D are widely available; for example, through existing federal tax credits, but special policy provisions and better targeted fiscal credits for agri-businesses, farmers and producers are needed to promote made-in-Canada technology development, transfer and adoption. The [Agricultural Institute of](#)



[Canada](#) also suggested that tax incentives in agriculture R&D would help to advance Canadian leadership in clean technologies.

The [Agricultural Institute of Canada](#) asked to renew and expand Canada's agricultural innovation infrastructure to elevate Canada's research capacity, and thought that policy and dissemination tools should integrate knowledge transfer activities into agricultural federal programming that supports adoption of innovations. [It](#) also explained that a "comprehensive agricultural intellectual property strategy" is needed to enable the adoption of marketable innovations resulting from agricultural research projects. To encourage the faster uptake of new technologies and bridge the gap between scientific research and commercialization, the [Agricultural Institute of Canada](#) recommended that public investment in agricultural research clusters continue to expand.

The [Enterprise Machine Intelligence & Learning Initiative](#) was concerned that Canada is missing out annual payments in terms of patent licensing and royalties and requested that problems with Canada's weak agricultural patent filing be addressed. The [National Cattle Feeders' Association](#) believed that the 2017 federal budget's goal of growing Canada's agricultural exports from \$56 billion to \$75 billion by 2025 is admirable, but this goal will not come to fruition without the support of policies and programs, as the beef industry exemplifies. [It](#) cautioned that Canada's trade policies and priorities do not need to be undermined by action or even inaction on other policy fronts.

In order to make Canadians healthier and more productive, the [Canadian Produce Marketing Association](#) proposed to stimulate demand for fresh fruits and vegetables by setting a goal of increasing consumption by 20% over the next five years. The [Canadian Produce Marketing Association](#) spoke about compliance in relation to the new Safe Food for Canadians Regulations (SFCR). [It](#) suggested that better consumer protection and clear processes for industry in such areas as traceability and licensing could be achieved through greater support for cost recovery by industry. For growers, packers, shippers, wholesalers and retailers to continue investing in their workforce, [it](#) also suggested ongoing financial commitments to government departments who hold responsibility for SFCR compliance. Providing the agricultural sector with an alternative to the *Perishable Agricultural Commodities Act* was presented by the [Windsor-Essex Regional Chamber of Commerce](#) as a key issue to resolve for small businesses. The [National Cattle Feeders' Association](#) commended the completion of the new \$3-billion Canadian Agricultural Partnership (CAP) and encouraged the government to push it ahead, by implementing the [Advisory Council on Economic Growth](#) report's recommendation to establish a new agri-food growth council.

The [National Cattle Feeders' Association](#) was supportive of the recommendations of the report on the Temporary Foreign Worker Program of the Standing Committee on Human Resources, Skills and Social Development and Status of Persons with Disabilities and of decisions in Budget 2017 to secure improvements to that program. However, [it](#) insisted that persistent and critical shortage of labour in the sector requires follow-up to ensure that it has ready access to the labour it needs to grow and remain competitive. The [Agriculture and Agri-Food Labour Task Force](#) proposed that an interdepartmental advisory council for the industry be developed to support improved labour availability.

2. Air Transportation

The Committee was told about issues concerning air transportation. For example, the [Atlantic Canada Airports Association](#) and the [Canadian Airports Council](#) advocated for the elimination of rent for all airports with fewer than three million passengers per year and a cap on rent for larger airports. The [Quebec Employers' Council](#) also believed that the government should stop charging airports ground rent and return those rents to the operating authorities.

In commenting on security screening, the [Canadian Airports Council](#) and the [Greater Toronto Airports Authority](#) argued that the government should set a globally competitive service level standard for security screening by reforming the delivery and increasing the funding of the Canadian Air Transport Security Authority (CATSA). [The former](#) also asked for the expedited deployment of [CATSA Plus](#) technology in additional airports and checkpoints. The [Air Transport Association of Canada](#) commented that the business and governance model for CATSA should be reviewed and that the government should work collaboratively with CATSA to assess its operational funding needs.

On the topic of privatization of Canadian airports, the [Air Transport Association of Canada](#) voiced its strong opposition to the sale of major Canadian airports. [It](#) believed that the sale is near-sighted and will result in significantly higher costs for airlines and passengers. The [National Airlines Council of Canada](#) insisted that the discussion around airport privatization should be done in public and the Department of Finance Canada should make market surveys on this matter public so that an optimal regulatory framework can be created. The [Greater Vancouver Board of Trade](#) shared its concern over the possible share capitalization of Vancouver International Airport and explained that the costs of running the airport will increase as a result.

In terms of regional air transportation, the [Atlantic Canada Airports Association](#) requested an increase in infrastructure funding for small airports across Canada to \$75 million per year. The [Northern Air Transport Association](#) asked the government to work with stakeholders to determine the priority investments that address the



infrastructure needs of remote northern airports. The [Greater Toronto Airports Authority](#) proposed that the government should work with municipal and provincial governments to improve the ground transportation connectivity at Toronto Pearson International Airport. The [Toronto Region Board of Trade](#) commented that the government needs to work with the provinces, municipalities and airport authorities to invest in improvements in airport connectivity for goods and people's movement. [It](#) also urged the government to implement a “regional airport strategy” for southern Ontario to accommodate growth at Pearson and other airports.

The [Greater Toronto Airports Authority](#) spoke about the need for the federal and provincial governments to work together to introduce dual shop duty-free stores and arrivals duty free, consistent with other jurisdictions around the world, and the [Canadian Airports Council](#) requested that the government allow airports to allow duty free sales at arrivals by amending the *Customs Act*.

The [National Airlines Council of Canada](#) expressed its support for recommendations outlined in the [Emerson report](#), including phasing out airport rents, reforming the user-pay policy for air transport, and putting in place regulated performance standards for security screening.

[UNITE HERE! Local 40](#) commented that the government should ensure that airport authorities contribute to our communities by complying with municipal planning bodies, paying an equitable share of taxes to the cities, letting local and region body play a role in setting airport improvement fees, increasing transparency on certain business ventures, and urging airport authorities to adopt responsible contractor policies with stability for outsourced workers.

3. Electric Vehicles

[Clean Energy Canada](#) welcomed the upcoming Zero-Emission Vehicle (ZEV) Strategy, which will build on the 2016 and 2017 federal budgets’ support for clean growth and reducing carbon pollution in Canada. [It](#) also highlighted that the updated and expanded ZEV technology roadmap would be helpful to assess Canada’s strengths and determine best capitalization options. Underlining that electric vehicles (EVs) will be an important technology moving forward as the industry and consumers make the transition to low carbon transportation, the [Canadian Vehicle Manufacturers' Association](#) believed that continued federal support should be provided by matching provincial government EV infrastructure funding commitments. Additional avenues for support suggested by [Electric Mobility Canada](#) consisted of granting additional funding for the purchase or lease of EVs by various departments to allow for the replacement of fossil-fuelled

vehicles each year at the end of the life of conventional light-duty vehicles or some duty trucks.

Provided Canada's commitments to reduce its greenhouse gas emissions and to develop a Canada-wide strategy to increasing the number of ZEVs on its roads, [Electric Mobility Canada](#) thought that avenues to support electric vehicles market growth should include measures such as implementing a national outreach campaign and a web portal serving as a "one-stop-shop," increasing the quantity and the quality of the EV experience, establishing EV showcases including mobile showcases, and developing dealership/sales centres and salesperson training, as well as launching test drive programs.

According to [Clean Energy Canada](#), a national network of EV "discovery centres," which could be modelled on the facility operated by Plug N Drive in Toronto, would allow interested consumers to learn about and try EVs. As explained by [Clean Energy Canada](#), funding for a national approach to ZEV financing based on total cost of ownership could give potential EV drivers more confidence in their ability to afford such vehicles. With respect to affordability and its influence on purchase decisions, [Clean Energy Canada](#) noted that about 95% of Canadian EV sales are from the three provinces that offer rebates for the purchase of ZEVs; it argued that well-designed rebates are an important tool that should be offered to consumers coast-to-coast before ZEVs attain price parity with internal combustion engines. [Electric Mobility Canada](#) explained that current taxation system of allocating a portion of the cost of ownership (the standby charge) to the employees as a taxable benefit acts as a deterrent for the adoption of EVs, as the cost of these vehicles is generally higher than the cost of comparable conventional cars, which may discourage the purchase of EVs.

[Electric Mobility Canada](#) asked that EVs be exempted from the GST starting in 2018 and, in agreement with a priority by the Electric and Hydrogen Vehicle Advancement Program (EHVAP) of the Ontario government, also suggested that all Canadian provinces be encouraged to remove provincial sales taxes on EVs.

[Electric Mobility Canada](#) also suggested creating an Electric Vehicle Service Company (EVCO) to finance the total cost of EV ownership and to offer an all-in monthly fee for acquiring EVs, which would involve startup costs funding and a loan guarantee mechanism with financial institutions for the portion of the financing that exceeds the car payments themselves.

4. Financial Services

The Committee was reminded of the upcoming 2019 legislative review related to financial institutions, and was asked by the [Canadian Credit Union Association](#) to



consider new ways to re-establish a competitive balance between credit unions and banks in the tax system, and to dedicate permanent staff to propose or review financial sector and other policies (e.g. housing and taxation) through the lens of smaller institutions with the objective of enhancing competition.

The [Canadian Credit Union Association](#) was concerned of the large banks pre-existing economies of scale that could help them accommodate the demands of risk sharing, as well as see their competitiveness enhanced vis-à-vis credit unions and small banks if the government proceeds with proposals to introduce a mortgage insurance risk-sharing framework, and argued that an empirical justification for these proposals is lacking.

With respect to the regulatory changes to come into effect at the end of the year, the [Canadian Credit Union Association](#) expressed concerns regarding an announced restriction in the use of “banking” terminology. It explained that as a domestic alternative to the federally chartered banks in the financial services sector, credit unions have used the verbs “bank” and “banking” for decades to describe the core services offered such as deposits and loans, and to make Canadians aware of the options available to them. According to the [Canadian Credit Union Association](#) a practical solution should be adopted through an amendment to the *Bank Act* that would exempt credit unions from the restrictions under Section 983 of the Act.

5. Fisheries and Aquaculture

With respect to the Canadian fishing industry, the [Association of Seafood Producers](#) promoted changing the Canadian fishing model from a capture-driven model to a market-driven model or a research and value-driven model, as these alternative models allow for higher quality fish stocks, capital development, greater wealth from less resource, and more sustainable fisheries.

The [Fisheries and Marine Institute of Memorial University of Newfoundland](#) proposed that the federal-provincial cost-shared Atlantic Fisheries Fund should be focused on metrics such as increasing value per kilo of catch, increasing utilization per kilo of catch, and overall industry productivity improvements as well as the need for the fund to receive sustained investments that are comparable to similar funds in other countries, which would ensure the sector’s international competitiveness.

The [Prince Edward Island Fishermen's Association](#) addressed the need for reduction of fishing licences under a “fleet sustainability program” as an effective way to increase the financial viability of fishing fleets.

With respect to Canada’s harbours, the [National Harbour Authority Advisory Committee](#) suggested increasing funding for core harbours in a sustainable manner that supports the growth of the commercial fishing industry without reducing the funding for non-core harbours. However, [it](#) noted that certain non-core harbours could be divested by the federal government as a cost-saving measure.

Speaking about the Canadian aquaculture industry, the [Canadian Aquaculture Industry Alliance](#) and the [Newfoundland Aquaculture Industry Association](#) expressed the need for an “Aquaculture Act” in order to bring regulatory and program certainty that would allow the sector to build on its present success, and enable it to grow and compete internationally. The [former](#) also welcomed the creation of a new, stand-alone \$160 Million “Canadian aquaculture excellence and acceleration program,” to ensure sustainable growth in the sector.

The [Newfoundland Aquaculture Industry Association](#) also made a number of sector-specific proposals to the committee: removing [Marine Atlantic’s](#) priority shipping fees on fresh and live aquaculture products; reactivating the National Fish Health Management Working Group; investing in broodstock development; improving aquaculture site marking requirements; supporting aquaculture infrastructure needs and business risk management; and allowing aquaculture products to use Canada organic labelling.

6. Forestry and Mining

The [Forest Products Association of Canada](#) asked for a further investment in the shared responsibility “Forest of the Future” initiative to better understand and implement practices to reduce Canada’s greenhouse gas (GHG) emissions, and to better adapt to a changing climate. The [Mining Industry NL](#) also thought that the government should enhance its supports to the Geo-mapping for Energy and Minerals Program (GEM program) to improve our knowledge of the mining cycle, which includes geoscience, prospecting and early-stage exploration activity.

The [Forest Products Association of Canada](#) called for investments to grow market access around the world through the active and sustainable management of Canada’s forests and the expanded promotion of wood-based products. [It](#) also promoted the idea of adopting concepts used outside Canada – such as the American initiative, ReThink Wood – to promote the use of wood in the construction of new buildings in Canada.

The [Mining Association of Canada](#) called for improvements to the regulatory process of the mineral industry, including the *Canadian Environmental Assessment Act*, the *Fisheries Act* and the *Navigation Protection Act*. It also suggested that improving revenue sharing arrangements for royalties, mining taxes and fees between the federal



government and the provinces and territories would enhance Indigenous participation in mining.

The [Saskatchewan Mining Association](#) pointed out that the government can encourage investment through taxation, such as retaining and enhancing the Mineral Exploration Tax Credit, and applying other taxation measures to incentivize private investment in clean technology. [Mining Industry NL](#) suggested the government supply funding to develop the Towards Zero Waste Mining innovation strategy.

The [Mining Association of Canada](#) also asked for taxation changes to enhance Canadian mineral taxation competitiveness, namely by enabling all tax derived from mining to be deductible regardless of the year in which it is paid or whether it is deemed payable post-audit, as well as phasing out withholding tax rules. The [Northwest Territories and Nunavut Chamber of Mines](#) explained that mineral exploration could be enhanced by extending the mineral exploration tax credit for three years, investing in geoscience research, and settling outstanding Indigenous land claims in order to avoid further lags in exploration investments in the Northwest Territories.

The [Mining Association of Canada](#) suggested that there should be a tax exemption for corporate reorganizations performed by Canadian or foreign groups for a better allocation of capital.

The [Saskatchewan Mining Association](#) warned that the 2018 federal budget should not ignore the mining sector, which is undergoing a severe and prolonged downturn in potash and uranium prices, and explained that new costs should not be introduced because these companies have done everything they can to control their costs.

7. Manufacturing and Shipbuilding

On the topic of manufacturing and shipbuilding, the [Chemistry Industry Association of Canada](#), the [Council of the Great Lakes Region](#) and [Food & Consumer Products of Canada](#) commented that the government should increase federal investments in advanced manufacturing and technology by using program instruments and matching provincial commitments.

More specifically, [Food & Consumer Products of Canada](#) believed that investments should include a risk-sharing funding program for high-potential firms, expansion of the Strategic Innovation Fund, increased funding for the Agri-Food Value-Added Investment Fund and a new "food innovation fund" for food and beverage manufacturers.

The [Windsor-Essex Regional Chamber](#) suggested that the government should develop and execute a manufacturing strategy that includes auto and steel.

[Federal Fleet Services](#) argued that the National Shipbuilding Strategy needs to be revised to add Canadian shipbuilding capacity and reduce the federal fleet renewal costs.

8. Oil and Gas

In informing the Committee about issues specific to the oil and gas industry, the [Canadian Association of Petroleum Producers](#) requested a recalibration of the current Canadian Development Expense (CDE) rate provision to 100% while the [Confédération des syndicats nationaux](#) expressed that tax breaks for oil and gas companies should be reduced.

Regarding the development of the oil and gas sector, the [Confédération des syndicats nationaux](#) called for the reduction of oil and gas development. In contrast, the [Canadian Association of Oilwell Drilling Contractors](#) asked the government to stand firm in the position that pipeline construction falls under federal jurisdiction, and to prioritize getting Canadian oil and gas to Canadian and world markets. It also urged the government to defend and promote the benefits of oil and gas industry and highlighted that the revenues from oil and gas industry supported Canadian social programs and Canada's humanitarian efforts around the world. The [Canadian Energy Pipeline Association](#) requested that a bold statement should be made in the next budget about the importance of the natural resource sector to the Canadian economy, employment, government revenues, and business investment.

In terms of regulation and stability, the [Canadian Association of Oilwell Drilling Contractors](#) argued that the government should stand behind regulators and businesses by approving the construction of pipeline projects. The [Canadian Energy Pipeline Association](#) stressed that the government should commit to regulatory reform that provides both certainty and stability to the pipeline industry.

On the topic of investment in oil and gas technology, the [Canadian Association of Petroleum Producers](#) proposed an Accelerated Capital Cost Allowance (ACCA) for investment in oil and gas technology to improve environmental performance and/or efficiency. The [Canadian Association of Oilwell Drilling Contractors](#) advocated that the government should monitor oil and gas projects throughout their development and invest in the most advanced technology.



9. Rail

According to the [Railway Association of Canada](#), rail funding should be allocated to VIA Rail's Québec to Windsor Corridor fleet renewal project and to create a capital funding program of \$365 million over seven years. [It](#) reasoned this funding would empower VIA Rail to leverage investment in fleet renewal and support shortline infrastructure investments. Further, [it](#) recommended the government ensure that public investments in passenger rail are coordinated and that intercity rail continues to provide downtown to downtown service.

Both the [Quebec Employers' Council](#) and the [Sarnia Lambton Chamber of Commerce](#) supported the idea of investing in a high-speed rail line. The [Quebec Employers' Council](#) suggested that the line link Quebec, Montreal, Ottawa and Toronto.

The [Mining Association of Canada](#) suggested making a robust, well-resourced, timely rail data transparency regime that is accessible to the public.

