



**ADJUSTED
GROWTH STRATEGY:
CANADA**

CANADA'S ADJUSTED GROWTH STRATEGY, 2015

The purpose of this document is to highlight changes and new additions to members' growth strategies since Brisbane :

Changes to section A (Economic Objective)

Please discuss changes to the economic objectives, if any.

Canada's ultimate economic objective is to raise potential output growth and maximize living standards for Canadians. The Government of Canada will focus on supporting economic growth and creating jobs. Key to our vision is strategic investments in infrastructure, sustainability and a strong middle class, which will ensure the maximum contribution to the prosperity of the Canadian economy and society. The Government of Canada is committed to create an environment that allows all Canadians a real and fair chance to succeed.

Canada's top economic priorities are:

1. HELPING FAMILIES AND REDUCING TAXES FOR THE MIDDLE CLASS
2. CREATING HIGH QUALITY JOBS AND IMPROVING SUSTAINABILITY THROUGH INFRASTRUCTURE INVESTMENT
3. INVESTING IN SKILLS, TRAINING AND INNOVATION

Changes to section B (Economic Outlook and Challenges to Growth)

Please discuss changes to the economic outlook and challenges, and if desired, highlight any new and existing gaps remaining to be addressed. Add discussion of risk of persistent stagnation, if relevant.

Update table of key indicators as follows:

Key Indicators

	2014***	2015	2016	2017	2018	2019
Real GDP (% yoy)	2.4	2.0	2.2	2.3	2.2	2.0
Nominal GDP (% yoy)	4.3	1.6	4.9	4.7	4.3	4.2
Output Gap (% of GDP)*	-	-	-	-	-	-
Inflation (% yoy)	1.9	0.9	2.2	2.0	2.0	2.0
Fiscal Balance (% of GDP)**	0.1	0.1	0.1	0.1	0.1	0.2
Unemployment (%)	6.9	6.7	6.6	6.3	6.2	6.1
Savings (% of GDP)	-	-	-	-	-	-
Investment (% of GDP)	-	-	-	-	-	-
Current Account Balance (% of GDP)	-	-	-	-	-	-

***A positive (negative) gap indicates an economy above (below) its potential.**

****A positive (negative) balance indicates a fiscal surplus (deficit). Presented on a fiscal year basis.**

***** Indicators can be presented on a fiscal year basis, should they be unavailable for the calendar year.**

Note: Projections for 2015 onwards are from the 2015 federal budget (April 2015).

Overall, the near-term growth outlook for the Canadian economy has weakened since late-2014. In the first half of 2015, Canada's economy contracted modestly, with real GDP down 0.8 per cent and 0.5 per cent in the first and second quarters of 2015, respectively. This largely reflects the impact of lower oil prices on investment in the oil sector.

As well, the impact of lower oil prices has been aggravated by a weak and uncertain global economic environment, including ongoing volatility related to the rebalancing of growth and financial market developments in China and sub-par growth in the U.S. at the beginning of this year. However, recent economic data are showing evidence of more solid underlying momentum in the Canadian economy. Canadian exports are on pace for a robust gain in the third quarter of 2015, household consumption has firmed, and residential investment continues to contribute positively to growth. In addition, employment growth has remained relatively solid throughout the year, as the Canadian economy has generated more than 125,000 net new jobs during the first nine months of 2015 – almost 90 per cent of them full-time positions. Going forward, several factors will continue to support stronger economic growth in the second half of 2015, including the strengthening U.S. economy, the depreciation of the Canadian dollar, and the ongoing impacts of recent monetary and fiscal policy actions.

Over the medium term, key challenges to growth in Canada have remained unchanged since the Brisbane Summit in 2014. Robust economic growth driven by strong employment and terms-of-trade gains has masked Canada's lagging productivity performance over the last decade. Going forward, already high labour force participation levels and a rapidly aging population mean it will be increasingly difficult to count on increased employment as a source of income growth. In this context, higher productivity growth driven by a more educated, skilled, innovative, and capital intensive labour force will be essential for continued increases in Canada's standard of living. However, some segments of the population (e.g. persons with disabilities, young Canadians, Aboriginal Canadians, and recent immigrants) are not reaching their full potential in terms of education and skills attainment or may face barriers which prevent their full integration into the labour market.

Changes to section C (Policy Responses to Lift Growth)

Please indicate any adjustments to measures taken in Brisbane Growth Strategies as well as new high impact policy measures taken since Brisbane.

Please include both macroeconomic and structural policy responses.

Macroeconomic Policy Responses

In January 2015 and in July 2015, the Bank of Canada lowered its target for the overnight rate each time by one-quarter of one percentage point. The target for the overnight rate is currently 0.5 per cent. These rate cuts were implemented to offset the negative impacts of the recent oil price shocks, with the objective of returning the economy to full capacity and bringing inflation sustainably to target.

On fiscal policy, the Government of Canada is committed to a fiscal plan that is realistic, sustainable, prudent, and transparent. To provide effective and immediate support for economic growth and the standard of living of Canadians, the Government of Canada is prepared to run modest deficits of between \$5 and \$10 billion for three years from 2016-17 to 2018-19 and is committed to returning to a balanced budget in 2019-20.

Structural Policy Responses

Investment and Infrastructure

Public Infrastructure Investment

Investment, especially in infrastructure, is an important policy priority for Canada given its vital role in growing our economy, creating jobs, as well as improving productivity, sustainability and standard of living.

The Government of Canada intends to almost double infrastructure investment over the next decade. Transformative investments will include: a quadrupling of investment in public transit infrastructure; dedicated funding for green infrastructure including for local water and wastewater facilities, climate resilient infrastructure, clean energy and clean-up of contaminated sites; and new, dedicated funding for social infrastructure such as affordable housing and seniors' facilities, early learning and child care, as well as cultural and recreational infrastructure. This is in addition to the \$5.8 billion in new federal infrastructure investment announced earlier this year. The Government will also provide financial instruments to support provincial, territorial and municipal infrastructure, such as a Canada Infrastructure Bank, where jurisdictions are facing challenges in advancing projects due to a lack of capital.

