

2017 FEDERAL BUDGET HIGHLIGHTS

For more information, please visit the Government of Canada's 2017 Budget website at:
<http://www.budget.gc.ca/2017/home-accueil-en.html>

EMPLOYMENT, SKILLS AND LEARNING (ADULTS)

- **Reform and invest an additional \$1.8 billion over six years, starting in 2017–18, to expand Labour Market Transfer Agreements**, in collaboration with the provinces and territories, to increase opportunities for unemployed Canadians to upgrade their skills, gain experience or get help to start a business. It also means more support to help them plan their careers.
- **\$900 million over six years (starting 2017–18) for new Workforce Development Agreements to ensure that unemployed Canadians ineligible for EI can access supports they need to get their next job.** Workforce Development Agreements will consolidate existing Canada Job Fund Agreements, Labour Market Agreements for Persons with Disabilities and the Targeted Initiative for Older Workers to make transfers to the provinces and territories simpler and more flexible.
- **Amend the *Employment Insurance Act* to broaden worker eligibility for programs and services under the Labour Market Development Agreements**, allowing even more Canadians, especially underrepresented groups, to access EI-funded skills training and employment supports.
- **\$12.1 million in 2017–18 to Employment and Social Development Canada to develop modern approaches to service delivery, beginning with Employment Insurance.** Through the modernization of benefit delivery, the Government will improve Canadians' access to services and benefits, including speeding up application processes.
- **\$59.8 million over four years, starting in 2018–19, and \$17 million per year thereafter to expand eligibility for Canada Student Grants and loans for part-time students.** Existing income thresholds, which vary by province and territory, will be replaced with a higher, single national threshold. As family income increases, the amount of grant support received will gradually decline, depending on family size. The threshold for eligibility for Canada Student Loans for part-time students will also be increased so more part-time students can qualify.
- **\$107.4 million over four years, starting in 2018–19, and \$29.3 million per year thereafter, to expand eligibility for Canada Student Grants for students with dependent children**, starting in 2018–19 academic year.
- **\$287.2 million over three years to develop and test new approaches to make it easier for adults who wish to return to school** after having spent several years in the workforce to qualify for student financial assistance (for launch in 2018–19).
- **\$132.4 million over four years and \$37.9 million per year thereafter to allow unemployed Canadians to pursue self-funded training while receiving EI benefits (beginning 2018–19).**

- **\$225 million over four years, starting in 2018–19, and \$75 million per year thereafter, to establish a new organization to support skills development and measurement** in Canada.
- **\$29.5 million over the next five years for a new Digital Literacy Exchange program to support non-profit organizations to implement initiatives that teach basic digital skills**, including how to use the internet safely and effectively, at pre-existing facilities such as public libraries, refugee housing complexes and seniors' homes. The program will focus on vulnerable groups such as low-income individuals and families, and seniors.
- **Expand the range of courses eligible for the Tuition Tax Credit** to include occupational skills courses that are undertaken at a post-secondary institution in Canada, and to allow the full amount of bursaries received for such courses to qualify for the scholarship exemption (where conditions are otherwise met). These changes will take effect as of the 2017 tax year.
- **Amend the Canada Labour Code for federally regulated sectors to:**
 - **Invest \$13 million over five years, starting in 2017–18 and \$2.5 million per year ongoing to strengthen and modernize compliance and enforcement provisions** to ensure that Canadians can more easily recover wages owed to them by their employer, and to ensure that employers who repeatedly offend will be punished. \$3 million of this amount over five years will be reallocated from existing ESDC resources.
 - **Give federally regulated employees the right to request more flexible work arrangements** (e.g. flexible start and finish times and ability to work from home) and provide new unpaid leaves for family responsibilities, to participate in traditional Indigenous practices, and to seek care if they are victims of family violence. Changes will also make bereavement leave more flexible.
 - **Eliminate unpaid internships where the internships are not part of a formal educational program and** ensure unpaid interns participating in educational programs are entitled to labour standard protections, such as maximum hours of work, weekly days of rest and general holidays.