10. Tobacco

[Imperial Tobacco Canada Limited](#) made multiple recommendations to the Committee on the topic of tobacco. Regarding tax, [it](#) called for moderate, predictable, inflation-based tax adjustments on an annual basis rather than in five-year increments. [It](#) also urged the government to reconsider plain packaging on tobacco to prevent counterfeiting. Finally, [it](#) recommended that the government establish a Federal-Provincial-First-Nations task force to address illegal tobacco manufacturing.

The [Canadian Convenience Stores Association](#) suggested that – should [Bill S-5, An Act to amend the Tobacco Act and the Non-smokers' Health Act and to make consequential amendments to other Acts](#) be adopted – the government should provide a minimum year-long implementation period for retailers to respond to the operational impact of plain packaging, and the appropriate amount of time necessary to address the current contraband tobacco market in Canada.

[Quebec Employers' Council](#) suggested that the government must continue to combat tobacco smuggling.

The [Canadian Cancer Society](#) advocated for increasing investments in the Federal Tobacco Control Strategy to match the per capita level of funding in the United States.

11. Tourism

With regard to Canada's tourism sector, the [Tourism Industry Association of Canada](#), while pleased with the government's introduction of its New Tourism Vision (NTV) for Canada, asked the government to adopt a whole of government approach to tourism policy and consult with the industry on all policy changes impacting NTV outcomes. [It](#) also proposed that the government initiate a performance-based funding mechanism to capitalize on current momentum so that Canada can achieve its NTV goal of being in the World Tourism Organization Top 10 by 2025.

In commenting on barriers to entry for international visitors, the [Tourism Industry Association of Canada](#) suggested that low-risk travellers from all Destination Canada target markets that require an entry visa be moved to the Electronic Travel Authorization Program for leisure/business travel purposes. [It](#) also elaborated on steps the government could take to increase Chinese visitors and international visitor totals, such as simplifying the visitor visa process by offering Chinese and other foreign language options and accelerating the expansion of new visa application centres (VACs) in China. In addition, with mandatory biometric information collection for visa applicants becoming mandatory, [it](#) urged the government to invest in new technologies to expedite this process.

In addressing cost competitiveness, the [Tourism Industry Association of Canada](#) called on the government to take measures for reducing the taxation placed on the tourism industry, including through the ongoing Review of the *Canada Transportation Act* and the removal of the GST/HST on tourism exports. [Hospitality Newfoundland and Labrador](#) argued that Marine Atlantic, a Crown ferry operator, should be funded at proper levels over an extended period to allow it to offer stability and lower costs for inbound tourism to Newfoundland and Labrador. [It](#) also drew attention to the growing short-term rental accommodation industry and stressed that the government needs to implement fair rules for the accommodation sector in Canada.

Regarding labour and skills shortage in the tourism industry, the [Tourism Industry Association of Canada](#) requested that the government offer a permanent solution to labour shortage in tourism-based regions by removing "high-skilled" and "low-skilled" categorization of tourism jobs, and granting Canadian-educated international students in tourism-related fields access to permanent immigration opportunities. Additionally, [it](#) believed that there should be support from the government regarding labour market research, industry export readiness and workforce development programming.

[Restaurants Canada](#) commented that the 2018 federal budget should include funding for a "culinary tourism strategy" and offered to be one of the private-sector partners on this strategy.



[Festivals and Major Events Canada](#) proposed a funding program for Festivals and Major Events in Canada with a budget of \$225 million over five years as an investment in growth and tourism.

12. Additional Proposals from Specific Groups

With regard to the wine industry, the [Canadian Vintners Association](#) requested the introduction of a “Wine Industry Innovation Program” that would cost the federal government \$36 million annually. The purpose of this program would be to help develop and grow the grape wine industry in Canada and direct this funding to SMEs.

In order to provide stimulus to the chemical sector, the [Chemical Industry Association of Canada](#) recommended the implementation of a special manufacturing and processing tax rate of 13%.

The [Canadian Council of Snowmobile Organizations](#) testified that the snow trail groomers are crucial to the continued success of snowmobiling in Canada. In order to continue to support and maintain the trail network, the [organization](#) is requesting the creation of the Groomer Replacement Program and federal investment of \$40 million over the next five years.

As Canadian consumers are more conscious of what they buy and eat, and are seeking transparency from suppliers, [Restaurants Canada](#) would like to ensure that the National Farm Animal Care Council (NFACC) has sufficient funding to operate and adjust the codes of practice for farm animal welfare. It insists that the NFACC receive funding for the development and renewal of codes of practice since many of the codes have not been adjusted in the last 10 years.

During its testimony, the [Sarnia Lambton Chamber of Commerce](#) proposed the development of a “national bioeconomy strategy.” The purpose of this strategy would be to enable communities like Sarnia-Lambton to attract new businesses and develop bioeconomy clusters to promote cooperation among different stakeholders from the public and private sectors.

In light of the proposed legislative changes respecting the marketing and advertising of food and beverage products to youth in [Bill S-228: An Act to amend the Food and Drugs Act \(prohibiting food and beverage marketing directed at children\)](#), the [Canadian Convenience Stores Association](#) reiterated to the committee the need for consultation with retailers on the impact these changes will have on convenience stores, employees and customers. [Restaurants Canada](#) expressed similar concerns and suggested that the government conduct an economic analysis to measure the impact of any proposed

marketing restrictions on the economy and Canadians; this analysis should consider the impact of this legislation on the food, retail and restaurant sectors; the advertising, broadcasting, and media industries; sporting, artistic and cultural events; as well as charities and community activities.

[Airbnb](#) claimed that its operations in Vancouver generated \$402 million in local economic activity. As a result, they encouraged the government to seriously consider ways to encourage innovation and recognize the very casual nature of home-sharing activity. Similarly, the [Canadian Beverage Association](#) asked the government to recognize that the Canadian beverage market is already evolving in a positive way and ensure that beverage industry regulatory consultations and changes are bundled together, with timely implementation to minimize costs.

The [Atlantic Chamber of Commerce](#) talked about the significant compliance burden associated with various legislations such as the anti-spam legislation. It affirmed its commitment to creating a dialogue between businesses and government with the objective of promoting economic growth.

According to the [Newfoundland Aquaculture Industry Association](#), the Canadian Food Inspection Agency Service (CFIAS) will streamline its cost recovery program, which could result in increased fees and higher production costs. The association reasoned that the government should mitigate the impact of CFIAS's cost recovery review on fees.

In their remarks concerning marine vessels specially designed for offshore oil and gas development, the [Canadian Association of Petroleum Producers](#) stressed that Canada is the only country in the world that is imposing import duties on these marine vessels, and urged the government to provide duty relief on the basis that there is no Canadian supply, nor sufficient work to warrant Canadian flagged vessels, and that Canadian capacity to construct these vessels is limited.

Both the Canadian [Convenience Stores Association](#) and [Restaurants Canada](#) testified in favour of reducing or capping credit card merchant fees for small business retailers, which would improve competition and reduce the price of goods and services. The [latter](#) also argued in favour of preventing the credit card merchant fees from being calculated on top of federal and/or provincial taxes.

The [Association of University Research Parks Canada](#) outlined a "soft-Landing program," which could be developed to integrate a collaborative approach with international accelerators and parks, and sought support for digital and physical infrastructure policy development to ensure the growth and development of research and technology parks.



With respect to Co-operatives, the [Canadian Worker Co-operative Federation](#) supported the creation of a “co-operative business succession program” to support worker co-operative development, as well as an investment of \$25 million into the Canadian Co-operative Investment Fund in order to help reduce the barriers that co-operative businesses face in accumulating capital.

The [Community Sector Council Newfoundland and Labrador](#) suggested that the government should acknowledge more fully the economic contribution of the non-profit sector and consider offering more support for applied research and development to support innovation within non-profit “businesses.”

[Bruce Power](#) highlighted medical isotopes as an innovative area of isotope production that could drive economic growth and create a substantial number of jobs over the coming decades.

13. The Committee’s Recommendations

Recognizing that specific sectors of Canada’s economy – including agriculture, fisheries, forestry, mining, oil and gas, chemical, manufacturing, transportation and home construction – and specific regions of the country – including Northern and remote communities – have specific needs that must be met to ensure that they are as productive and competitive as possible, the Committee recommends that the Government of Canada:

Recommendation 54

Support Canada’s aquaculture sector by creating a federal aquaculture act that would define the term “aquaculture” and recognize the importance of the sector to Canada’s economy. As well, the government should re-establish funding for the Canadian Shellfish Sanitation program to allow facilities to be re-opened.

Recommendation 55

Establish an interdepartmental advisory council for the agricultural and agri-food sector. The council, which could be comprised of Employment and Social Development Canada, Service Canada, Citizenship and Immigration Canada and Agriculture and Agri-Food Canada, should support improved labour availability for the sector.

Recommendation 56

Create a perishable agricultural commodities act (PACA) –like deemed trust in Canada.

Recommendation 57

Increase funds through its A-base budget for small craft harbours. As well, where possible, the government should consider implementing the Small Craft Harbour Divesture program to support the divesting of non-core harbours.

Recommendation 58

Examine and adapt, where appropriate, the value-driven Icelandic fisheries model.

Recommendation 59

Implement a program that would facilitate the permanent retirement of fishing licences.

Recommendation 60

Continue and enhance its commitment to the Geo-mapping for the Energy and Minerals program (GEM).

Recommendation 61

Enhance global market access for Canadian forest products.

Recommendation 62

Introduce accelerated capital cost allowance rates for investments in oil and gas technologies that improve the environmental performance and efficiency in Canada's oil and gas sector.

Recommendation 63

Look to using the Strategic Innovation Fund that was announced in the 2017 federal budget to make incremental investments in selected economic sectors. These sectors should include Canada's chemical and related manufacturing sectors.



Recommendation 64

Consider making the 10-year extension of the accelerated capital cost allowance rates permanent for manufacturing and processing sectors. As well, the government should broaden the coverage of eligible capital assets.

Recommendation 65

Limit rising passenger and operational costs by preventing the privatization of Canadian airports.

Recommendation 66

Support the air transportation sector by:

- a) **Introducing duty-free stores upon arrival from international flights.**
- b) **Establishing limits on rents at Canada's airports.**
- c) **Developing a plan designed to lead to full reinvestment of rents paid into Canada's airports.**
- d) **Allocating all revenue from the Air Travelers Security Charge to the Canadian Air Transport Security Authority. These funds should be used to ensure that Canada can establish globally competitive service level standards for security screening, that the Canadian Air Transport Security Authority is accountable for meeting these standards, and that the CATSA+ screening technology is deployed – on an expedited basis – at additional checkpoints and airports throughout Canada.**

Recommendation 67

Support the national railway network by creating a capital funding program for shortline railways.

Recommendation 68

Support VIA Rail's Quebec City-Windsor Corridor fleet-renewal project and proceed with its procurement process.

Recommendation 69

Support the tourism sector by working towards the common goal of becoming one of the top 10 most visited countries in the world. This should include a focus on simplifying visa rules and applications for visitors by taking a “whole of government” approach.

Recommendation 70

Provide targeted and dedicated investments in tourism infrastructure associated with Canada’s national parks and heritage sites.

Recommendation 71

Consistent with its national zero emission vehicle strategy, grant and allocate additional funding for the replacement, purchase or lease of electric vehicles by various departments each year.

Recommendation 72

Allow credit unions to use the verb “bank” or “banking”.

Recommendation 73

Introduce a Wine Industry Innovation Program to help develop and grow the grape wine industry in Canada.

Recommendation 74

Support the agricultural research and innovation sector by providing long-term and predictable core investments to further encourage educational partnerships and private sector funding.

CHAPTER FOUR: GOVERNMENT

In conducting its hearings on the pre-budget consultations in advance of the 2018 federal budget, the Committee also heard proposals that were not targeted at individual or business productivity and competitiveness specifically; rather, these proposals may affect both individuals and businesses equally, or be broader government policy measures intended to improve the economic or social health of the country.

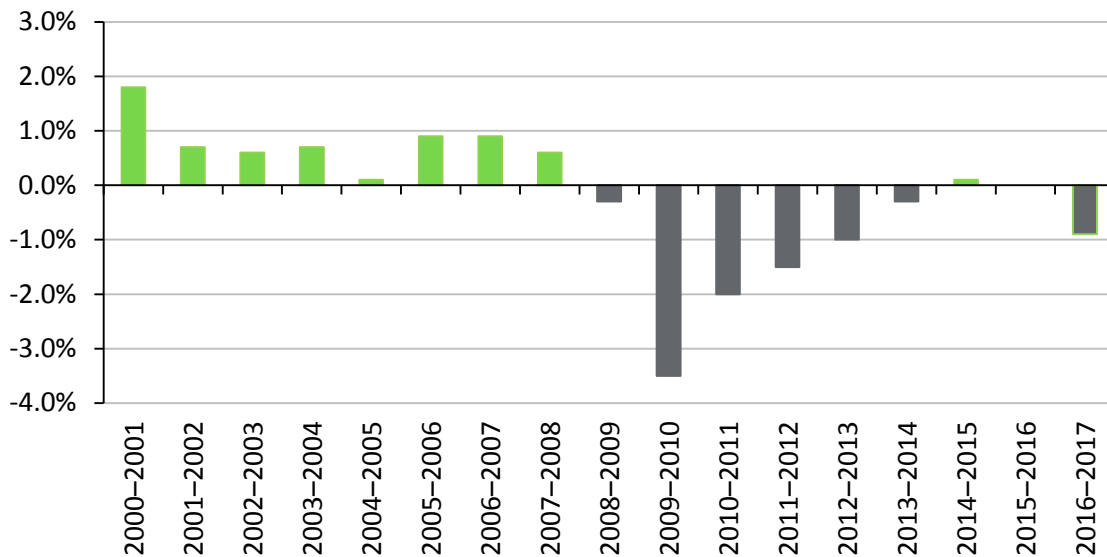
A. ECONOMIC AND FISCAL POLICY

In its report *Canada at the IMF and World Bank Group 2016–17*, the Department of Finance Canada indicated that “fiscal policy should be used flexibly and be growth-friendly, prioritize high-quality investment, and support reforms that boost productivity, provide opportunities for all, and promote inclusiveness, while enhancing resilience and ensuring that public debt as a share of GDP is on a sustainable path.” In commenting on economic and fiscal policy, the Committee’s witnesses suggested that the government could improve the productivity and competitiveness of the Canadian economy as a whole by addressing issues respecting public finances, tax reform, capital gains tax, partnerships and procurement.



1. Public Finance

Figure 13 – Federal Budgetary Balance as a Percentage of Gross Domestic Product, 2000–2001 to 2016–2017 (%)



Note: Surpluses are represented in green and deficits are represented in gray.

Source: Figure prepared using data obtained from: Department of Finance Canada, "[Fiscal Reference Tables - September 2017](#)," Table 2, p. 10, accessed 20 November 2017.

The Committee was informed of concerns for the government to balance the budget by the [Business Council of Canada](#), [Quebec Employers' Council](#) and [the Conference Board of Canada](#). By the same token, the [Investment Industry Association of Canada](#), [Chartered Professional Accountants of Canada](#) and [Canadian Federation of Independent Business](#) emphasized having a balanced budget and went further to propose that a clear plan was required to achieve this goal. The [Toronto Region Board of Trade](#) also urged that, while short-term deficits may be necessary, the government needs to release a plan to bring it back to balance to ensure business confidence.

The [Board of Trade of Metropolitan Montreal](#) suggested the government maintain a surplus of \$3 billion to \$6 billion as a cushion to be ready for all eventualities.

The [Association of Canadian Financial Officers](#) highlighted the need for the public service to design and conduct departmental spending reviews. [It](#) also suggested that the government should draw on the public service to strengthen federal financial reporting standards.

2. Tax Reform

While some witnesses testified on the subject of general tax reform, other witnesses expressed their opinion on the consultation document entitled [Tax Planning Using Private Corporations](#) released by the Department of Finance Canada on 18 July 2017. The proposed measures would be generally applicable to the tax planning strategies currently available to Canadian-controlled private corporations (CCPCs). The proposed measures were focused on the following:

- income sprinkling using private corporations;
- holding a passive investment portfolio inside a private corporation; and
- converting a private corporation's regular income into capital gains.

In response to these proposed measures, the Committee heard both opinions in favour and against. For example, the [Canadian Chamber of Commerce](#), [Advocis](#), [The Financial Advisors Association of Canada](#), the [St. John's Board of Trade](#) and [Restaurants Canada](#) voiced their opposition to the current tax reform proposals, as they believed they would have a negative effect on Canadian businesses in areas such as business growth, intergenerational transfers and long term business investment planning. These groups also noted the current tax reform proposals were complex and required more time to be fully understood by Canadian businesses.

In support of these tax reform measures, the [Canadian Labour Congress](#) believed these measures would eliminate tax breaks for the wealthy and generate additional government revenues that could support investments in housing, Indigenous communities and social programs. It also supported the elimination of pension income splitting, the stock option deduction and the 50% capital gains inclusion. The [Association of Canadian Financial Officers](#) agreed that the stock option deduction and transfer mispricing – which occurs when a Canadian company reduces its Canadian corporate taxes by transferring profits generated in Canada to another company located in a lower-tax jurisdiction – should be ended. The [Canadian Union of Public Employees](#) also voiced its support for the elimination of the stock option deduction.