Supporting Business Investment and Small and Medium-Sized Enterprises

Starting in 2016, the federal small business tax rate will be gradually reduced from the current 11 per cent to 9 per cent by 2019. This rate generally applies to the first \$500,000 per year of qualifying active business income of Canadian-controlled private corporations with less than \$15 million in taxable capital. This measure allows small businesses to retain more earnings that can be used to reinvest and create jobs. The Government of Canada is providing manufacturers and processors with an accelerated capital cost allowance for income tax purposes at a rate of 50 per cent on a declining-balance basis for eligible machinery and equipment acquired after 2015 and before 2026. This will help support investment in machinery and equipment and bolster productivity.

Employment

Canada continues to face challenges in the labour market. These include persistent disparities in unemployment rates and labour shortages in certain regions and occupation groups (particularly in the skilled trade), as well as the under participation in the labour market of more vulnerable groups particularly recent immigrants, Aboriginal peoples and young Canadians. In their gap analysis, international organizations recommended that Canada addresses factors that hinder interprovincial labour mobility in the skilled trades. Canada has continued to work in 2015 to address these challenges and to meet the longer-term labour market needs of the country. The Government of Canada will support participation of under-represented groups in the labour market, with a particular focus on creating more jobs and better work opportunities for young Canadians as well as increasing the affordability of post-secondary education, including for Aboriginals. Initiatives will include the renewal of the Youth Employment Strategy, supporting employers to create more positions for students in science, technology, engineering, mathematics and business programs; increasing support and eligibility for Canada Student Grant; additional funding for the Post-Secondary Student Support Program to supports Aboriginal students attending post-secondary education. The Government of Canada is also planning to improve access to training for unemployed and underemployed workers in training programs led by provinces and territories.

In addition, the Government of Canada will renew and expand funding for the Aboriginal Skills and Employment Training Strategy. This will build on the Skills and Partnership Fund, which provides job-specific training for Aboriginal peoples in partnerships with

private industry and other partners. The Government is also committed to working with First Nations to make sure that every First Nations child living on reserve receives a quality education, and will increase core funding for kindergarten through grade 12 programs.

To continue to reduce barriers to accreditation and improve labour mobility of skilled trades across Canada, the Government of Canada is providing further support to provinces and territories for implementing recommendations made by the Canadian Council of Directors of Apprenticeship to harmonize apprenticeship training and certification requirements in targeted Red Seal trades. This would help address the increasing difficulty experienced by employers in hiring skilled trade workers.

Competition

Canada is continuing its efforts to strengthen competition in the Canadian economy. As recommended by the international organizations, Canada continues to enhance its policies and support for research and development to boost economic growth, improve productivity and innovation, and raise the standard of living of Canadians. The Government of Canada will invest to help businesses and entrepreneurs become more innovative and competitive. In particular, the Government will dedicate additional funding over the next three years under a new Innovation Agenda, which will increase support for business incubators and accelerators, strengthen networks and clusters that support business innovation, and enhance funding for the Industrial Research Assistance Program. These efforts will help dynamic, growing businesses innovate and become leaders in their respective sectors. In addition, the Government is providing an additional \$574 million over the next five years (\$1.33 billion through the end of 2022-23) through the Canada Foundation for Innovation to strengthen Canada's capacity for highly competitive research and technology development by supporting advanced research equipment and facilities.

Trade

Strong trade relationships are critical to Canada's economic success, and the Government of Canada will continue to reduce trade barriers. Through a re-focused Building Canada Fund, new border infrastructure investment and streamlined cargo inspections will be considered to promote the steady flow of legitimate goods and business travelers. Recognizing the importance of free-trade agreements to the economy, the Government of Canada will also explore deeper trade relationships with emerging and established markets including China and India, consult with Canadians on the recently-concluded Trans-Pacific Partnership Agreement, and look forward to implementing the results of the Canada-EU Comprehensive Economic and Trade Agreement. A new export promotion strategy will also be developed to allow businesses to take advantage of these and other trade agreements.

Other Measures

The Government of Canada recognizes the key importance of the middle class to the prosperity and economic success of Canada and will take actions to allow middle class Canadians to keep more of the income they earn to save, invest and grow our economy.

In particular, the Government intends to reduce the federal income tax rate on middle-income earners and create a new, simpler and more generous benefit for families with children. The new Canada Child Benefit (CCB) would be tax-free and income-tested. These measures would result in several billion dollars of additional annual tax relief and benefits for low- and middle-income Canadians. They will be financed in large part through higher taxes on top earners.

External and Internal Imbalances

To foster balanced and inclusive growth, the Government of Canada is committed to fighting poverty, supporting the middle class and ensuring that all Canadians can actively participate in the labour market and share in income and productivity gains.

New actions to alleviate poverty and inequality will provide more support to Canadians, including low-income families and seniors. The new Canada Child Benefit will provide greater support to all low-income families, including single parents. In addition, the Guaranteed Income Supplement will be increased by 10 per cent for single low-income seniors, which will provide up to roughly an additional \$1,000 a year to over one million of the most vulnerable seniors. The Government will also invest in social infrastructure by increasing funding for affordable housing and seniors' facilities.

The tax system will be made more progressive, which is critical to help achieve a fairer society, through tax reduction for the middle class and higher taxes on Canadians at the top end of the income distribution. Moreover, the eligibility age for the Old Age Security and Guaranteed Income Supplement will be restored to 65 years old, which will provide an average of \$13,000 to the lowest income Canadians as they become seniors.

The Government of Canada will also continue to take actions to support labour market participation of all Canadians, including under-represented and vulnerable groups to ensure that the benefits of growth and employment are shared by all citizens. New measures will be implemented to create more jobs and better opportunities for young Canadians, so they can start their careers and contribute fully to the economy. Renewal of the Youth Employment Strategy and support for the creation of more work opportunities for students in science, technology, engineering, mathematics and business programs will help young Canadians acquire valuable work experience.