EMPLOYMENT, SKILLS AND LEARNING (CHILDREN AND YOUTH)

- **Provide an additional \$395.5 million over three years, starting in 2017–18, for the Youth Employment Strategy.** Combined with Budget 2016 measures, these investments will help more than 33,000 vulnerable youth develop the skills they need to find work or go back to school; create 15,000 new green jobs for young Canadians; and provide over 1,600 new employment opportunities for youth in the heritage sector.
- **\$50 million over two years to support organizations delivering digital skills training to girls and boys** from kindergarten to grade 12.
- **\$38 million over four years, starting in 2018–19 for renewed support for Pathways to Education Canada** (\$14 million from existing ESDC resources) to provide more vulnerable youth

with supports they need to succeed in school, including tutoring, career mentoring and financial help, such as scholarships and internships.

- **\$12.5 million over six years, starting in 2017–18 for a pilot project to increase awareness of, and reduce barriers to accessing the Canada Learning Bond** (reallocation from existing ESDC resources).
- **Amend the Canada Education Savings Act to allow the cohabiting spouse or common-law partner of the primary caregiver to apply for the Canada Learning Bond** and the Additional Canada Education Savings Grant.

SUPPORT FOR FAMILIES

- **\$7 billion over 10 years starting 2018–19 to support and create up to 40,000 more high-quality, affordable child care spaces across the country.** A portion of this investment will be dedicated to early learning and child care programs for Indigenous children living on- and off-reserve.
- **In addition, the Government of Canada will work with the provinces and territories to develop a National Framework on Early Learning and Child Care,** focusing on best practices and new approaches to best serve families.
- **\$691.3 million over five years starting 2017–18 and \$168.1 million per year thereafter, to create a new EI caregiving benefit of up to 15 weeks.** The new benefit will cover a broader range of situations where individuals are providing care to an adult family member who requires significant support in order to recover from a critical illness or injury. Parents of critically ill children will continue to have access to up to 35 weeks of benefits, with additional flexibility to share these benefits with more family members.
- **\$152 million over five years starting 2017–18 and \$27.5 million per year to make EI parental benefits more flexible.** Parents will be able to choose to receive EI parental benefits over an extended period of up to 18 months at a lower benefit rate of 33 per cent of average weekly earnings or go with the current benefit rate of 55 per cent over a period of up to 12 months.
- **\$43.1 million over five years starting in 2017–18 and \$9.2 million per year thereafter to allow women to claim EI maternity benefits up to 12 weeks before their due date**—expanded from the current standard of eight weeks—if they so choose.
- **\$13.2 million over five years starting in 2017–18 for a new Affordable Access program to help service providers offer low-cost home internet packages for interested low-income families.**
- **50,000 refurbished computers** from the Computers for Success Canada program will also be distributed to families with the low-cost internet packages.
- **Amend the Canada Labour Code to ensure that workers in federally regulated sectors have the job protection they need** while they are receiving caregiving, parental or maternity benefits.

- **The Caregiver Credit, Infirm Dependant Credit and Family Caregiver Tax Credit will be replaced with a single new Canada Caregiver Credit.** This new, non-refundable tax credit will apply to caregivers whether or not they live with their family member, go into effect in the 2017 tax year and provide tax relief on an amount of:
 - \$6,883 (in 2017) in respect of expenses for care of dependent relatives with infirmities (including persons with disabilities)—parents, brothers and sisters, adult children, and other specific relatives.
 - \$2,150 (in 2017) in respect of expenses for care of a dependent spouse/common-law partner or minor child with an infirmity (including those with a disability).

The new Credit will extend tax relief to more caregivers by increasing the income threshold for the dependant at which the credit begins to phase out. The Credit will start to be reduced when the dependant's net income is above \$16,163 (in 2017). This income threshold, along with the amounts for the credit, will be indexed to inflation for taxation years after 2017.