In discussing the potential impact of the proposed measures on small businesses, the [Quebec Employers' Council](#) and the [Greater Saskatoon Chamber of Commerce](#) warned that the government should pay attention to potentially harmful effects on small businesses and ensure that small businesses can grow across Canada. [The Northwest Territories Chamber of Commerce](#) also claimed that the proposed tax reforms would be damaging to small businesses. The [St. John's Board of Trade](#) stated that the proposed tax reforms should



reflect the important role that small businesses play in the Canadian economy. In order to do that, [it](#) suggested establishing a royal commission on tax reform that would be supported by a standing committee with representation from the small business community. [it](#) also believed that if these measures were to be implemented, there should be consideration given to the proper grandfathering and phasing in of tax changes. [Hospitality Newfoundland and Labrador](#) asked the government to seriously consider the impacts of the proposed changes on small business owners and tourism operators. The [Canadian Home Builders' Association](#) believed that alternative measures to the proposed measures were not considered by the government and that many small businesses would be adversely affected if they were enacted. The [North Saskatoon Business Association](#) noted that the government should take a holistic approach regarding taxation that does not negatively impact small businesses. The [Windsor-Essex Regional Chamber of Commerce](#) commented that there should be a full economic assessment of the ongoing small business tax issue so that its implications are understood.

With regard to the potential impact of the proposed measures on farmers and family-owned businesses, [Ag-West Biotech Inc.](#) asked the government to ensure that the intergenerational family farm transfers will not be penalized compared to transfers to an arm's-length buyer. The [Saskatchewan Economic Development Association](#) testified that the proposed measures would negatively affect rural and agricultural businesses. The [Saskatchewan Association of Rural Municipalities](#) requested an exemption from these tax measures for farmers because of their negative impact on farms. The [National Cattle Feeders' Association](#) commented that the government needs to ensure that any tax changes do not negatively impact farmers, ranchers and feeders as well as their ability to compete. The [Recreation Vehicle Dealers Association of Canada](#) shared that the proposed tax measures would hinder the longevity of family-owned businesses. [Restaurants Canada](#) believed that the government should ensure that age should not be a determinate of a family member's involvement in and commitment to the business. The [Atlantic Institute for Market Studies](#) explained that the proposed changes will greatly disadvantage rural businesses and impair business succession. The [St. John's Board of Trade](#) also urged that the potential impact of the proposed tax measures on succession planning must be taken into consideration. The [Canadian Federation of Independent Business](#) insisted that any changes to the tax system that could limit small businesses' ability to hire family members should not be implemented.

On the topic of tax reform consultations, the [Regina and District Chamber of Commerce](#) and the [St. John's Board of Trade](#) believed that the consultations should be extended. [Rogers Group Financial](#) suggested that more time should be spent studying the unintended consequences of the proposed tax reforms. The [Northwest Territories and Nunavut Construction Association](#) noted that the proposed tax reforms should be put on hold.

[Thomson Jaspar and Associates](#) shared that major modifications need to be made to the proposed tax reform before it is implemented. The [Greater Saskatoon Chamber of Commerce](#) explained that the government should initiate meaningful consultations with the business community to review tax policy and do so without targeting independent businesses. The [Greater Vancouver Board of Trade](#) stressed that the consultations for tax proposals should be conducted with the government's acknowledgement of private sector assessment of facts and figures. The [Canadian Dental Association](#) requested that the legislative process regarding potential changes be conducted separately from the consultations and legislative process with regards to the Budget.

A number of other witnesses mentioned the need for the government to conduct a comprehensive review of Canada's tax system. The [Canadian Taxpayers Federation](#), the [Greater Saskatoon Chamber of Commerce](#), the [Chartered Professional Accountants of Canada](#) and the [St. John's Board of Trade](#) said that the government should pause and rethink implementation of the proposed tax measures until a comprehensive review of the tax system is conducted by either a Royal Commission or the Committee. The [Fraser Institute](#) believed that there should be comprehensive reform of the tax system instead of a "piecemeal approach." The [Windsor-Essex Regional Chamber of Commerce](#) stated that a comprehensive tax review needs to be done to simplify the tax system. The [Association of Consulting Engineering Companies – Canada](#) found that while well intended, these tax measures will have a damaging impact on Canadian businesses, and that a more comprehensive review of the tax system is needed. [Airbnb](#) stated that any taxation measures should be done using a progressive and forward-looking approach. The [St. John's Board of Trade](#) felt that the tax change proposals must undergo a gender-based analysis.

In identifying objectives of the review of the tax system, the [Business Council of Canada](#) shared that in order to maintain Canada's competitiveness, there should be comprehensive tax reform aimed at broadening the tax base and lowering corporate and personal tax rates. The [Greater Charlottetown Area Chamber of Commerce](#) pointed out that the review on the tax system should examine whether it encourages capital investments, the reinvestment of profits and entrepreneurship as well as risk taking. [Canadian Manufacturers & Exporters](#) proposed that the government needs to establish a tax credit that reduces federal corporate tax on manufacturing from 15% to 12%, reform the tax structure so that it does not penalize small businesses' growth and change the tax structure to exempt reinvested business income from being taxed. [It](#) also advocated for a "Regulatory Bill of Rights" that would increase regulation transparency and predictability.

The [Canadian Association of Radiologists](#) and the [Canadian Psychiatric Association](#) commented that since many physicians are small business owners, in order to minimize disruption to the delivery of optimal services for patients, the objectives of tax policy



should be effectively aligned with health policy and provisions must be put in place to ensure that incorporation remains a viable model for physicians.

A number of witnesses also spoke about each proposed measure individually. Regarding income sprinkling, the [Regina and District Chamber of Commerce](#) believed that income sprinkling would have dramatic impacts on some business owners and their families. [It](#) also pointed out that the reasonableness test in the new income sprinkling rule is not clearly defined. The [Canadian Chamber of Commerce](#) suggested that the proposed reasonableness test should be abandoned. [Thomson Jaspar and Associates](#) proposed that a modified version of the family tax cut should be reintroduced so that all families can benefit from income sprinkling which will be paid for by elimination of most stock option deduction benefits.

On the topic of the proposed measure respecting passive income, the [Regina and District Chamber of Commerce](#) found that the tax changes to passive income are disconcerting. The [Canadian Chamber of Commerce](#) maintained that the effort to introduce a new passive income rule should be stopped. [Jay Goodis](#), who appeared as an individual, asked for a complete withdrawal of the passive income proposals. [Restaurants Canada](#) proposed that the minimum passive income rules should be applied on a go-forward basis with currently owned corporations grandfathered.

[Thomson Jaspar and Associates](#) suggested that the government should adopt an alternative to the proposed measure to prevent the conversion of dividends into capital gains.

3. Capital Gains Tax

In relation to capital gains taxation, the [Montreal Economic Institute](#) proposed that the government should either substantially reduce the capital gains tax or abolish it. The [Canadian Cable Systems Alliance](#) believed that the capital gains taxable amount for small businesses should be lowered to 25% from current 50%.

The [Confédération des syndicats nationaux](#) argued that, in order to achieve tax fairness, the government should revise the inclusion rate for capital gains, while the [Canadian Union of Public Employees](#) commented that capital gains and investments should be taxed at the same rate as other sources of income.

The [Canadian Chamber of Commerce](#) commented that the government should provide a tax exemption on the capital gains from venture capital, and [the Canadian Federation of Independent Business](#) proposed that the government should increase the taxable capital limit to \$50 million.

4. Federal Policy, Partnerships and Procurement

Many witnesses informed the Committee about regulations that they consider to be excessive. For example, the [Canadian Convenience Stores Association](#) argued that regulations from multiple levels of governments need to be reduced as they are significant costs for small businesses, while the [Northwest Territories and Nunavut Chamber of Mines](#) asked the government to oppose the creation of cost recovery regulations in the north.

In commenting on regulations that need to be updated, the [Atlantic Chamber of Commerce](#) spoke about the upcoming issue of marijuana consumption in the workplace and the need for the government to address it by updating workplace standards and regulations. The [Community Sector Council Newfoundland and Labrador](#) requested that the government augment the collection of key data on the non-profit sector so that it can improve its policy-making and business planning.

In discussing efficiency of regulations, the [Chartered Professional Accountants of Canada](#) commented that efficient regulation should be a priority and the government should have clear directions to ensure smooth regulatory collaboration between departments and across the jurisdictions. The [Business Council of Canada](#) believed that regulatory approval processes need to be more transparent, predictable, factual and efficient. [It](#), along with the [Canadian Convenience Stores Association](#), also mentioned that future regulations should be conducted through evidence-based decision-making and consultation with stakeholders. [CropLife Canada](#) called on the government to revise the mandates of the Canadian Food Inspection Agency and the Pest Management Regulatory Agency to clarify their responsibilities regarding commercialization of Canadian innovation. The [Canadian Taxpayers Federation](#) asked the government to release the results of the tax expenditure review that was conducted following the 2016 federal budget in order to understand the costs associated with the complexities of the tax code.

Many witnesses proposed partnerships with the government. For example, the [Fonds de solidarité des travailleurs du Québec](#) offered to partner with the government to help it achieve its goals in terms of retirement savings, job creation, innovation and economic development. The [University of Saskatchewan](#) believed that leveraging its status in Saskatchewan's economy, it could help advance the government's innovation agenda. The [Federation of Canadian Municipalities](#) declared the 2017 federal budget's engagement with local governments a "game changer" and encouraged the government to expand the effort and scope of this federal-municipal partnership. The [Canada-Israel Industrial Research and Development Foundation](#) proposed that the government build on the current bilateral co-operation platform to form a strategic partnership between



Innovation Canada and the Israel Innovation Authority. The [Atlantic Partnership for Literacy and Essential Skills](#) insisted that the government become an accountable funding partner and provide stable, adequate, and predictable funding for literacy and essential skills programs in Atlantic Canada.

The [Quebec Employers' Council](#) argued that the government should be the first buyers of the products and services of innovative businesses so that the usefulness of these innovations can be demonstrated.

In terms of federal procurement, the [Association of Consulting Engineering Companies - Canada](#) and the [North Saskatoon Business Association](#) also urged the government to adopt a model that is built on best value for money. The [Association of Consulting Engineering Companies - Canada](#) believed that in order to receive the best value for money, the procurement process should be a qualification-based selection process.

The [Macdonald-Laurier Institute](#) emphasized that there should be a discussion on the production of income before we engage in a discussion about redistributing income in Canada; and that the production of income comes from entrepreneurship and innovation. It also believed that heavy regulation hinders innovation and competitiveness in the Canadian economy.

5. The Committee's Recommendations

With a view to ensuring that Canadian businesses are able to optimize their domestic and international competitiveness, the Committee recommends that the Government of Canada should take the following actions:

Recommendation 75

Undertake consumer research and consultations with industry and stakeholders prior to determining the optimal approach to food labelling. The government should consider the labelling options of Canada's major North American and European trading partners.

Recommendation 76

While continuing to make the necessary investments needed to grow our economy and support the middle class, ensure that the federal debt to gross domestic product (GDP) ratio continue to decrease over the short, medium and long terms.

Recommendation 77

Draw on the expertise and efficiency of the public service before hiring external private contractors when designing and conducting federal departmental spending reviews.

Recommendation 78

Revise the mandates of the Canada Food Inspection Agency and the Pest Management Regulatory Agency to include the promotion of Canadian innovation and the establishment of service standards.

B. ENVIRONMENTAL, SCIENTIFIC AND SOCIAL POLICY

Statistics Canada recognizes “research and development (R&D) as an important contributor to both business innovation and labour productivity growth, as R&D outputs can be used repeatedly, and can generate income over a long period.” Moreover, according to the United Nations, the development of policies aimed at increasing productivity must also consider the environmental implications because “sustainable economic growth will require societies to create the conditions that allow people to have quality jobs that stimulate the economy while not harming the environment.” As stipulated in the Federal Sustainable Development Act, the government also “accepts the basic principle that sustainable development is based on an ecologically efficient use of natural, social and economic resources and acknowledges the need to integrate environmental, economic and social factors in the making of all decisions by government.” In commenting on these policy areas, the Committee’s witnesses identified the environment, climate change and sustainable development, science, research and development, language and culture, pensions, charitable giving, international aid and cannabis as policy areas that the government should consider in the 2018 federal budget.

1. Environment, Climate Change and Sustainable Development

In terms of investments to address climate change, the Canadian Association of University Teachers requested a commitment to climate research with an annual investment of \$7 million over five years. The Canadian Labour Congress advocated for expanding government investment to support the transition to a low-carbon economy. As well, the Council of the Great Lakes Region underlined a request to “double-down” on the protection and restoration of the great lakes, with investment in science and monitoring. The Northwest Territories Association of Communities reinforced



investment commitments by encouraging the government to spend more on ensuring the sustainability of communities and the territorial economy, as the climate changes.

The [Canada Green Building Council](#) voiced support for retrofit economy and investments. [It](#) encouraged building investors' confidence to accelerate the growth of the retrofit economy by creating roadmaps for targeted retrofit investments. Further, [it](#) supported adopting a zero-carbon building standard for all new federal government-owned buildings and all commercial and residential buildings that receive federal funding.

In regards to sustainable development, the [British Columbia Council for International Cooperation](#) spoke about tackling the UN Sustainable Development Goals on a domestic scale. [It](#) called for the creation of a Sustainable Development Goal Action Plan and suggested formalizing an Interdepartmental Committee on it. The [Northwest Territories and Nunavut Chamber of Mines](#) asked that the government acknowledge the territorial wide vision of sustainable development that was released to the media by the three northern premiers. As well, the [Saskatchewan Mining Association](#) called for improvements in the regulatory framework to enable sustainable resource development. [It](#) further promoted the role of Canadian clean energy in a low-carbon economy.

The [Canadian Urban Transit Association](#) encouraged the government to identify sustainable urban mobility as a key factor to reducing Greenhouse Gas (GHG) emissions.

In terms of new policies, [Clean Energy Canada](#) proposed implementing the Canada-wide framework on clean growth and climate change and specifically touched on the zero-emission vehicle strategy. Further, the [Canadian Worker Co-operative Federation](#) encouraged the government to implement Canadian Worker Co-op Federation's Climate Change Statement and the [Chartered Professional Accountants of Canada](#) suggested implementing a "national adaptation strategy" to coordinate climate change adaptation activities in government policy development.

For existing policies, [Mining Industry NL](#) drew attention to the need for a review of the federal environmental legislation, including the *Canadian Environmental Assessment Act*. Furthermore, the [Mining Association of Canada](#) suggested integrating climate change principles in Canada's climate change policies and regulations by supporting the Clean, Low-energy, Effective, Engaged, Remediated (CLEER) Innovation Network, which is a consortium of national and regional research centres, mining companies and established Canadian mining supply organizations. The [Canadian Vehicle Manufacturers' Association](#) urged the government to ensure policy decisions are reviewed with other levels of government to mitigate the cost burden undermining efforts to maintain the automotive manufacturing footprint. However, [Bruce Power](#) requested that environmental regulatory reform do not change for projects already underway.

[Earth Rangers](#) requested \$6 million over three years in order to expand their membership, which would help assist the government in meeting environmental objectives.

As well, the [International Association of Heat and Frost Insulators and Allied Workers](#) suggested the government require the use of qualified and certified mechanical insulators on projects that are designed to support energy efficiency.

2. Science, Research and Development

The Committee heard many recommendations with regards to the [final report](#) of the Advisory Panel on Federal Support for Fundamental Science. The [Canadian Consortium for Research, Universities Canada](#) and the [Association pour le développement de la recherche et de l'innovation du Québec](#) supported fully implementing the recommendations of this report including: increasing the base funding for the research councils, to make targeted spending on infrastructure-related start up and operating cost and to strengthen the foundations of Canadian research.

The report was further supported by the [Canadian Association for Graduate Studies](#) who recommended funding allocated for international collaboration, multidisciplinary research, high-risk, high-reward projects and research undertaken in responses to fast breaking issues or crises. [Universities Canada](#), [McMaster University](#) and the [Federation for the Humanities and Social Sciences](#) also asked for investment in a support fund for international research collaboration and the [Federation for the Humanities and Social Sciences](#) further requested improved support for multidisciplinary research.

The [Canadian Alliance of Student Associations](#) suggested using Canada's Fundamental Science Review as a guide for long-term federal government support for research.

Increasing investment in the Tri-Council was mentioned by many witnesses, including [McMaster University](#), [the Association pour le développement de la recherche et de l'innovation du Québec](#), [Southern Alberta Institute of Technology](#), and the [Canada Foundation for Innovation](#). Further, the [Federation for the Humanities and Social Sciences](#), the [Canadian Association for Graduate Studies](#) the [Association of Faculties of Medicine of Canada](#), the [Association francophone pour le savoir](#) and [HealthCareCAN](#) advocated for long-term investments in federal granting agencies that include a \$485 million increase over the current base in the next four years. The [Canadian Alliance of Student Associations](#) suggested investing an additional \$37.5 million in the new Tri-Agency for graduate students. [Canadian Federation of Students](#) supported a higher investment of \$1.3 billion for the same cause. As well, the [Canadian Association of University Teachers](#) supported increasing the granting councils' base funding by \$1.3 billion over four years, with 87% of the funds given in the first three years.



[Universities Canada](#) encouraged providing significant increases in direct support for discovery research and the [Canada Foundation for Innovation](#) supported regularizing the support for research funding through the federal granting councils.

The [Federation for the Humanities and Social Sciences](#) highlighted the need to balance the research funding across disciplines by ensuring that the funding given to the three granting agencies are provided equally.

The [Association francophone pour le savoir](#) spoke about enhancing programs that provide indirect support for research, like the Research Support Fund (RSF), and stated that these programs should be gradually reviewed to ensure they can cover 40% of the research funding granted. Further, [it](#) identified that these various indirect support for research, such as Research Support Fund (RSF), the CFI, Infrastructure Operating Fund (IOF) and research subsidies, need to be aligned in a way which maximizes the relevance of the initial investment and facilitate the financing of research projects. As well, [McMaster University](#) called for additional funding for the RSF.