In addition, the affordability of post-secondary education will be improved notably through direct help for students from low-and middle-income families with increasing the support available through the Canada Student Grant. Additional support will also be provided for Indigenous students through the Post-Secondary Student Support Program.

With respect to global imbalances, as a small open economy with a flexible exchange rate, Canada is not a major contributor to global imbalances. Canada's current account deficit was modest in 2014, and it was significantly smaller than the levels recorded in 2012 and 2013. Key priorities of the Government of Canada are to diversify Canada's export markets and to ensure the competitiveness of Canada's economy, including the export sector.

ANNEX 1: NEW POLICY COMMITMENTS FOR 2015

New and Adjusted Commitments since Brisbane

This annex is for describing new measures introduced since Brisbane or Brisbane commitments that have been adjusted or modified.

Please complete a table for each new or adjusted commitment put forward in 2015. We would expect each policy commitment table to be no longer than 1 page.

Investment and Infrastructure

• New infrastructure investments	Significant investments are planned for social infrastructure, green infrastructure and public transit.
Implementation path and expected date of implementation	<p>New investments will include affordable housing, seniors' facilities, early learning and child care, and cultural and recreational infrastructure; sustainable infrastructure to make communities safer and more climate resilient, and for public transit.</p> <p>A portion of this investment includes \$5.3 billion that will go towards modernizing and repairing various infrastructure assets, and \$500 million that will be allocated to the repair and construction of on-reserve schools. The majority of this specific support is expected to be delivered within this year and the next two.</p>
What indicator(s) will be used to measure progress?	Federal funding spent on projects.
Explanation of additionality or adjustment (where relevant)	The vast majority of the planned spending will be new.

• Accelerated capital cost allowance	Provide manufacturers with an accelerated capital cost allowance for machinery and equipment acquired after 2015 and before 2026
Implementation path and expected date of implementation	The provision will be applicable to eligible assets acquired after 2015 and before 2026.
What indicator(s) will be used to measure progress?	Legislation to enact this measure received Royal Assent in June 2015.
Explanation of additionality or adjustment (where relevant)	In 2007, the Government introduced an accelerated capital cost allowance (CCA) to encourage investment in machinery and equipment used in manufacturing and processing. This measure, which provides a 50 per cent straight-line depreciation rate, will expire at the end of 2015. The new measure provides manufacturers with an accelerated CCA at a rate of 50 per cent on a declining-balance basis for eligible assets acquired after 2015 and before 2026.

<ul style="list-style-type: none"> Reduction in Small Business Tax Rate 	Reduce the federal small business tax rate from 11 per cent to 9 per cent by 2019
Implementation path and expected date of implementation	<p>This 2-percentage-point reduction will be phased in as follows:</p> <ul style="list-style-type: none"> • 10.5 per cent effective January 1, 2016; • 10 per cent effective January 1, 2017; • 9.5 per cent effective January 1, 2018; and • 9 per cent effective January 1, 2019.
What indicator(s) will be used to measure progress?	<p>Legislation to enact this measure received Royal Assent in June 2015.</p>
Explanation of additionality or adjustment (where relevant)	<p>The current measure builds on previous actions by the Government to allow small businesses to retain more earnings that can be used to reinvest and create jobs-- the federal small business tax rate was reduced to 11 per cent as of 2008 and the amount of annual income eligible for this lower rate was increased to \$400,000 from \$300,000 in 2007 and to \$500,000 from \$400,000 as of 2009.</p>

Employment

<ul style="list-style-type: none"> Support to Provinces and Territories to Harmonize Apprenticeship Training 	Support to the provinces and territories for implementing recommendations made by the Canadian Council of Directors of Apprenticeship to harmonize apprenticeship training requirements in targeted Red Seal trades
Implementation path and expected date of implementation	<p>The Government of Canada will continue to offer support to the Provincial and Territorial Governments in efforts to harmonize apprenticeship training requirements in Red Seal Trades.</p> <p>In July 2015, Federal, Provincial and Territorial Labour Market Ministers announced that apprenticeship training for the first ten Red Seal trades will be harmonized by September 2016 in most jurisdictions, with an aim to harmonize a total of 30 Red Seal trades in most jurisdictions by 2020 (outside Quebec). As part of this plan, provinces and territories agreed to work with the federal government and industry to harmonize training for two-thirds of Red Seal apprentices by 2017.</p> <p>The Harmonization Initiative has been a priority since 2013 and 2015, and its nature and objective remained steady throughout this period. Its goals and indicators of progress have also remained consistent.</p>
What indicator(s) will be used to measure progress?	<p>To measure progress, federal, provincial and territorial governments across Canada will examine the number of trades for which apprenticeship training requirements were harmonized, the number of jurisdictions taking part in harmonization, and the number of apprentices covered by harmonized trades (outside of Quebec).</p>
Explanation of additionality or adjustment (where relevant)	<p>The commitment is not linked to previous G20 Summit Commitments</p>

<ul style="list-style-type: none"> Additional investment in jobs and skills training 	New funding for job and skills training, including at other levels of government and leveraging partnerships
Implementation path and expected date of implementation	<p>This will include investments in provincial and territorial Labour Market Development Agreements, training programs led by the provinces and territories, renewed and expanded funding for the Aboriginal Skills and Employment Training Strategy, and support for training facilities, delivered in partnership with labour unions.</p> <p>Funding will also include \$215 million over five years beginning in 2015–16 and \$50 million per year thereafter to the Skills and Partnership Fund, which provides skills development and training for Aboriginal peoples, in partnership with businesses and other levels of government. The proposed funding would complement the \$350 million provided annually for the Aboriginal Skills and Employment Training Strategy, which includes \$55 million per year provided specifically for child care. This training equips Aboriginal peoples for jobs in high-demand sectors of the economy, including in high-skilled occupations.</p>
What indicator(s) will be used to measure progress?	Progress will be measured by number of clients served and employed.
Explanation of additionality or adjustment (where relevant)	The commitment is not linked to previous G20 Summit Commitments.