AFFORDABLE HOUSING

- **Over \$11.2 billion over 11 years for new National Housing Strategy initiatives to build, renew and repair Canada's stock of affordable housing** and help to ensure that Canadians have adequate and affordable housing that meets their needs. Key elements of the strategy include:
 - A renewed partnership between the Government and provinces and territories to better support key housing priorities (\$3.2B)
 - A new National Housing Fund to address critical housing issues, and better support vulnerable citizens (\$5B)
 - Targeted support for northern housing (\$300M)
 - Targeted housing support for Indigenous Peoples not living on-reserve (\$225M)
 - Renewed and expanded federal investments to combat and prevent homelessness (\$2.1B)
 - Making more federal lands available for the development of affordable housing (\$202M)
 - Expanded funding to strengthen CMHC's housing research activities (\$241M)

The new National Housing Strategy will be announced later this year.

- **Preserve baseline Canada Mortgage and Housing Corporation funding related to expiring long-term social housing operating agreements**, so Canadians have access to affordable housing options.

TRANSIT

- **\$20.1 billion over 11 years from the Public Transit Infrastructure Fund to build new urban transit networks and service** in collaboration with provinces and territories. In addition, the new Canada Infrastructure Bank will invest at least \$5 billion in public transit systems.

OTHER COMMUNITY INFRASTRUCTURE

- **\$80 million over 10 years to support construction of community educational infrastructure in official language minority communities.** Working with the provinces and territories, the Government could invest in projects like early childhood centres, community centres and cultural centres.
- **\$1 billion over four years offered to provinces and territories, starting 2018–19, for home care infrastructure as a down payment on its commitment to invest \$6 billion over 10 years to support better home care and \$5 billion for mental health initiatives.** To date, New Brunswick, Newfoundland and Labrador, Nova Scotia, Yukon, the Northwest Territories, Nunavut, Saskatchewan, Prince Edward Island, British Columbia, Alberta, Ontario and Quebec have accepted the federal offer and will receive their share of the home care infrastructure investment.

INDIGENOUS PEOPLES

- **\$4 billion over 10 years starting 2018–19, to build and improve housing, water treatment systems, health facilities and other community infrastructure in Indigenous communities.** This investment will be delivered through the second phase of green infrastructure and social infrastructure funding and funding allocations will be determined in partnership with Indigenous Peoples.
- **\$828.2 million over five years, starting 2017–18, to improve the health outcomes of First Nations and Inuit.** This funding will make it easier for First Nations and Inuit to receive timely medical care—including mental health services. This includes:
 - **\$15 million for harm reduction measures**
 - **\$83.2 million to expand maternal and child health services** for First Nations and Inuit families with children under the age of six.
 - **\$305M over five years for the Non-Insured Health Benefits Program** that provides First Nations and Inuit with coverage for a range of medically necessary services that are not covered by other plans.
- **\$400 million for an Arctic Energy Fund to address energy security for communities north of the 60th parallel,** including Indigenous communities.
- **\$225 million to improve housing conditions for Indigenous Peoples not living on-reserve.**
- **\$118.5 million over five years for Canada’s Urban Indigenous Strategy—formerly the Urban Aboriginal Strategy—to support Indigenous service centres in major urban areas** that provide a one-window approach to programs and services for First Nations, Inuit and Métis Peoples.
- **\$90 million beginning 2017–18 to the Post-Secondary Student Support Program** to support the post-secondary education financial needs of over 4,600 students over two years.
- **\$89.9 million over the next three years to support Indigenous languages and cultures.**