In regards to the Scientific Research and Experimental Development (SR&ED) Program, [BIOTECCanada](#) asked the government to enhance the program by recognizing research and development activities taken by non-Canadian based companies and investors in Canada. The [Greater Charlottetown Area Chamber of Commerce](#) commented on a need to review past changes to the program and the [Canadian Vehicle Manufacturers' Association](#) asked for SR&ED tax incentives to be restored to their original levels and terms.

The [Confédération des syndicats nationaux](#) encouraged the government to replace research and development tax credits with direct government aid.

The [Association of Faculties of Medicine of Canada](#), [Universities Canada](#), [McMaster University](#) and the [Canadian Association of University Teachers](#) recommended strengthening the CFI, with [Association of Faculties of Medicine of Canada](#) calling for \$300 million in annual funding. As well, the [Association pour le développement de la recherche et de l'innovation du Québec](#) suggested that the government provide the CFI with a stable annual budget scaled to its recent annual outlays.

The [Association of Canadian Faculties of Agriculture and Veterinary Medicine](#) commented that funding for fundamental and agri-food research needs to be a priority for all federal funding agencies. The [Enterprise Machine Intelligence & Learning Initiative](#) supported an investment of \$255 million to serve as an accelerator for agriculture artificial intelligence innovation.

The [Agricultural Institute of Canada](#) recognized the need for a balance between investments in fundamental science and applied research. As well, the [Association des collèges et universités de la francophonie canadienne](#) proposed an increase in funding in both fundamental and applied research.

[Polytechnics Canada](#) encouraged the government to increase the support to polytechnics. Further, [it](#) and [Colleges and Institutes Canada](#) suggested an increase in college applied research and innovation. [Colleges and Institutes Canada](#) specified an increase of \$100 million annually to eventually reach \$300 million per year by 2022. [It](#) also suggested that an additional amount of \$25 million per year be invested in research support funding and institute applied research officers. The [Canada-Israel Industrial Research and Development Foundation](#) recommended that the government contribute an additional \$1 million annually to ISED.

The [University of Saskatchewan](#) supported an increase in federal support for major scientific infrastructure. Also, the [Council of the Great Lakes Region](#) called for an accelerated investment in public and private sector research and development as well as infrastructure that drives innovation.

The [Canadian Association for Graduate Studies](#) identified a need for research and development outside of academia to be supported by the government. The [Canadian Produce Marketing Association](#) urged the government to defer to industry associations in establishing key research and innovation priorities and to be more transparent with expectations in terms of funding for research and innovation by the private sector.

The [Canadian Federation of Students](#) asked the government to expand the eligibility of the Canada Student Grants Program to include graduate students. The [Association of Faculties of Medicine of Canada](#) asked for enhanced support for doctoral students, postdoctoral fellow and research chairs as well as asked for new support for small capital grants.

To support specific research programs, the [Association of Faculties of Medicine of Canada](#) requested restoring the \$2.6 million yearly funding for the Canadian Institutes for Health Research MD/PhD Program and [HealthCareCAN](#) asked for \$250 million for a second intake of the post-secondary institutions strategic investment fund. [Stem Cell Network](#) asked for stable and predictable funding for stem cell research. As well, the [Canadian Neutron Initiative Working Group](#) called for a commitment to fund a 10-year university-led framework, the Canadian Neutron Initiative, for research in materials and innovation enabled by neutron beams. The [Institute for Quantum Computing](#) asked for sustainable funding for quantum information research and development.



The [Canadian Vehicle Manufacturers' Association](#) supported the Innovation Supercluster Initiative.

[McMaster University](#) asked for the government to consider long-term solutions to neutron access in Canada. [It](#) also suggested the government consider alternate methods of providing funding for essential long-term cohort studies as a way to ensure they have funding over the entire study period.

The [Association of Canadian Faculties of Agriculture and Veterinary Medicine](#) called for the establishment of a network centre of excellence to coordinate programs and national research efforts.

3. Languages and Culture

In their appearance before the committee, a number of witnesses highlighted the importance of Canadian culture; both with respect to Canadian arts and Canada's two official languages.

With respect to arts funding, the [Association of Canadian Publishers](#) requested that the 2016 federal budget's commitment to increase the Canada Council for the Arts' annual budget to \$360 million by 2020-2021 be maintained. In addition, [it](#) suggested that the Canada Book Fund's annual budget should be increased from \$39.1 million to \$54 million.

The [Canadian Music Publishers Association](#) emphasized that the government should ensure that Canadian content receives continuing and enhanced support in order to encourage its creation and discovery. [It](#) also advocated in favour of establishing a music export fund with an annual budget of \$10 million in order to support Canadian cultural export activities, as well as an additional investment into the Canada Music Fund of \$24 to \$30 million in order to support Canadian music publishing entrepreneurs.

With respect to Canada's official languages, a number of witnesses spoke about French-language training for Canadian employees. For example, the [Association des collèges et universités de la francophonie canadienne](#) promoted an increased investment of \$224.1 million in the 2018-2023 Action Plan for Official Languages, which would target equal access to legal services in both official languages, investment in post-secondary and continuing French education programs for healthcare professionals, and investment in access to internship placements in Francophone and bilingual environments. The [Chartered Professional Accountants of Canada](#) also said that it would welcome additional investments in occupation-specific language benchmarking and training.

4. Pensions

In commenting on government pensions, the [Canadian Union of Public Employees](#) requested that the government amend the CPP legislation to allow for child-rearing and disability drop-out periods on all CPP benefits. [It](#) also expressed that the CPP needs to remain a defined benefit plan and the government should withdraw [Bill C-27, An Act to amend the Pension Benefits Standards Act, 1985](#) that would allow federally regulated employers to retroactively change defined benefit pension plans into target benefit plans. Furthermore, [it](#) called for a further expansion of the CPP and other elements of the public pension system, including the OAS and the Guaranteed Income Supplement payments.

In addition, the [Canadian Union of Public Employees](#) expressed its opposition to the use of pension fund investments in public infrastructure citing that these investments increase costs and user fees, and create monopolies that are damaging to the economy.

5. Charitable Giving

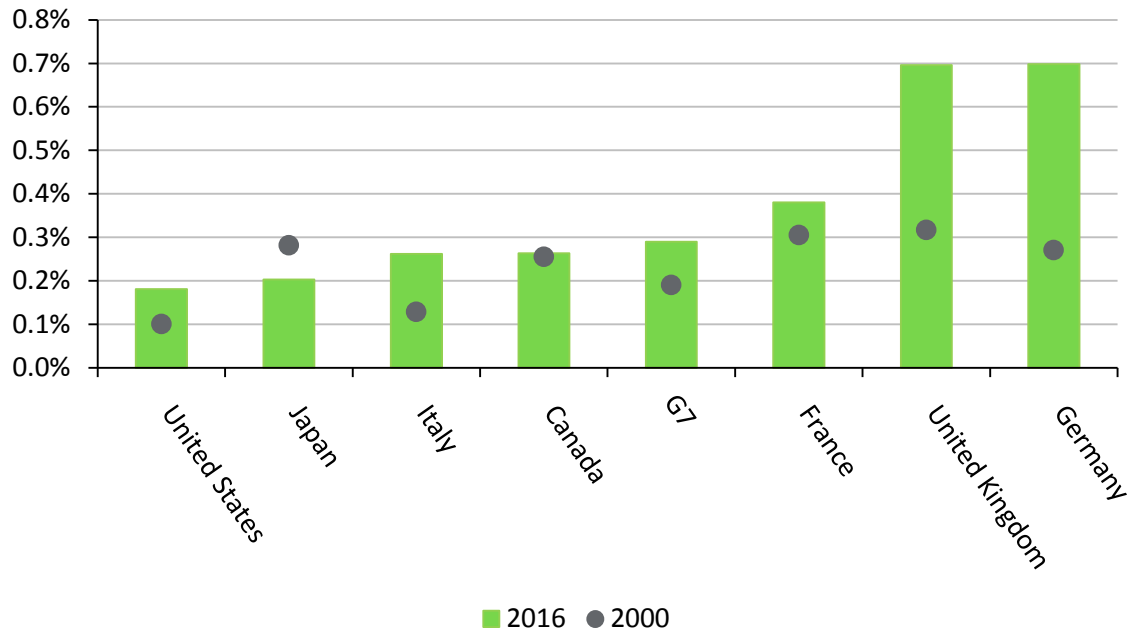
According to [Imagine Canada](#), a new legal and regulatory framework for the charitable sector should be implemented. [It](#) suggested this framework clarify eligibility under federal initiatives. Additionally, [it](#) encouraged the government to prioritize collecting economic data on the sector in an effort to promote evidence-based decision-making.

In regards to taxes on charitable gifts, the [Centre for Israel and Jewish Affairs](#) considered raising the tax credit to the current top rate, 33%, for all Canadians. [Donald K. Johnson](#), who appeared as an individual, suggested a full removal of the capital gains tax on gifts of company shares and real estate.



6. International Aid

Figure 14 – Official Development Assistance as a Percentage of Gross National Income, G7 Countries, 2000 and 2016 (%)



Note: The Organisation for Economic Co-operation and Development defines the Official development assistance (ODA) as government aid designed to promote the economic development and welfare of developing countries. Loans and credits for military purposes are excluded.

Source: Figure prepared using data obtained from: Organisation for Economic Co-operation and Development, "[Net ODA](#)," assessed 20 November 2017.

The Committee was told about the importance for Canada to support those in need in other parts of the world by the [Canadian Labour Congress](#), [RESULTS Canada](#), the [Canadian Partnership for Women and Children's Health](#), the [British Columbia Council for International Cooperation](#) and [Oxfam Canada](#), all of whom advocated for an increase in Canada's overall international assistance. More specifically, the government should commit to year-over-year increases to the official development assistance until it reaches the OECD target of 0.7% of Gross National Income by 2030.

The [British Columbia Council for International Cooperation](#) suggested that international development should be considered when formulating the new budget.

[Oxfam Canada](#) also proposed that the government should increase international aid to demonstrate real global leadership on women's rights so that Canada could become a global champion for women's rights.

7. Cannabis

To support the municipal sector's role in regulation and enforcement, the [City of Calgary](#) proposed to transfer directly to Canadian municipalities a portion of the revenues generated by the excise tax on cannabis and pointed out the potential burden of this new legal market for the provinces and territories in respect to areas such as health, social services, information and policing. The [Quebec Employers' Council](#) advocated that the excise tax on legalization of marijuana be left to the provinces in its entirety and suggested that there must be a balance in terms of price, and therefore taxes, to avoid continued consumption from illegal suppliers or a trivialized use of this product if the price is too low.

The [Canadian Psychiatric Association](#) suggested that resources be invested in areas including public education, research, prevention, early identification, cannabis cessation treatments, as well as in advertising and marketing guidelines, on account that regular use of cannabis by young adults may alter the brain's maturation process. The [Saskatchewan Mining Association](#) informed the committee that the short implementation timeline may have a negative impact on workplace safety.

8. The Committee's Recommendations

During the course of its hearings, the Committee received hundreds of interesting and worthwhile proposals from Canadians and Canadian businesses. Some of the proposals had a very direct link to the identified themes of this year's pre-budget consultations by the Committee: the productivity of people; and the productivity and competitiveness of businesses.

In other cases, the link of the proposals to the identified themes was less direct, but the proposals were still valuable in ensuring that Canada's economy attains a high rate of growth, that the country's people are as safe and secure as possible, and that the nation's businesses are able to reach their prosperity goals. From that perspective, the Committee urges the Government of Canada to give serious consideration to the following recommendations:



Recommendation 79

Consistent with the Advisory Council on Economic Growth (Barton Report) that identified the agri-food products sector as critically important to the Canadian economy, collaborate with that sector to drive agricultural innovation. Collaboration should include long-term and predictable core investments in agricultural research and innovation, renewal and expansion of Canada’s agricultural innovation infrastructure, and a comprehensive human capital strategy that involves the identification of specific skill requirements, among other elements.

Recommendation 80

Review the environmental requirements with respect to dredging and ensure that such requirements are conducted with financial restraint and efficiency.

Recommendation 81

Increase the competitiveness of Canadian arts organizations and encourage new revenue streams for them by raising the annual cap on the Canada Cultural Investment Fund – Endowment Incentives to \$3 million, raise or eliminate the \$15 million limit on support for each arts organization, and explore the federal fiscal implications of extending the Canadian Cultural Investment Fund to art museums.

Recommendation 82

Adopt zero-carbon building standards and create opportunities for targeted retrofit investments for federally owned buildings. To this end, the government should buy zero-carbon technology in bulk, and embed the Investor Confidence Project as a requirement in the Low-Carbon Economy Fund, the Canada Infrastructure Bank, and the National Housing Strategy.

Recommendation 83

Ensure that any federal-provincial/territorial incentive programs for energy-efficient retrofits in the private sector include mechanical insulation.

Recommendation 84

Renew its partnership with the Earth Rangers to educate young Canadians and raise awareness in the areas of the environment and climate change adaptation.

Recommendation 85

Increase its official development assistance with the goal of allocating 0.7% of gross national income to the International Assistance Envelope by 2030, with 3 year rolling targets. With its official development assistance, the government should target food security, improved nutrition, and inclusive and high-quality education, particularly for girls and young women.

Recommendation 86

Invest in expanding access to high-quality French-language health services in official language minority communities.

Recommendation 87

Support research hospitals by providing direct eligibility for infrastructure and innovation support and by increasing funding, over a four-year period, for investigator-led fundamental research.

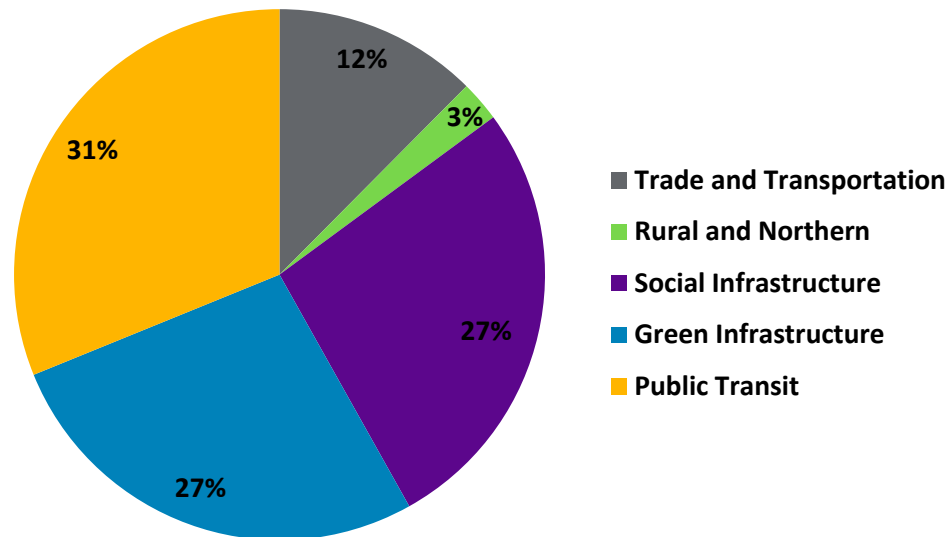
C. INFRASTRUCTURE AND TRANSPORTATION

The [Advisory Council on Economic Growth](#) advocated that “infrastructure can be one of the most powerful levers at the government’s disposal for both [long-term] productivity improvement and [short-term] stimulus.” It also insisted on improving the transportation of people, goods, energy and data within and across our borders. In commenting on these issues, the Committee’s witnesses underlined infrastructure, public transportation, and rural and remote communities as policy areas that the government should consider in the 2018 federal budget.



1. Infrastructure

Figure 15 – Investing in Canada – The Long-Term Infrastructure Plan of \$81.2 billion, Five Main Priorities, 2017–2018 to 2027–2028 (%)



Source: Department of Finance Canada, “[Budget 2017](#),” Table A1.13, pp. 266-267.

In regards to infrastructure funding, the [Board of Trade of Metropolitan Montreal](#) requested that the distribution of funding happen sooner than presently planned. The [Quebec Employers' Council](#) also noted that future investments should be made without undue delays. As well, the [Northwest Territories and Nunavut Construction Association](#) suggested that the funding system should be developed to be more efficient and effective. The [Greater Charlottetown Area Chamber of Commerce](#) advocated for the new federal infrastructure funding to be focused on enabling infrastructure at internationally competitive rates.

The [Canadian Construction Association](#) suggested that the government create a single window through Infrastructure Canada that would allow municipalities to more easily access infrastructure funding. The [Investment Industry Association of Canada](#) asked the government to leverage the private sector for making more investments in infrastructure.

Many witnesses mentioned specific infrastructure investments the government could support. The [Recreation Vehicle Dealers Association of Canada](#) asked the government to make an investment that is targeted and dedicated to camping/RC infrastructure in

Canada's National Parks. The [Windsor-Essex Regional Chamber of Commerce](#) called for more investments in a 5G technology network, funding models to support training and retraining due to technological advancement, and to support community-led accelerators and innovation centres. The [Northwest Territories Chamber of Commerce](#) advocated for the creation of major transportation corridors, upgrades to airports and upgrades to underutilized hydro power.

The [Centre for Israel and Jewish Affairs](#) suggested providing support for green communal infrastructure. Further, the [Council of the Great Lakes Region](#) recommended the government build smart, energy efficient transportation systems and, through supply networks and value chains, to increase Canada's connectivity to global markets. The [Forest Products Association of Canada](#) highlighted the need for continued investment in Canada's transportation supply chain in order to eliminate impediments.

Regarding infrastructure policies, the [Association francophone pour le savoir](#) suggested that the government integrate higher learning institutions into general infrastructure investment programs like the Canada Foundation for Innovation. As well, the [Quebec Employers' Council](#) recommended tailoring Canada's infrastructure policy to future needs, new technological realities, digital infrastructure needs and environmental considerations. [It](#) also asked for the federal program to be linked to the Quebec infrastructure program.