Competition

<ul style="list-style-type: none"> A new innovation agenda will be launched 	Significant investments for private sector-led and industrial research innovation
Implementation path and expected date of implementation	<p>Investments in a new Innovation Agenda to significantly expand support for incubators and accelerators, as well as the emerging national network for business innovation and cluster support.</p> <p>Investments in the Industrial Research Assistance Program, which has a proven track record of helping small- and medium-sized businesses to innovate and become world leaders.</p> <p>As part of this direction, an additional \$1.33 billion over six years, starting in 2017–18, will be provided to the Canada Foundation for Innovation to support advanced research infrastructure at universities, colleges and research hospitals.</p>
What indicator(s) will be used to measure progress?	<p>The Canada Foundation for Innovation will distribute the funding to ultimate recipients (universities, colleges, research hospitals and not-for-profit research institutions) based on peer review. These awards will be reported publicly on the Foundation’s website (www.innovation.ca). The overall program relevance and performance is evaluated periodically by the Canada Foundation for Innovation and Industry Canada, as per government policy.</p> <p>Other indicators remain under development.</p>
Explanation of additionality or adjustment (where relevant)	This funding represents new and incremental support from the federal government.

Other Measures

• Tax relief for the middle class	Reducing taxes for middle-income earners
Implementation path and expected date of implementation	The Government will reduce the federal income taxes for middle-income earners. Those tax reductions will be funded in large part by higher taxes for top income earners.
What indicator(s) will be used to measure progress?	Changes to the federal personal income tax system.
Explanation of additionality or adjustment (where relevant)	N/A

• Increased support for families	Creation of a new Canada Child Benefit
Implementation path and expected date of implementation	The Government of Canada will create a new, simpler and more generous benefit for families with children. The new Canada Child Benefit (CCB) would be tax-free and income-tested.
What indicator(s) will be used to measure progress?	Legislation to enact the creation of the new CCB to be tabled in Parliament and to receive Royal Assent.
Explanation of additionality or adjustment (where relevant)	N/A

ANNEX 2: PAST COMMITMENTS – ST. PETERSBURG FISCAL TEMPLATE – UPDATE

Please update as necessary. In particular, please update tables as follows:

Medium-term projections, and change since last submission *(required for all members)*:

The new-elected Government of Canada is currently developing its detailed fiscal projections. The Government of Canada is committed to a fiscal plan that is realistic, sustainable, prudent and transparent. Canada's federal-debt-to GDP ratio will remain on a downward track.

Medium-term projections, and change since last submission:

Estimate Projections

	2013-14*	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Gross Debt	-	-	-	-	-	-	-
<i>ppt change</i>	-	-	-	-	-	-	-
Federal Debt ¹	32.3	31.0	-	-	-	-	-
<i>ppt change</i>							
(+ indicates improvement)	0	0.2	-	-	-	-	-
Budgetary balance ²	-0.3	0.1	-	-	-	-	-
<i>ppt change</i>							
(- indicates improvement)	0.0	-0.2	-	-	-	-	-
Primary Balance	1.2	1.4	-	-	-	-	-
<i>ppt change</i>							
(- indicates improvement)	0.0	-0.2	-	-	-	-	-
CAPB	-	-	-	-	-	-	-
<i>ppt change</i>	-	-	-	-	-	-	-

* Figures can be presented on a fiscal year basis, should they be unavailable for the calendar year. 1. Federal debt is defined as total liabilities less total (financial and non-financial) assets. 2. Negative value signifies a budgetary deficit; positive value signifies a budgetary surplus.

The debt-to-GDP ratio and deficit projections are contingent on the following assumptions for inflation and growth:

Estimate Projections

	2013*	2014	2015	2016	2017	2018	2019
Real GDP growth	2.0	2.5	-	-	-	-	-
<i>ppt change</i>	-	-	-	-	-	-	-
Nominal GDP growth	3.4	4.4	-	-	-	-	-
<i>ppt change</i>	-	-	-	-	-	-	-
ST interest rate	1.0	0.9	-	-	-	-	-
<i>ppt change</i>	-	-	-	-	-	-	-
LT interest rate	2.3	2.2	-	-	-	-	-
<i>ppt change</i>	-	-0.1	-	-	-	-	-

* Figures can be presented on a fiscal year basis, should they be unavailable for the calendar year.

ANNEX 3: PAST COMMITMENTS – BRISBANE COMMITMENTS

The purpose of these tables is to monitor the implementation of commitments from members' Brisbane growth strategies.

Key Commitments for Monitoring Purposes

The detailed table below is for the monitoring of key commitments, as identified by members. Please complete a table for each key commitment.

• \$1.3 BILLION INFRASTRUCTURE INVESTMENT	Funding over 2 years to support additional strategic investments in public infrastructure and transportation services across Canada		
Detailed implementation path and status	Interim Steps for Implementation	Deadline	Status
	N/A	N/A	Projects are underway.
Impact of Measure	The Government's strategic investments in federal infrastructure and transportation services, including in key international crossings, the New Bridge for the St. Lawrence in Montreal, and other transportation services are contributing to economic growth and job creation in communities across the country.		

