

# OTTAWA REPORT

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Finance Minister Jim Flaherty has tabled Canada's budget, Economic Action Plan 2014. I am pleased to see its continued focus on jobs and economic growth, even as it balances the books by next year. Here are just a few of its highlights that will benefit Newmarket-Aurora:

Launching the Canada Job Grant to directly connect job seekers with employers and better align training with labour market needs.

Creating the Canada Apprentice Loan to provide apprentices registered in Red Seal trades access to over \$100 million in interest-free loans each year.

Ensuring Canadians are first-in-line for available jobs with a job matching service to match job seekers and employers on the basis of skills, knowledge and experience.

Supporting the automotive sector by investing \$500 million in the Automotive Innovation Fund for significant new projects.

Strengthening the apprenticeship system by introducing the Flexibility and Innovation in Apprenticeship Technical Training pilot project to develop new approaches.

Helping young entrepreneurs by investing \$40 million for mentorship and financial support.

Renewing the Computer for Schools Program through a \$36 million investment.

Increasing paid internships for post-secondary graduates by investing \$55 million to create paid internships in small and medium-sized businesses and in high-demand fields.

Helping older workers return to work by investing \$75 million in the Targeted Initiative for Older Workers to support older workers who want to participate in the job market.

Capping wholesale domestic wireless roaming rates.

Strengthening Canada's food safety system by investing \$390 million into food safety programs.

Better protecting seniors using financial services by requiring enhanced disclosure by banks.

Removing the HST on more health care products and services including acupuncture and naturopathic services, specialized eyewear for individuals with vision impairment and special training for those coping with the effects of a disability.

Expanding tax relief under the Medical Expense Tax Credit including diabetes alert dogs and specialized therapy plans.

Cutting red tape for small business by eliminating 800,000 payroll remittances for 50,000 small businesses.

Eliminating the practice of pay-to-pay billing by ensuring banks are prohibited from charging for monthly printed credit card statements.

Investing in research & innovation by allocating \$1.5 billion over the next decade for research at universities through the Canada First Research Excellence Fund.

Supporting conservation by investing \$15 million to support the conservation of fish habitats.

Protecting Canada's National Parks with \$390 million for improvements.

Expanding tax relief for green energy generation equipment.

Honouring Veterans by expanding the Funeral and Burial Program and ensuring Veterans and their families have access to Veterans Affairs 24 hours a day, 7 days a week.

Implementing a Victim's Bill of Rights and providing funding for a DNA-based Missing Persons Index.

Supporting charities by allowing them to use modern electronic tools to eliminate red tape.

Supporting seniors' active living by investing another \$10 million in the New Horizons for Seniors program.

Combatting prescription drug abuse by investing nearly \$45 million.

Investing in infrastructure and transportation with the historic New Building Canada Plan.

Promoting Canadian-made products by developing a 'Made-in-Canada' campaign to promote high-quality Canadian products while also working to reduce internal barriers to trade.

Supporting Canadians with disabilities looking to work by investing in the Ready, Willing & Able initiative and creating vocational training programs for persons with Autism Spectrum Disorders.

## **Transfers and Equalization**

As legislated, funding for health care will continue to grow to record levels from \$30 billion per year in 2013-14 to \$38 billion per year in 2018-19. Ontario will receive almost \$19.2B in federal transfers this year - an increase of 76% from under the old Liberal government, consisting of:

- over \$12.3 billion through the Canada Health Transfer (CHT), an increase of over \$4.6B (or 60%) since 2006
- over \$4.8 billion through the Canada Social Transfer (CST), an increase of almost \$1.7B (or 53%) since 2006
- almost \$2 billion through Equalization.

The CHT will continue to grow at six per cent until 2017. Starting in 2018, the CHT will grow in line with a three-year moving average of nominal gross domestic product (GDP) growth, with funding guaranteed to increase by at least three per cent per year. Based on long-term trends, it would be expected to grow in the range of four per cent annually.

Equalization is a program to support 'have not' provinces, whose fiscal capacity is below the national average. It is determined through a standard, independent formula that is set in legislation. Since Ontario first qualified in 2009, our government has provided nearly \$10B in Equalization payments to Ontario. Ontario's Equalization entitlement declined by approximately \$1.2B for 2014-15. This decrease reflects the province's economic strength relative to other provinces. This is exactly how Equalization is supposed to work.

Total Transfer Protection was introduced in 2010-11 to protect provinces from any decline in their total transfers. This program, which was tied to the recession, was always meant to be temporary. As 2014-15 is the first year in which data from the recession is no longer reflected in the calculation of major transfer amounts, the program naturally ended.

If you would like to contact me on any issue, please call 905-953-7515 or visit my website at [www.loisbrown.ca](http://www.loisbrown.ca). I look forward to hearing from you.