Additionally, the [Association of Consulting Engineering Companies - Canada](#) supported the Standing Senate Committee on National Finance's [recommendations](#) for federal infrastructure programs and suggested prioritizing investments that enable economic prosperity, productivity and competitiveness. [Canadian Construction Innovations](#) urged the government to commit to the development and implementation of a "construction innovation strategy." The [City of London](#) encouraged the government to complete the necessary program design in order to begin work on critical infrastructure priorities for the 2018 construction season.

As well, the [Federation of Canadian Municipalities](#) suggested that Phase 2 of the Investing in Canada Plan be optimized with stable funding and clearer principles for project selections. The [Northwest Territories and Nunavut Chamber of Mines](#) called on the government to ensure that the north is represented at the Canada Infrastructure Bank.

The [Confédération des syndicats nationaux](#) asked for increased transparency on how priority is allocated for infrastructure investments. As well, [it](#) raised the issue that the federal public infrastructure investment strategy's use of public-private partnerships through the new Infrastructure Bank of Canada should have been the subject of public consultations and debate.



The [Saskatchewan Association of Rural Municipalities](#) suggested working with the provinces and territories on a plan for broadband service that would take into account each province/territory's population and geography. [It](#) supported using service reliability and service availability as performance indicators. Additionally, [it](#) requested lowering the 100,000 population threshold for the Rural Infrastructure Fund and other federal programs.

2. Public Transportation

A number of witnesses discussed the importance of further developing Canada's public transportation as a means of increasing the productivity of the workforce. For example, the [Canadian Labour Congress](#) highlighted the need for a "national public transit strategy" featuring predictable long-term funding, and the [Burnaby Board of Trade](#) noted that government should continue making investments in both rapid transit and major transportation infrastructure in order to facilitate the efficient movement of goods, services and employees and to ensure Canadian businesses have access to the talent they need. Furthermore, the [Northwest Territories/Nunavut Council of Friendship Centres](#) felt that investment in local transit system would assist people seeking medical attention, employment or education.

The [Canadian Urban Transit Association](#) felt that unspent funds from Phase 1 of the [Public Transit Infrastructure Fund](#) should be transferred to Phase 2 of the project, and that the government ought to create a data program that can track, analyze and report on both the progress and outcomes of the government's transit investments.

With respect to specific public infrastructure projects, the [Quebec Employers' Council](#) requested that the government restore and develop public transportation infrastructure, specifically by investing in high-benefit public transportation projects, such as the extension of the "Blue Line," which is an important project for the Montreal region. The [City of London](#) asked for a \$370 million commitment from the federal and/or provincial governments for rapid transit projects in the London region. The [Greater Toronto Airports Authority](#) identified five transit lines as priorities for government investment that would result in connectivity to a regional transit centre at Toronto Pearson. Lastly, the [City of Calgary](#) suggested that the government continue to support projects that improve mobility choices for Calgarians such as the Green line.

3. Rural and Remote Communities

Regarding rural and remote communities' infrastructure, the [Northwest Territories and Nunavut Chamber of Mines](#), the [Northwest Territories and Nunavut Construction Association](#), the [Canadian Cable Systems Alliance](#), the [National Cattle Feeders' Association](#), the [Association of Consulting Engineering Companies - Canada](#) and the [Northwest Territories Association of Communities](#) stated that the government should invest in rural and remote areas, specifically in roads and electricity. Additionally, the [Saskatchewan Economic Development Association](#) requested the development of a modern strategy on rural economic development. The [Northwest Territories Association of Communities](#) and the [Government of the Northwest Territories](#) suggested moving away from per capita funding models to a base plus approach. The [Northwest Territories and Nunavut Construction Association](#) emphasized that southern practices may not work in the north and thus should not be imposed.

The [Northwest Territories/Nunavut Council of Friendship Centres](#) asked for an increase in funding to maintain databases in order to share best practices in health and wellness. The [Canadian Convenience Stores Association](#) called on the government to work with convenience store retailers to ensure a greater selection of fresh produce in stores across Canada's rural and remote regions, which can reduce the presence of food deserts.

According to the [Canadian Counselling and Psychotherapy Association](#) and the [Canadian Association of Social Workers](#), a "loan forgiveness program" should be implemented for counselors and social workers who practice in remote areas.

The [Northwest Territories and Nunavut Chamber of Mines](#) requested help to build rural community capacity by contributing to expanding and replacing the labour pool.

The [Government of the Northwest Territories](#) also called for additional investments in housing in the territories.

In explaining the difficulty of attracting individuals in northern Canada to public office, the [Northwest Territories Association of Communities](#) suggested that tax exemptions for non-accountable expense allowances paid to municipal elected officials should be restored.

With respect to the Northern Residency Tax Deduction, [Northwest Territories and Nunavut Construction Association](#) highlighted that the deduction should be indexed to keep pace with inflation.



4. The Committee's Recommendations

In recognizing the importance that infrastructure plays in the daily lives of Canadians and its importance to the economy in terms of productivity and competitiveness, the Committee recommends that the Government of Canada should:

Recommendation 88

Work with provincial/territorial governments to reduce the infrastructure deficit in Northern Canada, and incorporate into its infrastructure funding programs the unique circumstances facing the territorial North with infrastructure programs using “base + population” or take a similar approach for the national allocation formula.

Recommendation 89

Allocate the funds necessary to reach full coverage of high-speed internet service across Canada.

Recommendation 90

Advance the Infrastructure Bank to leverage the private sector for infrastructure investments in such areas as transportation, telecommunications and energy networks which are essential to Canada's prosperity and global competitiveness.

Recommendation 91

Simplify the application approval process for federal infrastructure programs.

Recommendation 92

Work with the provinces/territories, municipalities, airport authorities and other partners to improve transit infrastructure and other crucial transportation hubs around Toronto's Pearson International Airport, and other major Canadian airports.

CHAPTER FIVE: CANADA–UNITED STATES ECONOMIC AND TRADE RELATIONS

From 29 November to 1 December 2017, a delegation from the House of Commons Standing Committee on Finance (the delegation) traveled to Washington and New York in order to discuss Canadian productivity and competitiveness as it relates to – or may be effected by - the performance of the U.S. economy, the ongoing NAFTA negotiations, and the U.S. tax and financial regulatory reforms. During this period, the delegation met with representatives from the Canadian Embassy, the International Monetary Fund, the U.S. Department of the Treasury, the Federal Reserve Bank of New York, the Inter-American Development Bank, the Congressional Research Service, the New York Stock Exchange, commercial banks, investment firms and think tanks as well as the Canadian Consulate and members of U.S. Congress.

With respect to U.S. tax and financial regulatory reforms, the delegation heard that lowering its corporate tax rate would improve the United States' global tax competitiveness and likely produce short-to-medium term benefits for U.S. publicly traded companies. In particular, this benefit could result from the repatriation of assets located abroad and the resulting issuance of dividends. However, concerns were voiced with respect to the federal cost such reforms would incur in comparison to the economic benefit they would derive, as well as higher U.S. employment levels reducing the impact of such reforms on U.S. economic growth. Moreover, several representatives commented that the tax reforms would not produce significant mid-to-long term benefits for the U.S. economy.

Many representatives who met with the delegation drew attention to the Canadian housing market and rising levels of Canadian household indebtedness as important issues for the Canadian government to address. In general, these individuals praised macro-prudential measures, such as the introduction of stricter mortgage lending rules, as positive steps for the Canadian economy.

With respect to trade, the delegation undertook tripartisan efforts to promote NAFTA and the interests of Canada, highlighting issues such as long established North American supply chains and the economic benefits that the three countries have derived from NAFTA. In addition to NAFTA discussions, many private sector representatives noted that diversifying Canadian trade to other economic regions, such as China and East-Asia, could increase productivity of the Canadian economy.



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CANADA

Furthermore, the delegation heard a number of specific recommendations to improve the productivity and competitiveness of the Canadian economy. Examples of such recommendations included increasing women's labour force participation, providing more incentives for entrepreneurial activity, innovation, research and development as well as investing in infrastructure projects and reducing internal trade barriers to improve Canada's long-term economic growth.

CHAPTER SIX: CONCLUSION

Having concluded the pre-budget consultations in advance of the 2018 federal budget, the committee thanks all participants for their valued input and believes that the resulting recommendations will bring clear benefits to the productivity and competitiveness of Canadians, their businesses, and the economy as a whole.

APPENDIX A

“OPEN MIC” APPEARANCES

CHILD CARE

[John Humphrey \[as an individual\]](#)

[Lucia Rincon \[as an individual, Coalition of Child Care Advocates of British Columbia\]](#)

[Mark Power \[as an individual, Public Service Alliance of Canada\]](#)

[Matthew Fuchs \[as an individual, Public Service Alliance of Canada\]](#)

[Rhonda Doyle Leblanc \[as an individual\]](#)

[Sharon Gregson \[as an individual, Coalition of Child Care Advocates of British Columbia\]](#)

DEVELOPMENT ASSISTANCE

[Aaron Brown \[as an individual\]](#)

[Angela Howell \[as an individual, Engineers Without Borders Canada\]](#)

[Ann Frost \[as an individual, Grandmothers Advocacy Network\]](#)

[Cian Rutledge \[as an individual\]](#)

[Catherine Ferriter \[as an individual, Engineers Without Borders Canada\]](#)

[Dawson Markle \[as an individual, Engineers Without Borders Canada\]](#)

[Duncan Alexander Kirby \[as an individual, Engineers Without Borders Canada\]](#)

[Eden Hildebrand \[as an individual\]](#)

[Jane Ouillette \[as an individual, Engineers Without Borders Canada\]](#)

[Jeremy Zhao \[as an individual, Engineers Without Borders Canada\]](#)

[Kamal Mann \[as an individual, Engineers Without Borders Canada\]](#)

[Kevin Nicholas Bell \[as an individual, Engineers Without Borders Canada\]](#)

[Nathalie Michaud \[as an individual\]](#)

[Raymond Frost \[as an individual, Grandmothers Advocacy Network\]](#)

FUNDAMENTAL RESEARCH

[Jason Tetro \[as an individual, Canadian Association for Neuroscience\]](#)

[Julie Poupart \[as an individual, Canadian Association for Neuroscience\]](#)

[Melanie Woodin \[as an individual\]](#)

[Shawn McGuirk \[as an individual, Non-Profit Science Policy Exchange\]](#)

SENIORS AND HEALTHCARE

[Daniel Morin \[as an individual, National Association of Federal Retirees\]](#)

[Fiona Price \[as an individual, National Association of Federal Retirees\]](#)

[Fred Dodd \[as an individual\]](#)

[Kenneth Goodall \[as an individual, National Association of Federal Retirees\]](#)

[Kevin Stacey \[as an individual, National Association of Federal Retirees\]](#)

[Pamela Murray \[as an individual\]](#)

[Ron Watt \[as an individual, National Association of Federal Retirees\]](#)

[Shane Bishop \[as an individual\]](#)

[Sheila Taylor \[as an individual, National Association of Federal Retirees\]](#)

TAXATION AND THE ECONOMIC MEASURES

[Andy Wong \[as an individual\]](#)

[Bridget Doherty \[as an individual, The Prison Farm Campaign\]](#)

[David Connelly \[as an individual\]](#)

[Hannah Dawson-Murphy \[as an individual\]](#)

[John Forgeron \[as an individual\]](#)

[Pamela Murray \[as an individual\]](#)

[Terry Youzwa \[as an individual\]](#)

[Nathalie Blais \[as an individual\]](#)

WOMEN

[Alastair Love \[as an individual\]](#)

[Celena Benndorf \[as an individual, ONE Campaign\]](#)

[Erin Arnold \[as an individual\]](#)

[Fernande Pool \[as an individual, Oxfam Canada\]](#)

[Gillian Eloh \[as an individual\]](#)

[Inez Kelly \[as an individual\]](#)

[Jerome St-Denis \[as an individual\]](#)

[Julianne Karavayeva \[as an individual, ONE Campaign\]](#)

[Kristen Kiggen \[as an individual\]](#)

[Manal Quraishi \[as an individual\]](#)

[Mary Keizer \[as an individual, ONE Campaign\]](#)

[Nathalie Lemay \[as an individual, ONE Campaign\]](#)

[Pauline Finlay \[as an individual, ONE Campaign\]](#)

[Saqib Qureshi \[as an individual, Oxfam Canada\]](#)

[Selma Sahin \[as an individual, ONE Campaign\]](#)

[Tyrone McKenzie \[as an individual, ONE Campaign\]](#)

[Viktoriya Kalchenko \[as an individual, Oxfam Canada\]](#)

APPENDIX B ONLINE SUBMISSIONS

AFFORDABLE HOUSING

[Bâtir son quartier](#)

[Campaign 2000](#)

[Canadian Housing and Renewal Association](#)

[Canadian Real Estate Association](#)

[Centre for Israel and Jewish Affairs](#)

[Chantier de l'économie sociale](#)

[City of Mississauga](#)

[City of Montreal](#)

[Desjardins Group](#)

[Inuit Tapiriit Kanatami](#)

[Mortgage Professionals Canada](#)

[Regional Municipality of Halton](#)

[St. Stephen's Community House](#)

[Urban Development Institute](#)

[YWCA Canada](#)

AGRICULTURE AND FISHERY

[Canadian Federation of Agriculture](#)

[Canadian Horticultural Council](#)

[Chicken Farmers of Canada](#)

[Dairy Processors Association of Canada](#)

[Fertilizer Canada](#)

[Grape Growers of Ontario](#)

[Greater Kitchener Waterloo Chamber of
Commerce](#)

[Parkins, Janet](#)

[Producteurs de grains du Québec](#)

[Union des producteurs agricoles](#)

[Union of British Columbia Indian Chiefs](#)

[University of Guelph](#)

ART, CULTURE, TOURISM AND LANGUAGE IDENTITY

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

[ArtsBuild Ontario](#)

[Association nationale des éditeurs de livres](#)

[Association of Canadian Advertisers](#)

[Association of Canadian Publishers](#)

[Banff World Media Festival Foundation](#)

[Brunico Communications Ltd.](#)

[Calgary Philharmonic Orchestra](#)

[Canada Media Fund](#)

[Canadian Actors' Equity Association](#)

[Canadian Artists' Representation](#)

[Canadian Arts Coalition](#)

[Canadian Association of Content Exporters](#)

[Canadian Association of Film Distributors and Exporters](#)

[Canadian Association of Research Libraries](#)

[Canadian Dance Assembly](#)

[Canadian Federation of Library Associations](#)

[Canadian Independent Music Association](#)

[Canadian Index of Wellbeing](#)

[Canadian Interactive Alliance](#)

[Canadian Media Producers Association](#)

[Canadian Museums Association](#)

[Canadian Private Copying Collective](#)

[Entertainment One](#)

[Fédération culturelle canadienne-française](#)

[International Centre of Art for Social Change](#)

[Inuit Tapiriit Kanatami](#)

[Magazines Canada](#)

[Motion Picture Association-Canada](#)

[National Ballet of Canada \(The\)](#)

[National Marine Manufacturers Association Canada](#)

[Orchestras Canada](#)

[Parkins, Janet](#)

[Pelmorex Weather Networks Inc.](#)

[Professional Association of Canadian Theatres](#)

[Régroupement des artistes en arts visuels du Québec](#)

[Régroupement des événements majeurs internationaux](#)

[Réseau pour le développement de l'alphabétisme et des compétences](#)

BUSINESS FINANCE AND REGULATIONS

[Accelerating Social Impact CCC Ltd](#)

[Affinity Credit Union](#)

[Association of Canadian Advertisers](#)

[AstraZeneca Canada](#)

[Atlantic Canada Aerospace and Defence](#)

[Barreau du Québec](#)

[Canadian Association of Film Distributors
and Exporters](#)

[Canadian Association of Naturopathic
Doctors](#)

[Canadian Community Economic
Development Network](#)

[Canadian Federation of Agriculture](#)

[Canadian Health Food Association](#)

[Canadian Horticultural Council](#)

[Canadian Supply Chain Food Safety Coalition](#)

[Chartered Professional Accountants of
Canada](#)

[Chicken Farmers of Canada](#)

[Community Economic Development and
Employability Corporation](#)

[Consumer Health Products Canada](#)

[Co-operatives and Mutuals Canada](#)

[Dairy Processors Association of Canada](#)

[Desjardins Group](#)

[Direct Sellers Association of Canada](#)

[eBay Canada Limited](#)

[Enerkem](#)

[Fertilizer Canada](#)

[Financial Executives International Canada](#)

[Greater Kitchener Waterloo Chamber of
Commerce](#)

[H&R Block Canada, Inc.](#)

[Innovative Medicines Canada](#)

[International Union of Operating Engineers](#)

[Johnson & Johnson Inc.](#)

[Mercy for Animals](#)

[Momentum](#)

[National Coalition Against Contraband
Tobacco](#)

[National Convenience Stores Distributors
Association](#)

[National Marine Manufacturers Association
Canada](#)

[PB Capital Inc.](#)

[Prospectors and Developers Association of
Canada](#)

[Public Service Alliance of Canada](#)

[Purpose Capital](#)

[Syngenta Canada](#)

[Telesat Canada](#)

[UPS Canada](#)

CHARITABLE AND NON-PROFIT SECTORS

[Accelerating Social Impact CCC Ltd](#)

[Affinity Credit Union](#)

[Association of Fundraising Professionals](#)

[Blumberg Segal LLP](#)

[Calgary Philharmonic Orchestra](#)

[Canadian Community Economic
Development Network](#)

[Canadian Council for International
Co-operation](#)

[Canadian Museums Association](#)

[Centre for Israel and Jewish Affairs](#)

[Chantier de l'économie sociale](#)

[Community Economic Development and
Employability Corporation](#)

[Digital Opportunity Trust](#)

[Endeavour Volunteer Consulting for
Non-Profits](#)

[MediaSmarts](#)

[Momentum](#)