• ENHANCED JOB MATCHING SERVICE AND MODERNIZED NATIONAL JOB BANK	Investing \$11.8 million over two years and \$3.3 million per year ongoing to launch an enhanced Job Matching Service (JMS) to provide job seekers with modern and reliable tools to find jobs that match their skills, and provide employers with better tools to look for qualified Canadians. Through a secure, authenticated process, registered job seekers and employers will be automatically matched on the basis of skills, knowledge and experience.		
Detailed implementation path and status	Interim Steps for Implementation	Deadline	Status
	<p>1- Launch of Job Match for job seekers – Canadian citizens, permanent residents as well as Citizenship and Immigration Canada's Express Entry (EE) candidates can create accounts and profiles to be matched with jobs posted on Job Bank for Employers.</p> <p>2- Launch of the new Job Bank for Employers (JBFE) - Employers can advertise their job vacancies for free and in both English and French.</p>	These policy actions were gradually implemented between January and April 2015 as per ESDC's 2014 Budget commitment to modernize Job Bank and launch an enhanced JMS.	<p>The enhanced JMS was made available in a two-phased approach, beginning with the job seeker component on January 1, 2015. Pending the launch and stabilization of the modernized Job Bank for Employers (JBFE) system as of January 15, 2015, the employer component of the enhanced JMS was released on April 30, 2015.</p> <p>Both the new JBFE and the enhanced JMS were built</p>

	<p>3- Launch of Job Match for Employers - Employers with jobs advertised on JBFE will be able to access lists of local qualified job seekers and send them invitations to apply.</p> <p>These modules include the following features: paperless registration, job ad customization, improved security and an improved matching algorithm.</p>	<p>around a new validation process which ensures the authenticity of job seekers and employers who register to use Job Bank.</p> <p>In addition to the added security in the modernized Job Bank, the enhanced JMS provides increased functionality for job seekers and employers to be adequately matched according to skill, experience, knowledge, location and job requirements.</p>
<p>Impact of Measure</p>	<p>From January 1, 2015 to October 21, 2015, approximately 37,800 job seekers have an active Job Match profile on Job Bank and have been matched over 3.7 million times to jobs posted by employers on the new JBFE.</p> <p>In addition, over 25,200 employers have created accounts and over 49,600 job postings on the new JBFE.</p>	

<p>• REDUCE BARRIERS TO ENTRY AND PROMOTE COMPETITION IN TELECOMMUNICATIONS SECTOR</p>	<p>Introduction of a legislated cap on wholesale domestic wireless roaming rates, amendments to provide telecommunications regulators with the power to impose administrative monetary penalties, and announcement of an additional auction of commercial mobile spectrum in early 2015.</p>		
<p>Detailed implementation path and status</p>	<p>Interim Steps for Implementation</p>	<p>Deadline</p>	<p>Status</p> <p>These measures have been implemented as announced.</p> <p>The legislative cap on wholesale wireless roaming rates was included in the Economic Action Plan 2014 Act, No.1, which received Royal Assent on June 20, 2014.</p> <p>Amendments to provide for an administrative monetary penalties regime were included in the Economic Action Plan 2014 Act, No.2, tabled on</p>

			<p>October 23, 2014, which received Royal Assent on December 17, 2014.</p> <p>Three spectrum auctions have taken place in 2015 (AWS-3; 2,500 MHz; and Residual).</p>
Impact of Measure	<p>The above noted measures are part of a broader strategy since 2008 to improve choice, prices and service in Canada's telecommunications market (see details on Industry Canada's website: http://www.ic.gc.ca/eic/site/ic-gc.nsf/eng/07389.html). The Government's actions on spectrum and other telecommunications issues have had a positive effect: wireless prices have fallen on average 22 percent since 2008.</p> <p>As a result of the recent spectrum auctions, the amount of spectrum available to provide mobile services to Canadian consumers by May 2015 grew by almost 60 percent compared to early 2014. This is the largest amount of spectrum ever released in such a short time in Canada.</p>		

• SMALL BUSINESS JOB CREDIT	The Small Business Job Credit will effectively lower small businesses' Employment Insurance (EI) premiums from the current legislated rate of \$1.88 to \$1.60 per \$100 of insurable earnings in 2015 and 2016.		
Detailed implementation path and status	Interim Steps for Implementation	Deadline	Status
	<p>The Government announced the Small Business Job Credit in September 2014.</p> <p>The credit will provide relief to small businesses for Employment Insurance premiums paid in 2015 and 2016.</p>	<p>The Small Business Job credit is available in 2015 and 2016.</p>	<p>In 2015 and 2016, the Small Business Job Credit will be available to any firm paying employer Employment Insurance premiums equal to or less than \$15,000 in those years.</p> <p>The credit will effectively reduce small businesses' EI rate by 28 cents from the legislated rate of \$1.88 to \$1.60 per \$100 of insurable earnings. The credit is calculated as the difference between premiums paid at the legislated rate and the reduced small business rate.</p>

Impact of Measure	The 2016 Report of the EI Chief Actuary projects that \$636 million will be returned to small businesses over the two years of the credit. Almost 90 per cent of all Employment Insurance premium-paying businesses in Canada will receive the credit, reducing their Employment Insurance payroll taxes by nearly 15 per cent.
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• CANADA-EU COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT AND THE CANADA-KOREA FREE TRADE AGREEMENT			
	Interim Steps for Implementation	Deadline	Status
Detailed implementation path and status	<p>The Canada-EU CETA is currently undergoing legal verification of the treaty text, after which both Canada and the EU will undertake internal ratification and implementation.</p> <p>The Canada-Korea FTA entered into force on 1 January 2015; no further action is needed.</p>	Timing on implementation steps of the CETA will be mutually co-ordinated.	Legal vetting is underway. Ratification and implementation will follow legal vetting of the treaty text.
Impact of Measure	<p>A joint Canada-EU study that supported the launch of negotiations concluded that a trade agreement with the EU could bring a 20-percent boost in bilateral trade and a \$12-billion annual increase to Canada's economy.</p> <p>The Canada-Korea FTA is expected to increase Canadian exports to South Korea by 32 percent and to boost the Canadian economy by \$1.7 billion</p>		

Other Brisbane Commitments

Macroeconomic Policy Responses (including Reforms to Frameworks)

• Balanced Budget Legislation	Budget	A pledge to introduce balanced budget legislation
Implementation path and expected date of implementation		The <i>Federal Balanced Budget Act</i> has been passed by Parliament and came into force on July 1, 2015.
Status of Implementation and Impact		This measure is complete. The <i>Federal Balanced Budget Act</i> has been passed by Parliament and came into force on July 1, 2015.

Investment and Infrastructure

<p>• Cooperative Capital Markets Regulatory System</p>	<p>The Government is moving forward to implement the Cooperative Capital Markets Regulatory System, in partnership with provinces and territories.</p>
<p>Implementation path and expected date of implementation</p>	<p>The Memorandum of Agreement Regarding the Cooperative Capital Markets Regulatory System contemplates a phased approach to implementing the Cooperative System. The Capital Markets Regulatory Authority is targeted to be operational in the fall of 2016.</p>
<p>Status of Implementation and Impact</p>	<p>Participating jurisdictions are making progress on refining a federal-provincial legislative framework and developing a harmonized rulebook. Updated consultation draft capital markets legislation, along with draft initial regulations, were released for public comment.</p> <p>British Columbia, Ontario, Saskatchewan, New Brunswick, Prince Edward Island, Yukon and Canada are jointly engaged in the creation of the Cooperative Capital Markets Regulatory System. The Cooperative System is designed to preserve local perspectives while streamlining the capital markets regulatory framework to enhance Canada's financial services sector, support efficient capital markets and manage systemic risk.</p>

<p>• Supporting Entrepreneurs through Intensive Mentoring</p>	<p>An additional \$40 million to the Canada Accelerator and Incubator Program</p>
<p>Implementation path and expected date of implementation</p>	<p>In June 20, 2014, the Prime Minister announced 15 best-in-class organizations chosen to advance in the selection process. Since that time most of the program's funding has been allocated following detailed due diligence, enabling the successful organizations to begin to scale up their services to entrepreneurs.</p>
<p>Status of Implementation and Impact</p>	<p>This measure is on track.</p> <p>The objective of the additional funding to CAIP is to help entrepreneurs realize the business potential of their ideas.</p>

Employment

<p>• Internships for post-secondary graduates in high demand fields</p>	<p>Dedicating \$40 million to support up to 3,000 full time internships for post-secondary graduates in high demand fields such as science, technology, engineering, mathematics and the skilled trades for 2014-15 and 2015-16.</p> <p>Providing \$30 million of this amount to the National Research Council's Industrial Research Assistance Program (IRAP) to support youth internships in small and medium sized enterprises (SMEs) undertaking technical research and development projects.</p>
<p>Implementation path and expected date of implementation</p>	<p>The Government of Canada will solicit and fund projects to support internships for post-secondary graduates in high demand fields such as science, technology, engineering, mathematics and the skilled trades. This new initiative is being implemented for two years beginning in fiscal year 2014 -15.</p>

	IRAP is delivering incremental funding through its normal Youth Employment Program (YEP) delivery. Incremental to IRAP, the YEP is currently available in fiscal year 2014-15 and 2015-16.
Status of Implementation and Impact	Status: In progress The Department of Employment and Social Development Canada is prioritizing projects that provide work experience in high-demand fields such as science, technology, engineering, mathematics and the skilled trades. National Research Council (NRC) is delivering support for youth internships in SME's R&D projects.

• Creating the Canada Apprentice Loan	The Canada Apprentice Loan allows eligible registered apprentices in Red Seal trade apprenticeship to apply for interest free loans of up to \$4,000 per period of technical training. Interest charges on Canada Apprentice Loans will not begin until after loan recipients complete or terminate their apprenticeship training program, up to a maximum of six years.
Implementation path and expected date of implementation	The Canada Apprentice Loan was made available to apprentices as of January 2, 2015.
Status of Implementation and Impact	This measure has been implemented. It is estimated that at least 26,000 apprentices per year will apply for over \$100 million in loans. As of September 30, 2015, total applications received amount to 14,590 with total Canada Apprentice Loans (CAL) approved totalling 11,064. Canada Apprentice Loans disbursed amount to \$42.5 million, to 10,426 recipients.

• Flexibility and innovation in Apprenticeship Technical Training pilot project	Expand innovative approaches to the delivery of apprentice technical training aimed at reducing non-financial barriers to completing training and obtaining certification.
Implementation path and expected date of implementation	The Flexibility and innovation in Apprenticeship Technical Training pilot project is estimated to support up to 12 multi-year projects across the country through a reallocation of \$13 million over four years. Following consultations with stakeholders, the Government of Canada launched a successful Call for Proposals for pilot projects; six projects have been approved, totalling \$5 million.
Status of Implementation and Impact	Status: Projects are expected to roll-out in 2015. Projects will be launched in 2015 after contribution agreements have been signed by both parties. One agreement is outstanding.

<p>• Reallocate \$15 million annually within the Youth Employment Strategy (YES) to support youth internships in small and medium sized enterprises</p>	<p>To facilitate the linkages between SME employers and youth, \$15 million annually within the YES will support up to 1,000 full-time paid internships per year for post-secondary graduates in small and medium-sized enterprises (SMEs)</p>
<p>Implementation path and expected date of implementation</p>	<p>The initiative was implemented beginning in fiscal year 2015-2016, through a national call for proposals for multi-year projects.</p>
<p>Status of Implementation and Impact</p>	<p>Status: On track</p>

<p>• Express Entry system</p>	<p>Providing \$14.0 million over two years and \$4.7 million per year ongoing to launch Express Entry, a new application management system that will allow the Government of Canada, provinces and territories, and employers to actively target skilled immigrants under key economic immigration programs.</p>
<p>Implementation path and expected date of implementation</p>	<p>Starting January 2015, skilled foreign workers will indicate their interest in immigrating to Canada by providing information electronically about their skills and work experience. Candidates who are most likely to succeed in Canada's labour market, based on human capital characteristics, job offer or nomination by a Province or Territory, will receive an Invitation to Apply for permanent residence.</p>
<p>Status of Implementation and Impact</p>	<p>Completed. The new system was launched in January 2015.</p> <p>Express Entry selects the top economic immigrants who are most likely to succeed in Canada and contribute to the Canadian economy, the labour market and communities. Express Entry helps newcomers participate more fully in the economy and integrate more quickly into Canadian society. Express Entry will help ensure the immigration system addresses Canada's economic and labour market needs while reducing backlogs and improving processing times.</p>