[ONE Campaign](#)

[Philanthropic Foundations Canada](#)

[Poole, Nathaniel](#)

[Purpose Capital](#)

[St. Stephen's Community House](#)

[Tardif, Jean-François](#)

[Vancouver Foundation](#)

CORPORATE TAXATION

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

[Association des psychothérapeutes du
Québec](#)

[Association of Canadian Advertisers](#)

[Association of Canadian Financial Officers](#)

[Association of Registered Psychotherapists
and Mental Health Professionals](#)

[Atlantic Canada Aerospace and Defence](#)

[Canadian Automobile Dealers Association](#)

[Canadian Camping and RV Council](#)

[Canadian Dental Association](#)

[Canadian Electricity Association](#)

[Canadian Federation of Agriculture](#)

[Canadian Ferry Association](#)

[Canadian Horticultural Council](#)

[Canadian Interactive Alliance](#)

[Canadian Life and Health Insurance Association](#)

[Canadian Media Producers Association](#)

[Canadian Propane Association](#)

[Canadian Solar Industries Association](#)

[Canadian Wind Energy Association](#)

[Canadian Wireless Telecommunications Association](#)

[Canadians for Tax Fairness](#)

[CGI Group Inc.](#)

[Chantier de l'économie sociale](#)

[Chartered Professional Accountants of Canada](#)

[College of Licensed Counselling Therapists of New Brunswick](#)

[Consumer Health Products Canada](#)

[Dairy Processors Association of Canada](#)

[Échec aux Paradis Fiscaux](#)

[Emblem Corp](#)

[Enerkem](#)

[Fertilizer Canada](#)

[Financial Executives International Canada](#)

[First West Credit Union](#)

[Greater Kitchener Waterloo Chamber of Commerce](#)

[HEC Technologies](#)

[Information Technology Association of Canada](#)

[Magazines Canada](#)

[Mcneil, Art](#)

[Meredith, Patricia](#)

[Ontario Association for Marriage and Family Therapy](#)

[Plug'N Drive](#)

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

[Prospectors and Developers Association of Canada](#)

[Québec Counselling Association](#)

[Rogers Communications Inc.](#)

[Siddiqui, Naseema](#)

[Tardif, Jean-François](#)

[TILRAY](#)

[TMX Group Limited](#)

[Union des producteurs agricoles](#)

EDUCATION, SKILLS DEVELOPMENT, EMPLOYMENT AND LABOUR

[Accelerating Social Impact CCC Ltd](#)

[Affinity Credit Union](#)

[Association of Canadian Publishers](#)

[Atlantic Canada Aerospace and Defence](#)

[Boys and Girls Clubs of Canada](#)

[Canadian Arts Coalition](#)

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

[Canadian Bureau for International Education](#)

[Canadian Community Economic Development Network](#)

[Canadian Dance Assembly](#)

[Canadian Dental Hygienists Association](#)

[Canadian Federation of Medical Students](#)

[Canadian Federation of Nurses Unions](#)

[Canadian Federation of University Women](#)

[Canadian Horticultural Council](#)

[Canadian Hospice Palliative Care Association](#)

[Canadian Index of Wellbeing](#)

[Canadian Interactive Alliance](#)

[Canadian Museums Association](#)

[Canadian Society for Medical Laboratory Science](#)

[Canadian Society for Molecular Biosciences](#)

[Canadore College](#)

[Chantier de l'économie sociale](#)

[Chartered Professionals in Human Resources Canada](#)

[Children and Youth in Challenging Contexts](#)

[Community Economic Development and Employability Corporation](#)

[Co-operatives and Mutuals Canada](#)

[Dairy Processors Association of Canada](#)

[Design Build Research](#)

[Digital Opportunity Trust](#)

[Engineers Canada](#)

[Fédération culturelle canadienne-française](#)

[Fleet Management Association](#)

[Frontier College](#)

[Information Technology Association of Canada](#)

[International Union of Operating Engineers](#)

[International Union of Painters and Allied Trades](#)

[Jadavji, Nafisa M](#)

[La Cité Collégiale](#)

[Magazines Canada](#)

[McGill University](#)

[MediaSmarts](#)

[Momentum](#)

[National Coalition Against Contraband Tobacco](#)

[Northern Alberta Institute of Technology](#)

[Orchestras Canada](#)

[Parkins, Janet](#)

[Pearson College](#)

[Petroleum Services Association of Canada](#)

[Plug'N Drive](#)

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

[Purpose Capital](#)

[Queen's University](#)

[Réseau pour le développement de l'alphabétisme et des compétences](#)

[Science and Policy Exchange](#)

[Special Olympics Canada](#)

[Speech-Language and Audiology Canada](#)

[St. Stephen's Community House](#)

[Sustainable Forestry Initiative](#)

[Syngenta Canada](#)

[Thompson Rivers University Students' Union](#)

[Union of British Columbia Indian Chiefs](#)

ENERGY

[Cameco Corporation](#)

[Canadian Electricity Association](#)

[Canadian Gas Association](#)

[Canadian Natural Gas Vehicle Alliance](#)

[Canadian Nuclear Association](#)

[Canadian Propane Association](#)

[CHAR Technologies Ltd](#)

[Co-operatives and Mutuals Canada](#)

[Enerkem](#)

[Financial Executives International Canada](#)

[Mcneil, Art](#)

[Petroleum Services Association of Canada](#)

[Quality Urban Energy Systems of Tomorrow](#)

[Renewable Industries Canada](#)

ENVIRONMENT AND CLIMATE CHANGE

[Canadian Automobile Dealers Association](#)

[Canadian Council for International Co-operation](#)

[Canadian Horticultural Council](#)

[Canadian Propane Association](#)

[Canadian Trails Federation](#)

[Cement Association of Canada](#)

[Centre for Israel and Jewish Affairs](#)

[Chartered Professional Accountants of Canada](#)

[Citizens for Public Justice](#)

[City of Mississauga](#)

[Ducks Unlimited Canada](#)

[Engineers Canada](#)

[National Marine Manufacturers Association Canada](#)

[Natural Capital Lab](#)

[Nature Conservancy of Canada](#)

[Ontario Trails Council](#)

[Parkins, Janet](#)

[Petroleum Services Association of Canada](#)

[Quality Urban Energy Systems of Tomorrow](#)

[The Low Carbon Partnership](#)

[Unifor](#)

[Union des producteurs agricoles](#)

[UPS Canada](#)

FEDERAL FINANCE AND PUBLIC SERVICE

[Accelerating Social Impact CCC Ltd](#)

[Affinity Credit Union](#)

[Association of Canadian Financial Officers](#)

[Canadian Association of Occupational Therapists](#)

[Canadian Association of Research Libraries](#)

[Canadian Community Economic Development Network](#)

[Canadian Council for International Co-operation](#)

[Canadian Gas Association](#)

[Canadian Psychological Association](#)

[Canadian Society of Landscape Architects](#)

[CGI Group Inc.](#)

[Chantier de l'économie sociale](#)

[Chartered Professional Accountants of Canada](#)

[City of Montreal](#)

[Community Economic Development and Employability Corporation](#)

[Dietitians of Canada](#)

[Ebrahim, Murtaza](#)

[Engineers Canada](#)

[Evidence for Democracy](#)

[H&R Block Canada, Inc.](#)

[Information Technology Association of Canada](#)

[Momentum](#)

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

[Public Service Alliance of Canada](#)

[Purpose Capital](#)

[Telesat Canada](#)

HEALTH

[Action Hepatitis Canada](#)

[Alzheimer Society of Canada](#)

[Amyotrophic Lateral Sclerosis Society of Canada](#)

[Arthritis Society](#)

[Campaign 2000](#)

[Canadian Alliance on Mental Illness and Mental Health](#)

[Canadian Cancer Trials Group](#)

[Canadian Cardiovascular Society](#)

[Canadian Centre on Substance Use and Addiction](#)

[Canadian Chiropractic Association](#)

[Canadian Coalition for Action on Tobacco](#)

[Canadian Dental Association](#)

[Canadian Federation of Nurses Unions](#)

[Canadian Federation of University Women](#)

[Canadian Hospice Palliative Care Association](#)

[Canadian Index of Wellbeing](#)

[Canadian Nurses Association](#)

[Canadian Organization for Rare Disorders](#)

[Canadian Patient Safety Institute](#)

[Canadian Pharmacists Association](#)

[Canadian Psychological Association](#)

[Canadian Stem Cell Foundation](#)

[Canadians for Fair Access to Medical Marijuana](#)

[Centre for Drug Research and Development](#)

[Centre for Israel and Jewish Affairs](#)

[Centre for the Commercialization of Regenerative Medicine](#)

[Chronic Disease Prevention Alliance of Canada](#)

[Coalition québécoise pour le contrôle du tabac](#)

[Cochrane Canada](#)

[Diabetes Canada](#)

[diaMentis Inc.](#)

[Dietitians of Canada](#)

[Health Action Lobby](#)

[Health Charities Coalition of Canada](#)

[Health Partners Canada](#)

[Heart and Stroke Foundation of Canada](#)

[Infection Prevention and Control Canada](#)

[Information Technology Association of Canada](#)

[Innovative Medicines Canada](#)

[Medicago Inc.](#)

[Merck Canada Inc.](#)

[Mood Disorders Society of Canada](#)

[Multiple Sclerosis Society of Canada](#)

[Neurological Health Charities Canada](#)

[Non-Smokers' Rights Association](#)

[Pallium Canada](#)

[Paramedic Association of Canada](#)

[Parkins, Janet](#)

[Parkinson Canada](#)

[Physicians for a Smoke-Free Canada](#)

[Regenerative Medicine Alliance of Canada](#)

[Regenerative Medicine and Cell Therapy Network](#)

[Rick Hansen Institute](#)

[Special Olympics Canada](#)

[Speech-Language and Audiology Canada](#)

[Sport Matters Group](#)

[St. Stephen's Community House](#)

[Strongest Families Institute](#)

[Swan, Bill](#)

[The Kidney Foundation of Canada](#)

[TILRAY](#)

[Unifor](#)

IMMIGRATION AND REFUGEES

[Alberta Urban Municipalities Association](#)

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

[Canadian Federation of Agriculture](#)

[Canadian Horticultural Council](#)

[Canadian Interactive Alliance](#)

[Chartered Professional Accountants of Canada](#)

[Citizens for Public Justice](#)

[Co-operatives and Mutuals Canada](#)

[International Union of Operating Engineers](#)

[National Association of Career Colleges](#)

[Northern Alberta Institute of Technology](#)

[Vancouver Foundation](#)

INDIGENOUS AND REMOTE COMMUNITIES

[Alberta Urban Municipalities Association](#)

[Cameco Corporation](#)

[Campaign 2000](#)

[Canadian Council for Public-Private Partnerships](#)

[Canadian Dental Hygienists Association](#)

[Canadian Federation of Agriculture](#)

[Canadian Federation of Library Associations](#)

[Canadian Federation of University Women](#)

[Canadian Gas Association](#)

[Canadian Housing and Renewal Association](#)

[Canadian Indigenous Nurses Association](#)

[Canadian Nurses Association](#)

[Canadian Pharmacists Association](#)

[Canadian Propane Association](#)

[Chantier de l'économie sociale](#)

[Children and Youth in Challenging Contexts](#)

[Citizens for Public Justice](#)

[Co-operatives and Mutuals Canada](#)

[Dietitians of Canada](#)

[Engineers Canada](#)

[FAUN Trackway Inc.](#)

[First Nations Tax Commission](#)

[Grand Challenges Canada](#)

[Heart and Stroke Foundation of Canada](#)

[Inuit Tapiriit Kanatami](#)

[J.W. McConnell Family Foundation](#)

[Lacerte and Cyr Indigenous Solutions Inc.](#)

[Makivik Corporation](#)

[Mitacs](#)

[Miziwe Biik Aboriginal Employment and Training](#)

[National Aboriginal Capital Corporations Association](#)

[National Reading Campaign](#)

[Outside Looking In](#)

[Paramedic Association of Canada](#)

[PB Capital Inc.](#)

[Petroleum Services Association of Canada](#)

[Prospectors and Developers Association of Canada](#)

[Public Service Alliance of Canada](#)

[Regional Municipality of Halton](#)

[Relig Health](#)

[Robinson, David M.](#)

[St. Stephen's Community House](#)

[Telesat Canada](#)

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RESEARCH & DEVELOPMENT AND INNOVATION

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[Affinity Credit Union](#)

[Alliance of Canadian Comprehensive Research Universities](#)

[Association of Canadian Universities for Research in Astronomy](#)

[Association pour le développement de la recherche et de l'innovation du Québec](#)

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[Neurological Health Charities Canada](#)

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[Prospectors and Developers Association of Canada](#)

[Purpose Capital](#)

[Queen's University](#)

[Réseau Trans-tech](#)

[Ryerson University](#)

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[The Kidney Foundation of Canada](#)

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[York University](#)

WOMEN AND CHILDREN

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[Engineers Canada](#)

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[Manitoba Child Care Association](#)

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[Research2Reality](#)

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[Union of British Columbia Indian Chiefs](#)

[University of British Columbia](#)

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[Vancouver Foundation](#)

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APPENDIX C LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
<p>Department of Employment and Social Development</p> <p>Andrew Brown, Acting Director General Employment Insurance Policy, Skills and Employment Branch</p> <p>Catherine Demers, Director General Strategy and Partnerships, Skills and Employment Branch</p> <p>Rachel Wernick, Associate Assistant Deputy Minister Skills and Employment</p> <p>Department of Finance</p> <p>Phil King, Director Economic Analysis and Forecasting</p> <p>Claude Lavoie, Director Economic Studies and Policy Analysis Division, Economic and Fiscal Policy Branch</p> <p>Nicholas Leswick, Assistant Deputy Minister Economic and Fiscal Policy Branch</p> <p>William MacMinn, Senior Economist Federal-Provincial Relations and Social Policy Branch</p> <p>Glenn Purves, General Director Federal-Provincial Relations and Social Policy Branch</p> <p>Department of Industry</p> <p>Krista Campbell, Director General Digital Transformation Sector</p> <p>Lisa Setlakwe, Acting Assistant Deputy Minister Strategy and Innovation Policy Sector</p>	2017/09/19	102
<p>Aerospace Industries Association of Canada</p> <p>Mark Beauregard, Vice-President Regulatory Affairs</p>	2017/09/20	103

Organizations and Individuals	Date	Meeting
Air Transport Association of Canada John McKenna, President and Chief Executive Officer	2017/09/20	103
Appraisal Institute of Canada Keith Lancaster, Chief Executive Officer Peter McLean, President Elect		
Assembly of First Nations Daniel Wilson, Special Advisor Research and Policy Coordination		
Beer Canada Luke Harford, President		
Canadian Airports Council Daniel-Robert Gooch, President		
Canadian Alliance of Student Associations Shifrah Gadamsetti, Chair Board of Directors		
Canadian Chamber of Commerce Hendrik Brakel, Chief Economist		
Canadian Home Builders' Association Kevin Lee, Chief Executive Officer		
Canadian Vintners Association Dan Paszkowski, President and Chief Executive Officer		
Chemistry Industry Association of Canada Bob Masterson, President and Chief Executive Officer David Podruzny, Vice-President Business and Economics		
Tourism Industry Association of Canada Charlotte Bell, President and Chief Executive Officer		

Organizations and Individuals	Date	Meeting
<p>Agriculture and Agri-Food Labour Task Force</p> <p>Portia MacDonald-Dewhirst, Executive Director Canadian Agricultural Human Resource Council Mark Wales, Chair</p> <p>Association des collèges et universités de la francophonie canadienne</p> <p>Lise Bourgeois, Co-Chair and President of La Cité collégiale Lynn Brouillette, Acting Director General</p> <p>Pierre-Yves Mocquais, Member of the Board of Directors Campus Saint-Jean, University of Alberta</p> <p>Association of Consulting Engineering Companies - Canada</p> <p>John Gamble, President and Chief Executive Officer</p> <p>Canada Foundation for Innovation</p> <p>David Moorman, Senior Advisor Policy and Planning</p> <p>Roseann O'Reilly Runte, President and Chief Executive Officer</p> <p>Canada Green Building Council</p> <p>Thomas Mueller, President and Chief Executive Officer</p> <p>Canadian Counselling and Psychotherapy Association</p> <p>Kim Hollihan, Deputy Chief Executive Officer</p> <p>Canadian Federation of Independent Business</p> <p>Daniel Kelly, President and Chief Executive Officer</p> <p>Canadian Medical Association</p> <p>John Feeley, Vice-President Member Relevance</p> <p>Laurent Marcoux, President</p> <p>Canadian Psychiatric Association</p> <p>Glenn Brimacombe, Chief Executive Officer Nachiketa Sinha, President</p>	2017/09/21	104

Organizations and Individuals	Date	Meeting
Canadian Union of Public Employees Toby Sanger, Senior Economist	2017/09/21	104
Restaurants Canada David Lefebvre, Vice-President Federal and Québec Affairs Joyce Reynolds, Executive Vice-President Government Affairs		
The Conference Board of Canada Craig Alexander, Senior Vice-President and Chief Economist		
Association of Canadian Faculties of Agriculture and Veterinary Medicine Jean-Claude Dufour, President Elect Dean, Laval University Jeffrey Wichtel, President Dean, Ontario Veterinary College	2017/09/25	105
Association of Faculties of Medicine of Canada Geneviève Moineau, President and Chief Executive Officer		
Big Brothers Big Sisters of Canada Peter Coleridge, National President and Chief Executive Officer		
Canada Without Poverty Michèle Biss, Legal Education and Outreach Coordinator Harriett McLachlan, Acting Deputy Director		
Canadian Association of Science Centres Sandra Corbeil, Board Member Stephanie Deschenes, Executive Director		
Canadian Construction Association Michael Atkinson, President		