Competition

<p>• Modernize Canada's Intellectual Property Framework</p>	<p>Legislative amendments required to ratify or accede to the following widely recognized international treaties: the Madrid Protocol, the Singapore Treaty, the Nice Agreement, the Patent Law Treaty and the Hague Agreement.</p>
<p>Implementation path and expected date of implementation</p>	<p>Legislative amendments pertaining to trademarks were included in the Economic Action Plan 2014 Act, No.1, which received Royal Assent on June 20, 2014. Amendments pertaining to patents and industrial designs were included in the Economic Action Plan 2014 Act, No.2, tabled on October 23, 2014, which received Royal Assent on December 17, 2014.</p>
<p>Status of Implementation and Impact</p>	<p>This measure is on track.</p> <p>Economic Action Plan 2014 harmonized Canada's intellectual property administration framework with international norms, with a view to helping innovative Canadian businesses access international markets, lowering costs and reducing the regulatory burden and red tape.</p>

• The Government will address the regulatory framework interests of smaller banks	The Government is considering adjustments to the regulatory framework to address the needs of smaller banks. This process is ongoing.
Implementation path and expected date of implementation	The Office of the Superintendent of Financial Institutions (OSFI) has established a small bank advisor to address some of the challenges faced by smaller federally regulated financial institutions. The advisor's work is ongoing. OSFI has reviewed the entry process for new banks with a view toward streamlining it.
Status of Implementation and Impact	Status: The measure is on track. The Government continues to examine ways to promote competition in financial services

• Seek to ensure the ability of smaller banks to access funding	The Government continues to consider further flexible funding options for smaller banks. This process is ongoing.
Implementation path and expected date of implementation	The Government of Canada has improved the ability of smaller banks to access funding from the Canada Mortgage and Housing Corporation (CMHC). For example, CMHC's new allocation methodologies have refocused portfolio insurance and securitization programs towards smaller lenders.
Status of Implementation and Impact	Status: The measure is on track. The Government is seeking to improve the ability of new entrants and smaller banks to compete while preserving the safety and soundness of the sector.

• Support the growth of credit unions on a national scale or regional scale	The Government is supporting the growth and competitiveness of credit unions.
Implementation path and expected date of implementation	Ongoing consultations with credit union industry and provincial authorities seeking views on the challenges with moving to the federal framework and how they could be addressed, helping to make the federal credit union framework more effective.
Status of Implementation and Impact	Status: This measure is on track. The Government continues to engage stakeholders and work collaboratively with the credit union sector on its future development and on ways to meet the needs of the evolving sector.

• Reducing barriers to internal trade	Development of an Internal Trade Barriers Index to identify measures currently restricting trade between provinces and territories, to help all jurisdictions in focusing reforms on priority areas.
Implementation path and expected date of implementation	On December 12, 2014, the Government announced that Ernst & Young has been awarded the contract to develop the Index (http://news.gc.ca/web/article-en.do?nid=914169). As noted in the news release, Ernst & Young will engage businesses and consumers on significant barriers and their economic impact as part of this process. The work is anticipated to be completed in December 2016.

Status of Implementation and Impact	<p>This measure is on track.</p> <p>By identifying sector by sector barriers to internal trade and enabling comparison to reference year data, the index is intended to play a key role in identifying and addressing measures that currently restrict trade within Canada.</p>
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<ul style="list-style-type: none"> • \$1.5 billion in new support for research and innovation 	<p>Including the creation of the Canada First Research Excellence Fund to help Canadian post-secondary institutions excel globally in research areas that create long-term economic advantages for Canada</p>
Implementation path and expected date of implementation	<p>On December 4, 2014, the Government launched the first two competitions under the Canada First Research Excellence Fund. Under the first competition, \$350 million was awarded in July 2015 (see further details at: www.cfref-apogee.gc.ca). The second competition is underway to allocate up to a further \$950 million, with applications due in October 2015 and results to be announced in the spring of 2016.</p>
Status of Implementation and Impact	<p>This measure is on track.</p> <p>By enabling Canadian post-secondary institutions to strategically advance their greatest strengths on the world stage, the Fund will help them compete with the best in the world for talent and partnership opportunities, make breakthrough discoveries and seize emerging opportunities that create long-term benefits for Canadians.</p>

Trade

<ul style="list-style-type: none"> • Fully implement all TFA requirements in tandem with trading partners 	
Implementation path and expected date of implementation	<p>Canada already meets almost all of the requirements of the TFA. Canada will work to implement the remaining procedural provisions of the TFA, and notify the WTO of its acceptance of the agreement, in tandem with other WTO members.</p>
Status of Implementation and Impact	<p>This measure is on track. Small technical changes to Canadian law are required in relation to two articles of the TFA (treatment of rejected goods, and technical provisions in respect of goods in transit). Domestic procedures are underway to implement the required changes and make Canada's notification of acceptance</p>

• Canadian Market Access and Capacity Building Project	
Implementation path and expected date of implementation	To further stimulate developing country imports into Canada, in November 2013 Canada provided \$10.3M over five years to establish the Canadian Market Access and Capacity Building Services Project, implemented by the Trade Facilitation Office of Canada. This project will assist small and medium-sized companies in more than 40 developing countries to develop their capacity to export to the Canadian market.
Status of Implementation and Impact	Not available

• Canada's Global Market Action Plan	Under the Global Markets Action Plan, the Government of Canada is concentrating on the markets that hold the greatest promise for Canadian business through vigorous trade promotion and ambitious trade policy. The Global Markets Action Plan will ensure that all Government of Canada assets are harnessed to support the pursuit of commercial success by Canadian companies and investors in key foreign markets, to generate new jobs and new opportunities for workers and families
Implementation path and expected date of implementation	The Global Markets Action Plan was officially launched on November 27, 2013, and will be implemented over the next 5 years.
Status of Implementation and Impact	On track: Over the past year, Canada has concluded an FTA with the EU (CETA) and brought into force an FTA with South Korea (CKFTA) and an investment treaty with China, as well as concluded FTA negotiations with Ukraine and negotiations for an expanded and modernized FTA with Israel. In addition, "Go Global" workshops have been held in several cities across Canada, bringing together Canada's various exporter services (TCS, EDC, CCC and BDC) to provide information to SMEs to help them succeed in foreign markets.

ANNEX 4: PRE-BRISBANE COMMITMENTS

Please include a maximum of 5 important structural reform commitments from Action Plans prior to Brisbane. Please also include all relevant monetary and exchange rate commitments. Fiscal commitments will be accounted for in the St. Petersburg Fiscal Template in Annex 2.

Commitment	
Continuing to support research, innovation, and skills development.	
Structural reform/monetary & exchange rate policies Structural reform	Action Plan Cannes Action Plan
Rationale for carrying forward	To sustain growth by promoting productivity and providing a strong foundation for innovation and the competitiveness of Canadian industry.

<p>Update on Progress</p>	<p>Progress: EAP 2014 provided more than \$1.6 billion over five years in new funding to continue Canada’s advanced research leadership and support business innovation. This includes the aforementioned additional funding for the Canada Accelerator and Incubator Program (CAIP) and the creation of the Canada First Research Excellence Fund. Measures announced in EAP 2014 are currently unrolling.</p> <p>Measurability: Details on the individual expenditure plans for each federal department and agency responsible for delivering the EAP commitments are available in their respective Report on Plans and Priorities (http://www.tbs-sct.gc.ca/rpp/index-eng.asp).</p>
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<p>Commitment</p>	
<p>Canada will introduce a renewed Global Commerce Strategy in 2013 and pursue major free trade agreements with the European Union, Japan and India, and Trans Pacific Partnership (TPP) countries.</p>	
<p>Structural reform/monetary & exchange rate policies Structural reform – Trade</p>	<p>Action Plan Los Cabos Action Plan</p>
<p>Rationale for carrying forward</p>	<p>Canada’s trade is excessively concentrated with the United States. Diversifying export markets will foster trade and investment and benefit Canadians by giving them access to a wider range of goods and services, exposing firms to greater competition and providing greater access to new technologies. This will encourage innovation, investment and competition, fostering stronger, more sustained and better balanced growth.</p>
<p>Update on Progress</p>	<p>Progress: In November 2013, Canada launched its Global Markets Action Plan (the successor to the Global Commerce Strategy), which aligns trade, development and foreign policy tools to advance Canada’s commercial interests around the world.</p> <p>In terms of free trade agreements, the Canada-Korea Free Trade Agreement, Canada’s first such agreement in Asia, entered into force on January 1, 2015. In August 2014, Canada and the EU announced the successful conclusion of negotiations on a Comprehensive Economic and Trade Agreement (CETA), and an agreement on the TPP was announced in October 2015. Canada continues to pursue major trade agreements with India and other countries.</p> <p>Measurability: Legislative</p>

<p>Commitment</p>	
<p>Economic Action Plan 2013 presents \$70 billion in new and existing infrastructure funding through the Building Canada plan, and for First Nations and federal infrastructure over the next 10 years.</p>	
<p>Structural reform/monetary & exchange rate policies Structural reform – Infrastructure Investment</p>	<p>Action Plan St. Petersburg Action Plan</p>

Rationale for carrying forward	Investments in Canada's public infrastructure create jobs, economic growth and provide a high quality of life for families in every city and community across the country. This will contribute to strong, sustainable, and balanced growth.
Update on Progress	<p>Progress: The Government has fully launched all new measures under the new \$53 billion Building Canada plan, including:</p> <ul style="list-style-type: none"> • Concluding agreements with all provinces and territories on the Gas Tax Fund; • Launching the application process for the new \$14-billion Building Canada Fund; and • Launching the 2015-16 application round under the renewed \$1.25 billion P3 Canada Fund. <p>The Government is also moving forward with large federal capital projects, including:</p> <ul style="list-style-type: none"> • Beginning Construction for the New Bridge for the St. Lawrence project, after completing the procuring process and selecting a winning PPP partner in April; and • Launching a request for qualified bidders to construct the new Gordie Howe International Bridge, linking Detroit, Michigan to Windsor, Ontario. <p>Measurability: Federal expenditures on infrastructure from 2014 to 2024.</p>

Commitment

Economic Action Plan 2013 reduces barriers to accreditation of apprentices, supports the use of apprentices, and introduces the Canada Job Grant to better match Canadians with available jobs. The grant provides funding for businesses planning to train unemployed or underemployed Canadians to find a new or better job.

Structural reform/monetary & exchange rate policies	Action Plan
Structural reform – Skill Development	St. Petersburg Action Plan
Rationale for carrying forward	This commitment will help to lower labour market frictions by reducing barriers to accreditation and better matching Canadians with available jobs in high-demand fields. This will increase workforce flexibility and promote both strong and sustainable growth.
Update on Progress	<p>Progress: Work is continuing with provinces and territories to further harmonize apprenticeship training and certification requirements in targeted skilled trades. At the Forum of Labour Market Ministers meeting in July 2015, Ministers announced that the first ten trades will be harmonized by September 2016 in most jurisdictions. Building on these successes, Ministers announced a new target of harmonizing a total of 30 Red Seal trades in most jurisdictions by 2020 (outside Quebec). Two-thirds of the 30 trades identified are expected to be harmonized by 2017.</p> <p>The Canada Job Grant has been successfully implemented in all provinces and territories (except Quebec) and is now in its second year of implementation. Federal-provincial/territorial officials continue to work together on shared commitments under the Canada Job Fund Agreements.</p> <p>Measurability: The number of trades for which apprenticeship training and certification requirements were harmonized and the number of jurisdictions taking part in these agreements. The number of Canadians receiving training through the Canada Job Grant each year.</p>