Organizations and Individuals	Date	Meeting
<p>Canadian Labour Congress</p> <p>Mike Luff, Senior Economist</p> <p>Hassan Yussuff, President</p> <p>Canadian Urban Transit Association</p> <p>Patrick Leclerc, President and Chief Executive Officer</p> <p>Co-operative Housing Federation of Canada</p> <p>Timothy Ross, Director Strategic Affairs</p> <p>Douglas Wong, Program Manager Policy and Government Relations</p> <p>CroLife Canada</p> <p>Dennis Prouse, Vice-President Government Affairs</p> <p>Railway Association of Canada</p> <p>Michael Bourque, President and Chief Executive Officer</p> <p>Gérald Gauthier, Vice-President</p> <p>Spirits Canada</p> <p>C.J. Helie, Executive Vice-President</p>	2017/09/25	105
<p>Association of University Research Parks Canada</p> <p>Laura O'Blenis, Co-Founder and Managing Director</p> <p>Business Council of Canada</p> <p>Brian Kingston, Vice-President Policy, International and Fiscal Issues</p> <p>Canada-Israel Industrial Research and Development Foundation</p> <p>Henri Rothschild, President</p> <p>Canadian Apprenticeship Forum</p> <p>Sarah Watts-Rynard, Executive Director</p> <p>Canadian Association of Social Workers</p> <p>Sally Guy, Director of Policy and Strategy</p>	2017/09/26	107

Organizations and Individuals	Date	Meeting
<p>Canadian Cancer Society</p> <p>Rob Cunningham, Senior Policy Analyst</p> <p>Lynne Hudson, President and Chief Executive Officer</p> <p>Kelly Masotti, Director Public Issues</p>	2017/09/26	107
<p>Canadian Construction Innovations</p> <p>Pierre Boucher, President</p> <p>David Hudock, Manager, Business Development, Canadian Buildings and Civil Infrastructure PCL Constructors Canada</p>		
<p>Canadian Credit Union Association</p> <p>Athana Mentzelopoulos, Vice-President Government Relations</p> <p>Marc-André Pigeon, Assistant Vice-President Financial Sector Policy</p>		
<p>Canadian Produce Marketing Association</p> <p>Ron Lemaire, President</p>		
<p>Canadian Taxpayers Federation</p> <p>Aaron Wudrick, Federal Director</p>		
<p>Macdonald-Laurier Institute</p> <p>Philip Cross, Fellow</p>		
<p>Advocis, The Financial Advisors Association of Canada</p> <p>Greg Pollock, President and Chief Executive Officer</p>	2017/09/27	108
<p>Association of Canadian Financial Officers</p> <p>Scott Chamberlain, Director of Labour Relations, General Counsel</p> <p>Dany Richard, President</p>		

Organizations and Individuals	Date	Meeting
Association of Canadian Publishers Kate Edwards, Executive Director Glenn Rollans, President	2017/09/27	108
BIOTECanada Andrew Casey, President and Chief Executive Officer		
Canadian Alliance on Mental Illness and Mental Health Karen R. Cohen, Member of the Management Committee Fred Phelps, Member of the Management Committee		
Canadian Cardiovascular Society Catherine Kells, President		
Canadian Child Care Federation Don Giesbrecht, Chief Executive Officer		
Canadian Consortium for Research Lisa Votta-Bleeker, Chair		
Canadian Dental Association Kevin Desjardins, Director Public Affairs Larry Levin, President		
Centre for Israel and Jewish Affairs Noah Shack, Director of Policy		
Chartered Professional Accountants of Canada Bruce Ball, Vice-President Taxation		
National Airlines Council of Canada Massimo Bergamini, President and Chief Executive Officer		
Retail Council of Canada Karl Littler, Vice-President Public Affairs		

Organizations and Individuals	Date	Meeting
Agricultural Institute of Canada Serge Buy, Chief Executive Officer	2017/09/28	110
Canadian Aquaculture Industry Alliance Tim Kennedy, Executive Director		
Canadian Association for Graduate Studies Brenda Brouwer, President Sally Rutherford, Executive Director		
Canadian Association of Fire Chiefs Ken Block, President Tina Saryeddine, Executive Director		
Canadian Association of Optometrists Laurie Clement, Chief Executive Officer Michael Dennis, President		
Canadian Association of Radiologists Emil Lee, President		
Canadian Association of Radiologists Nicholas Neuheimer, Chief Executive Officer		
Canadian Centre for Policy Alternatives Kate McInturff, Senior Researcher National Office		
Canadian Federation of Students Charlotte Kiddell, National Deputy Chairperson		
Federation of Canadian Municipalities Brock Carlton, Chief Executive Officer Daniel Rubinstein, Acting Director Policy and Research		
Forest Products Association of Canada Derek Nighbor, Chief Executive Officer		

Organizations and Individuals	Date	Meeting
Imagine Canada Bruce MacDonald, President and Chief Executive Officer	2017/09/28	110
Mining Association of Canada Brendan Marshall, Vice-President Economic and Northern Affairs		
Northern Air Transport Association Glenn Priestley, Executive Director		
As an individual Angela Howell Viktoriya Kalchenko Tyrone McKenzie Sheila Taylor Terry Youzwa	2017/10/03	111
Ag-West Bio Inc. Boni Dorish, Director Finance, Administration and Human Resource Patrick Pitka, Chief Financial Officer		
Canadian Institute of Nuclear Physics Garth Huber, Executive Director Professor, University of Regina, Department of Physics		
Canadian Neutron Initiative Working Group Rob Norris, Senior Strategist, Research Partnerships Office of Vice-President Research, University of Saskatchewan		
Canadian Neutron Initiative Working Group John Root, Executive Director Sylvia Fedoruk Canadian Centre for Nuclear Innovation Inc.		
Enterprise Machine Intelligence & Learning Initiative Ray Bouchard, Chair of the Board		
Greater Saskatoon Chamber of Commerce Darla Lindbjerg, President and Chief Executive Officer		

Organizations and Individuals	Date	Meeting
<p>International Association of Heat and Frost Insulators and Allied Workers</p> <p>Vince Engel, International Vice-President Western Canada</p> <p>Chuck Rudder, Business Manager</p> <p>North Saskatoon Business Association</p> <p>Keith Moen, Executive Director</p> <p>Brenda Wasylow, Past Chair</p> <p>Polytechnics Canada</p> <p>Dennis Johnson, Vice-President Strategy and Business Development</p> <p>Kevin Rogers, Director Applied Research and Innovation</p> <p>Regina and District Chamber of Commerce</p> <p>John Hopkins, Chief Executive Officer</p> <p>Saskatchewan Economic Development Association</p> <p>Sean Wallace, Director, Board Representative Economic Development of Tisdale</p> <p>Saskatchewan Mining Association</p> <p>Pamela Schwann, President</p> <p>Thomson Jaspar and Associates</p> <p>Michael Gorniak, Partner</p> <p>Braden Turnquist, Partner</p> <p>Universities Canada</p> <p>Paul Davidson, President</p> <p>University of Saskatchewan</p> <p>Jamie Miley, Senior Strategist, Public Affairs President's Office</p>	2017/10/03	111

Organizations and Individuals	Date	Meeting
As an individual	2017/10/04	112
Erin Arnold		
Celena Benndorf		
Ann Frost		
Raymond Frost		
Sharon Gregson		
Dawson Markle		
Fernande Pool		
Lucia Rincon		
British Columbia Council for International Cooperation		
Darren Schemmer, Co-chair Board of Directors		
Burnaby Board of Trade		
Paul Holden, President and Chief Executive Officer		
Clean Energy Canada		
Dan Woynillowicz, Policy Director Centre for Dialogue, Simon Fraser University		
Fraser Institute		
Charles Lammam, Director Fiscal Studies		
Greater Vancouver Board of Trade		
Iain Black, President and Chief Executive Officer		
HealthCareCAN		
Robert McMaster, Member of the Board of Directors		
Recreation Vehicle Dealers Association of Canada		
Ian Moore, Past Chairman		
Rogers Group Financial		
Clay Gillespie, Managing Director		

Organizations and Individuals	Date	Meeting
<p>UNITE HERE! Local 40</p> <p>Michelle Travis, Research Coordinator</p> <p>University of Victoria</p> <p>Jamie Cassels, President and Vice-Chancellor</p> <p>Val Napoleon, Associate Professor and Law Foundation Professor of Aboriginal Justice and Governance</p>	2017/10/04	112
<p>As an individual</p> <p>David Connelly</p> <p>Pamela Murray</p> <p>Andy Wong</p> <p>Dene Nation</p> <p>Bill Erasmus, National Chief</p> <p>Fédération franco-ténoise</p> <p>Jean de Dieu Tuyishime, Executive Director</p> <p>Government of the Northwest Territories</p> <p>Sandy Kalgutkar, Deputy Secretary to the Financial Management Board Department of Finance</p> <p>David Stewart, Secretary to the Financial Management Board/Deputy Minister Department of Finance</p> <p>Northwest Territories and Nunavut Chamber of Mines</p> <p>Tom Hoefer, Executive Director</p> <p>Gary Vivian, President</p> <p>Northwest Territories and Nunavut Construction Association</p> <p>John Rowe, Vice-President</p> <p>Northwest Territories Association of Communities</p> <p>Sara Brown, Chief Executive Officer</p> <p>Northwest Territories Chamber of Commerce</p> <p>Trevor Wever, President</p>	2017/10/05	113

Organizations and Individuals	Date	Meeting
Northwest Territories/Nunavut Council of Friendship Centres Kyle Bird, Executive Director Shari Caudron, Board Member Anthony Rabesca, President	2017/10/05	113
Tlcho Government Bertha Rabesca Zoe, Legal Counsel		
YWCA Yellowknife Caroline Wawzonek, Vice-President		
As an individual Shane Bishop Gillian Eloh John Forgeron Kenneth Goodall Saqib Qureshi Jeremy Zhao	2017/10/06	114
Calgary Chamber of Commerce Zoe Addington, Director of Policy and Government Relations Adam Legg, President and Chief Executive Officer		
Canadian Association of Oilwell Drilling Contractors John Bayko, Vice-President Communications		
Canadian Association of Petroleum Producers Ben Brunnen, Vice-President Oil Sands, Fiscal and Economic Policy		
Canadian Energy Pipeline Association Chris J. Bloomer, President and Chief Executive Officer		
Canadian Manufacturers & Exporters Michael Holden, Chief Economist		

Organizations and Individuals	Date	Meeting
City of Calgary Naheed Nenshi, Mayor	2017/10/06	114
Festivals and Major Events Canada Martin Roy, Executive Director		
Hotel Association of Canada David Kaiser, Member Board of Directors Leanne Shaw, Vice-Chair Alberta Hotel and Lodging Association		
National Cattle Feeders' Association Casey Vander Ploeg, Vice-President		
Oxfam Canada Ricardo Acuna, Chair		
Saskatchewan Association of Rural Municipalities Ray Orb, President		
Southern Alberta Institute of Technology Alex Zahavich, Vice-President of Corporate Development and Applied Research Education		
Stem Cell Network Ubaka Ogbogu, Assistant Professor, Faculty of Law University of Alberta		
As an individual Fred G. Dodd Pauline Finlay Matthew Fuchs Kevin Nicholas Bell Mark Power Kevin Stacey	2017/10/16	115

Organizations and Individuals	Date	Meeting
Association of Seafood Producers Derek Butler, Executive Director	2017/10/16	115
Community Sector Council Newfoundland and Labrador Penelope Rowe, Chief Executive Officer		
Federation for the Humanities and Social Sciences Gabriel Miller, Executive Director		
Fisheries and Marine Institute of Memorial University of Newfoundland Carey Bonnell, Head School of Fisheries		
Hospitality Newfoundland and Labrador Craig Foley, Chief Executive Officer		
Investment Industry Association of Canada Ian Russell, President and Chief Executive Officer		
Mining Industry NL Ed Moriarity, Executive Director		
Newfoundland Aquaculture Industry Association Mark Lane, Executive Director		
St. John's Board of Trade Nancy Healey, Chief Executive Officer Dorothy Keating, Chair		
As an individual Hannah Dawson-Murphy Rhonda Doyle Leblanc Julianne Karavayeva Jane Ouillette Manal Quraishi	2017/10/17	116
Atlantic Canada Airports Association Monette Pasher, Executive Director		

Organizations and Individuals	Date	Meeting
<p>Atlantic Chamber of Commerce Glenn Davis, Vice-President Policy</p> <p>Atlantic Institute for Market Studies Marco Navarro-Génie, President and Chief Executive Officer</p> <p>Atlantic Partnership for Literacy and Essential Skills Jinny Greaves, Incoming Executive Director P.E.I. Literacy Alliance Jayne Hunter, Executive Director Literacy Nova Scotia</p> <p>Canadian Association of University Teachers Pamela Foster, Director, Research and Political Action</p> <p>Canadian Cable Systems Alliance Chris Edwards, Vice-President Regulatory Affairs</p> <p>Canadian Worker Co-operative Federation Hazel Corcoran, Executive Director Sonja Novkovic, Member</p> <p>Colleges and Institutes Canada Denise Amyot, President and Chief Executive Officer Don Bureaux, Board Member and President of Nova Scotia Community College</p> <p>Greater Charlottetown Area Chamber of Commerce Rory Francis, President Board of Directors Penny Walsh McGuire, Executive Director</p>	2017/10/17	116

Organizations and Individuals	Date	Meeting
<p>Halifax Chamber of Commerce</p> <p>Nancy Conrad, Senior Vice-President Policy</p> <p>Patrick Sullivan, President and Chief Executive Officer</p>	2017/10/17	116
<p>National Harbour Authority Advisory Committee</p> <p>Osborne Burke, National Committee Member</p>		
<p>Prince Edward Island Fishermen's Association</p> <p>Craig Avery, Director and Past President</p> <p>Ian MacPherson, Executive Director</p>		
<p>As an individual</p> <p>Nathalie Blais</p> <p>Bridget Doherty</p> <p>Catherine Ferriter</p> <p>Kristen Kiggen</p> <p>Nathalie Lemay</p> <p>Shawn McGuirk</p> <p>Nathalie Michaud</p> <p>Daniel Morin</p> <p>Julie Poupart</p>	2017/10/18	117
<p>Association francophone pour le savoir</p> <p>Frédéric Bouchard, President</p>		
<p>Association pour le développement de la recherche et de l'innovation du Québec</p> <p>Albert De Luca, President of the Board of Directors</p> <p>Pascal Monette, President and Chief Executive Officer</p>		
<p>Board of Trade of Metropolitan Montreal</p> <p>Céline Huot, Vice-President Strategy and Public Affaires</p>		

Organizations and Individuals	Date	Meeting
Canadian Association of Student Financial Aid Administrators Josh Levac, Treasurer Cara Piperni, Past President	2017/10/18	117
Coalition québécoise sur la problématique du poids Clara Couturier, Research Analyst, Public Policy Corinne Voyer, Director		
Confédération des syndicats nationaux François Bélanger, Union Advisor Pierre Patry, Treasurer		
Electric Mobility Canada Chantal Guimont, President and Chief Executive Officer		
Federal Fleet Services Inc. Sarah McMillan, Executive Vice-President Project Administration John Schmidt, Vice-President Commercial		
Fonds de solidarité des travailleurs du Québec Gaétan Morin, President and Chief Executive Officer Mario Tremblay, Vice-President Public and Corporate Affairs		
Imperial Tobacco Canada Limited Eric Gagnon, Head Corporate and Regulatory Affairs		
Montreal Economic Institute Mathieu Bédard, Economist		
Ovarian Cancer Canada Elisabeth Baugh, Chief Executive Officer		
Quebec Employers' Council Norma Kozhaya, Vice-President of Research and Chief Economist		

Organizations and Individuals	Date	Meeting
As an individual	2017/10/19	118
Kamal Mann		
Jerome St-Denis		
Ron Watt		
3M Company Canada		
Elise Maheu, Director Government Affairs		
Nicole Rayner, Senior Manager Taxation		
Canadian Convenience Stores Association		
Satinder Chera, President		
Canadian Music Publishers Association		
Margaret McGuffin, Executive Director		
City of London		
Jesse Helmer, Councillor		
Adam Thompson, Manager Government and External Relations		
Council of the Great Lakes Region		
Mark Fisher, President and Chief Executive Officer		
Earth Rangers		
Tovah Barocas, Vice-President, External Relations		
Institute for Quantum Computing		
Tobi Day-Hamilton, Director, Communications and Strategic Initiatives University of Waterloo		
Martin Laforest, Senior Manager Scientific Outreach		
McMaster University		
Robert Baker, Vice-President Research		

Organizations and Individuals	Date	Meeting
RESULTS Canada Christina Dendys, Interim Executive Director	2017/10/19	118
Sarnia Lambton Chamber of Commerce Shirley De Silva, President and Chief Executive Officer Monica Shepley, Manager Policy and Advocacy		
Windsor-Essex Regional Chamber of Commerce Matthew Marchand, President and Chief Executive Officer		
As an individual Aaron Brown Jay Goodis, Chief Executive Officer and Co-founder Tax Templates Inc. Eden Hildebrand John Humphrey Donald K. Johnson, O.C., LL.D. Volunteer Board Member of not-for-profit organizations Inez Kelly Duncan Alexander Kirby Alastair Love Fiona Price Cian Rutledge Selma Sahin Jason Tetro Melanie Woodin	2017/10/20	119
Addictions and Mental Health Ontario Gail Czukar, Chief Executive Officer		

Organizations and Individuals	Date	Meeting
Airbnb Alexandra Dagg, Public Policy Manager, Canada	2017/10/20	119
Bruce Power James Scongack, Vice-President Corporate Affairs and Environment		
Canadian Beverage Association Jim Goetz, President		
Canadian Council of Snowmobile Organizations Dennis Burns, Executive Director		
Canadian Partnership for Women and Children's Health Julia Anderson, Director Operations Helen Scott, Executive Director		
Canadian Vehicle Manufacturers' Association Mark Nantais, President		
Child Care Advocacy Association of Canada Morna Ballantyne, Executive Director		
Food and Consumer Products of Canada Michi Furuya Chang, Vice-President Scientific Affairs and Nutrition		
Greater Toronto Airports Authority Lorrie McKee, Director Public Affairs and Stakeholder Relations		
Indspire Roberta Jamieson, President and Chief Executive Officer		
Intellectual Property Institute of Canada Nathaniel Lipkus, Councillor		
Juvenile Diabetes Research Foundation Canada Dave Prowten, President and Chief Executive Officer Patrick Tohill, Director, Government Relations		

Organizations and Individuals	Date	Meeting
<p>Kids Help Phone Alisa Simon, Vice-President Counselling Services and Programs</p> <p>March of Dimes Canada Steven Christianson, National Manager Government Relations and Advocacy Jackie Legge, Government Relations Associate</p> <p>No Fly List Kids Sulemaan Ahmed Khadija Cajee</p> <p>ParticipACTION Elio Antunes, President and Chief Executive Officer Marilyn Knox, Chair Board of Directors</p> <p>Toronto Region Board of Trade Jeff Parker, Manager Policy</p> <p>Toronto Region Immigrant Employment Council Margaret Eaton, Executive Director</p>	2017/10/20	119

APPENDIX D LIST OF BRIEFS

Organizations and Individuals

3M Company Canada

Accelerating Social Impact CCC Ltd *

Action Hepatitis Canada

Action on Smoking and Health *

Addictions and Mental Health Ontario

Aerospace Industries Association of Canada

Affinity Credit Union *

Agricultural Institute of Canada

Agriculture and Agri-Food Labour Task Force

Air Transport Association of Canada

Airbnb

Alberta Urban Municipalities Association

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

Alliance of Canadian Comprehensive Research Universities

Alzheimer Society of Canada

Amsden, Barb

Amyotrophic Lateral Sclerosis Society of Canada

Appraisal Institute of Canada

Arthritis Society *

ArtsBuild Ontario

Assembly of First Nations

Association de la recherche industrielle du Québec

Organizations and Individuals

Association des collèges et universités de la francophonie canadienne

Association des psychothérapeutes du Québec *

Association francophone pour le savoir

Association nationale des éditeurs de livres

Association of Canadian Advertisers

Association of Canadian Faculties of Agriculture and Veterinary Medicine

Association of Canadian Financial Officers

Association of Canadian Publishers

Association of Canadian Universities for Research in Astronomy *

Association of Consulting Engineering Companies - Canada

Association of Faculties of Medicine of Canada

Association of Fundraising Professionals

Association of Registered Psychotherapists and Mental Health Professionals *

Association of University Research Parks Canada

Association pour le développement de la recherche et de l'innovation du Québec

AstraZeneca Canada

Atlantic Canada Aerospace and Defence

Atlantic Canada Airports Association

Banff World Media Festival Foundation *

Barreau du Québec

Bâtir son quartier

Beer Canada

Big Brothers Big Sisters of Canada

BIOTECanada

Blair Corkum Financial Planning Inc.

Organizations and Individuals

Blumberg Segal LLP

Boys and Girls Clubs of Canada

British Columbia Council for International Cooperation

Bruce Power

Brunico Communications Ltd. *

Burnaby Board of Trade

Business Council of Canada

Calgary Chamber of Commerce

Calgary Philharmonic Orchestra

Cameco Corporation

Campaign 2000

Canada Bikes

Canada Foundation for Innovation

Canada Green Building Council

Canada Media Fund

Canada Without Poverty

Canada-Israel Industrial Research and Development Foundation

Canadian Actors' Equity Association

Canadian Airports Council

Canadian Alliance of Student Associations

Canadian Alliance on Mental Illness and Mental Health

Canadian Apprenticeship Forum

Canadian Aquaculture Industry Alliance

Canadian Artists' Representation *

Canadian Arts Coalition

Organizations and Individuals

Canadian Arts Presenting Association

Canadian Association for Co-operative Education

Canadian Association for Graduate Studies

Canadian Association of Content Exporters

Canadian Association of Film Distributors and Exporters

Canadian Association of Fire Chiefs

Canadian Association of Naturopathic Doctors

Canadian Association of Occupational Therapists

Canadian Association of Optometrists

Canadian Association of Petroleum Producers

Canadian Association of Physicists

Canadian Association of Radiologists

Canadian Association of Research Libraries

Canadian Association of Science Centres *

Canadian Association of Social Workers

Canadian Association of Student Financial Aid Administrators

Canadian Association of University Teachers

Canadian Astronomical Society *

Canadian Automobile Dealers Association

Canadian Beverage Association

Canadian Bureau for International Education

Canadian Cable Systems Alliance

Canadian Camping and RV Council

Canadian Cancer Society

Canadian Cancer Society *

Organizations and Individuals

Canadian Cancer Trials Group

Canadian Cardiovascular Society

Canadian Centre for Policy Alternatives

Canadian Centre on Substance Use and Addiction

Canadian Chamber of Commerce

Canadian Child Care Federation

Canadian Chiropractic Association

Canadian Coalition for Action on Tobacco *

Canadian Community Economic Development Network *

Canadian Consortium for Research

Canadian Construction Association

Canadian Construction Innovations

Canadian Convenience Stores Association

Canadian Council for International Co-operation

Canadian Council for Public-Private Partnerships

Canadian Council of Snowmobile Organizations

Canadian Counselling and Psychotherapy Association *

Canadian Credit Union Association

Canadian Dance Assembly

Canadian Dental Association

Canadian Dental Association *

Canadian Dental Hygienists Association

Canadian Dental Hygienists Association *

Canadian Electricity Association

Canadian Federation of Agriculture

Organizations and Individuals

Canadian Federation of Independent Business

Canadian Federation of Library Associations

Canadian Federation of Medical Students

Canadian Federation of Nurses Unions

Canadian Federation of Students

Canadian Federation of University Women

Canadian Ferry Association

Canadian Gas Association

Canadian Health Food Association

Canadian Home Builders' Association

Canadian Horticultural Council

Canadian Hospice Palliative Care Association

Canadian Housing and Renewal Association

Canadian Independent Music Association

Canadian Index of Wellbeing

Canadian Indigenous Nurses Association

Canadian Institute for Neutron Scattering *

Canadian Institute of Nuclear Physics

Canadian Interactive Alliance

Canadian Labour Congress

Canadian Life and Health Insurance Association

Canadian Lung Association *

Canadian Manufacturers & Exporters

Canadian Media Producers Association

Canadian Medical Association

Organizations and Individuals

Canadian Municipal Network on Crime Prevention

Canadian Museums Association

Canadian Music Publishers Association

Canadian National Institute for the Blind

Canadian Natural Gas Vehicle Alliance

Canadian Network of Scientific Platforms

Canadian Neutron Initiative Working Group *

Canadian Nuclear Association

Canadian Nuclear Association *

Canadian Nurses Association

Canadian Organization for Rare Disorders

Canadian Partnership for Women and Children's Health

Canadian Patient Safety Institute

Canadian Pharmacists Association

Canadian Private Copying Collective

Canadian Produce Marketing Association

Canadian Propane Association

Canadian Psychiatric Association

Canadian Psychological Association

Canadian Public Works Association

Canadian Real Estate Association

Canadian Red Cross

Canadian Society for Medical Laboratory Science

Canadian Society for Molecular Biosciences

Canadian Society of Landscape Architects

Organizations and Individuals

Canadian Stem Cell Foundation *

Canadian Supply Chain Food Safety Coalition

Canadian Trails Federation *

Canadian Union of Public Employees

Canadian Urban Transit Association

Canadian Vehicle Manufacturers' Association

Canadian Vintners Association

Canadian Wind Energy Association

Canadian Wireless Telecommunications Association

Canadian Worker Co-operative Federation

Canadians for Fair Access to Medical Marijuana *

Canadians for Tax Fairness

Canadore College

Cement Association of Canada

Centre for Drug Research and Development

Centre for Drug Research and Development *

Centre for Israel and Jewish Affairs

Centre for the Commercialization of Regenerative Medicine *

CGI Group Inc.

Chantier de l'économie sociale

CHAR Technologies Ltd

Chartered Professional Accountants of Canada

Chartered Professionals in Human Resources Canada

Chemistry Industry Association of Canada

Chicken Farmers of Canada

Organizations and Individuals

Child Care Advocacy Association of Canada

Children and Youth in Challenging Contexts

Chronic Disease Prevention Alliance of Canada

Citizens for Public Justice

City of Calgary

City of London

City of Mississauga

City of Montreal

Clean Energy Canada

Coalition for Canadian Astronomy *

Coalition québécoise pour le contrôle du tabac *

Coalition québécoise pour le contrôle du tabac *

Coalition québécoise sur la problématique du poids

Cochrane Canada

College of Licensed Counselling Therapists of New Brunswick *

Colleges and Institutes Canada

Community Economic Development and Employability Corporation *

Community Sector Council Newfoundland and Labrador

Compute Canada

Confédération des syndicats nationaux

Conference for Advanced Life Underwriting

Consumer Health Products Canada

Co-operative Housing Federation of Canada

Co-operatives and Mutuals Canada

Council of the Great Lakes Region

Organizations and Individuals

CropLife Canada

Dairy Processors Association of Canada

Davie, Michael

Design Build Research

Desjardins Group

Diabetes Canada

diaMentis Inc.

Dietitians of Canada

Digital ID and Authentication Council of Canada

Digital Opportunity Trust

Direct Sellers Association of Canada

Ducks Unlimited Canada

Earth Rangers

eBay Canada Limited

Ebrahim, Murtaza

Échec aux Paradis Fiscaux

Electric Mobility Canada

Emblem Corp

Endeavour Volunteer Consulting for Non-Profits

Enerkem

Engineers Canada

Enterprise Machine Intelligence & Learning Initiative

Entertainment One

Evidence for Democracy

FAUN Trackway Inc.

Organizations and Individuals

Fédération culturelle canadienne-française
Federation for the Humanities and Social Sciences
Federation of Canadian Municipalities
Fédération québécoise des professeures et professeurs d'université
Fertilizer Canada
Festivals and Major Events Canada *
Financial Executives International Canada
First Nations Tax Commission
First West Credit Union
Fleet Management Association
Fonds de solidarité des travailleurs du Québec
Food and Consumer Products of Canada
Forest Products Association of Canada
Frontier College
Funeral Service Association of Canada
Grand Challenges Canada *
Grape Growers of Ontario
Greater Charlottetown Area Chamber of Commerce
Greater Kitchener Waterloo Chamber of Commerce
Greater Toronto Airports Authority
Green Budget Coalition
H&R Block Canada, Inc.
Health Action Lobby
Health Charities Coalition of Canada
Health Partners Canada

Organizations and Individuals

HealthCareCAN

Heart and Stroke Foundation of Canada

Heart and Stroke Foundation of Canada *

HEC Technologies

Home Instead Senior Care

Hope Air

Hotel Association of Canada

Hultin, Philip G.

Imagine Canada

Imperial Tobacco Canada Limited

Indspire

Infection Prevention and Control Canada

Information Technology Association of Canada

Ingenium *

Innovative Medicines Canada

Institute for Quantum Computing

Institute of Particle Physics

Insurance Brokers Association of Canada

Intellectual Property Institute of Canada

International Association of Heat and Frost Insulators and Allied Workers

International Centre of Art for Social Change

International Union of Operating Engineers

International Union of Painters and Allied Trades

Inuit Tapiriit Kanatami

Investment Industry Association of Canada

Organizations and Individuals

J.W. McConnell Family Foundation *

Jadavji, Nafisa

Johnson & Johnson Inc.

Johnson, Donald

Juvenile Diabetes Research Foundation Canada

Kids Help Phone

La Cité Collégiale

Lacerte and Cyr Indigenous Solutions Inc. *

Law Society of Upper Canada

Magazines Canada

Makivik Corporation

Manitoba Child Care Association

March of Dimes Canada

McGill University

McMaster University

McMaster University *

Mcneil, Art

MediaSmarts

Medicago Inc.

Medicines for Malaria Venture

Merck Canada Inc.

Mercy for Animals

Meredith, Patricia

Mining Association of Canada

Mitacs

Organizations and Individuals

Miziwe Biik Aboriginal Employment and Training

Momentum *

Montreal Economic Institute

Mood Disorders Society of Canada

Mortgage Professionals Canada

Motion Picture Association-Canada

Multiple Sclerosis Society of Canada

National Aboriginal Capital Corporations Association

National Association of Career Colleges

National Association of Federal Retirees

National Ballet of Canada

National Coalition Against Contraband Tobacco

National Convenience Stores Distributors Association

National Marine Manufacturers Association Canada

National Optics Institute

National Reading Campaign

Natural Capital Lab

Nature Conservancy of Canada

Neurological Health Charities Canada

No Fly List Kids

Non-Smokers' Rights Association *

Northern Air Transport Association

Northern Alberta Institute of Technology

Northwest Territories and Nunavut Construction Association

Northwest Territories Association of Communities

Organizations and Individuals

ONE Campaign
Ontario Association for Marriage and Family Therapy *
Ontario Campaign for Action on Tobacco *
Ontario Cleantech Materials Group
Ontario Trails Council *
Orchestras Canada
Outside Looking In
Ovarian Cancer Canada
Oxfam Canada
Pallium Canada
Paramedic Association of Canada
Parkins, Janet
Parkinson Canada
ParticipACTION
Partnership Group for Science and Engineering
PB Capital Inc.
Pearson College
Pelmorex Weather Networks Inc.
Petroleum Services Association of Canada
Philanthropic Foundations Canada
Physicians for a Smoke-Free Canada *
Physicians for a Smoke-Free Canada *
Plug'N Drive
Polytechnics Canada
Poole, Nathaniel

Organizations and Individuals

Prince's Charities Canada *

Prince's Operation Entrepreneur *

Producteurs de grains du Québec

Professional Association of Canadian Theatres

Professional Institute of the Public Service of Canada

Prospectors and Developers Association of Canada

Public Service Alliance of Canada

Purpose Capital *

Quality Urban Energy Systems of Tomorrow

Québec Counselling Association *

Quebec Employers' Council

Queen's University

Railway Association of Canada

Recreation Vehicle Dealers Association of Canada

Regenerative Medicine Alliance of Canada *

Regenerative Medicine and Cell Therapy Network *

Regional Municipality of Halton

Regroupement des artistes en arts visuels du Québec *

Regroupement des événements majeurs internationaux *

Reliq Health

Renewable Industries Canada

Research Canada: An Alliance for Health Discovery

Research2Reality *

Réseau pour le développement de l'alphabétisme et des compétences

Réseau Trans-tech

Organizations and Individuals

Restaurants Canada
RESULTS Canada
Rick Hansen Institute
Robinson, David
Rogers Communications Inc.
Ryerson University
Saskatchewan Association of Rural Municipalities
Saskatchewan Mining Association
Science and Policy Exchange
Siddiqui, Naseema
SolarACM Systems Corporation
Special Olympics Canada
Speech-Language & Audiology Canada
Sport Matters Group
St. John's Board of Trade
St. Stephen's Community House
Stem Cell Network
Stem Cell Network *
Strongest Families Institute
Sustainable Forestry Initiative
Swan, Bill
Syngenta Canada
Tardif, Jean-François
Telesat Canada
The Kidney Foundation of Canada

Organizations and Individuals

The Low Carbon Partnership

Thompson Rivers University Students' Union

TILRAY

TMX Group Limited

Toronto Region Board of Trade

Toronto Region Immigrant Employment Council

Tourism Industry Association of Canada

Tribal Wi-Chi-Way-Win Capital Corporation

Twohig, Edd

U15 Group of Canadian Research Universities

Unifor

Union des producteurs agricoles

Union of British Columbia Indian Chiefs

Universities Canada

University of Alberta

University of British Columbia

University of Calgary

University of Guelph

University of Manitoba

University of Ontario Institute of Technology

University of Saskatchewan *

University of Toronto

University of Victoria

UPS Canada

Urban Development Institute

Organizations and Individuals

Vancouver Foundation

Visa Canada Corporation

York University

* indicates an organization or individual that submitted as part of a joint brief.

MINUTES OF PROCEEDINGS

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 102, 103, 104, 105, 107, 108, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 128 and 129](#)) is tabled.

Respectfully submitted,

Hon. Wayne Easter, PC, MP
Chair

DISSENTING REPORT
FROM HER MAJESTY'S LOYAL OPPOSITION

Conservative Members of the House of Commons Standing Committee on Finance propose the following dissenting report:

Government spending is growing at an unsustainable pace. The deficit is 100% bigger than the governing party promised in the last election. The tax burden, particularly on low- and middle-income people, has risen. This burden is the unavoidable consequence of fast-growing expenditures.

Conservatives thus propose that:

- the government cancel any and all unnecessary spending increases;
- the government cancel any and all tax increases, including but not limited to, those imposed on diabetics, autistic people, and others to whom the government has suddenly denied the Disability Tax Credit;
- the government cancel proposed tax increases on local businesses and family farmers;
- the government publicly commit to the date on which it will balance the budget and meet that commitment through discipline and restraint;
- the Finance Minister has wrongly characterized small business people as wealthy tax cheats, held shares in a company that he regulates, sold shares a week before introducing tax increases that may have reduced stock prices, introduced a pension bill that can reasonably be seen to affect his pension company, and failed to answer basic questions about his policies and conduct, and he should resign;
- the government should cancel any and all corporate welfare programs that primarily help the wealthy and influential at the expense of everyone else; and
- the government should emphasize free markets and free enterprise as the greatest hope to eliminate poverty and expand opportunity for everyone.