- **\$65.2 million over five years, starting 2017–18, and \$10.9 million per year thereafter to help Indigenous communities heal and reintegrate past offenders.**
- **\$55.5 million over five years, starting 2017–18, and \$11.1 million per year ongoing, for the Indigenous Justice Program**, formerly the Aboriginal Justice Strategy—which provides funding for community-based programs that use restorative justice approaches as an alternative to the mainstream justice system and corrections.
- **\$50 million in 2017–18 to work with Indigenous organizations, employers, educational institutions and other stakeholders in the coming year to renew, improve and deliver the Aboriginal Skills and Employment Training Strategy (ASETS).** This includes new funding, the investment made in Budget 2016, as well as additional reallocated resources from other programs that support skills and training.
- **\$39.2 million in 2017–18 to provide case management services that help youth living on-reserve to overcome barriers to employment**, acquire better pre-employment skills, access education and training.
- **\$21.4 million over four years, starting in 2018–19 to reduce reliance on diesel in Indigenous and northern communities** through Indigenous and Northern Affairs Canada’s Northern Responsible Energy Approach for Community Heat and Electricity Program.
- **\$5 million per year for five years starting in 2017–18 to Indspire**, conditional on Indspire raising \$3 million per year in matching funds from the private sector, to provide bursaries and scholarships for more than 12,000 First Nations, Inuit and Métis students.
- **\$14.7 million over three years starting in 2017–18 to extend and enhance the Northern Adult Basic Education Program** which provides residents in the three territories with targeted training so that they can participate more fully in the labour market.
- **\$3.1 million over three years starting in 2017–18 to support a new ministerial Working Group on the Review of Laws and Policies related to Indigenous Peoples.** This is responsible for reviewing laws, policies and operational practices to ensure that Canada is: meeting its constitutional obligations with respect to Indigenous and treaty rights; adhering to international human rights standards, including the United Nations Declaration on the Rights of Indigenous Peoples; and supporting the implementation of the Truth and Reconciliation Commission of Canada's Calls to Action.
- **Establish an Indigenous Framework on Early Learning and Child Care in cooperation with Indigenous partners** to reflect the unique cultures and needs of First Nations, Inuit and Métis children across Canada.
- **Undertake a comprehensive and collaborative review with Indigenous partners of all current federal programs that support Indigenous students** who wish to pursue post-secondary education. The purpose of the review will be to ensure that these programs meet the needs of individual students while supporting attendance at, and completion of, a post-secondary degree or credential.

- Amend the *Canada Student Financial Assistance Act* to permit students who are registered under the Indian Act, but do not have Canadian citizenship, to access the Canada Student Loans Program.

PEOPLE LIVING WITH DISABILITIES

- **Add nurse practitioners to the list of medical professionals that can certify the impacts of impairments for Disability Tax Credit applicants.** This measure will apply to Disability Tax Credit certifications made on or after Budget Day and improve access to the credit in areas where nurse practitioners may be the primary care provider.
- **Explore options to improve work opportunities and employment outcomes for persons with disabilities. This will include the development of new planned federal accessibility legislation,** which will promote equality of opportunity and increase the inclusion and participation of Canadians who have disabilities or functional limitations by increasing accessibility and removing barriers in areas of federal jurisdiction. The Government sought input from Canadians on this planned legislation through consultations held between July 2016 and February 2017.
- **\$22.3 million over five years to establish a new Accessible Technology Development program** to expand the range of assistive technologies and give more Canadians better access to digital services. This program would co-fund innovative projects led by private sector firms, non-profit organizations and research institutes.
- **\$77 million over 10 years to expand the Enabling Accessibility Fund for the construction and renovation of public spaces to make them more accessible for Canadians with disabilities.** Eligible projects will include constructing and renovating infrastructure (e.g., adding ramps, automatic door openers and accessible washrooms), providing accessible information and communication technologies and retrofitting vehicles.
- **Re-establish lifelong pensions as an option for injured veterans.** This will provide an option for injured veterans to receive their Disability Award through a monthly payment for life, rather than in a one-time payment. This change to the Disability Award is something that the veterans' community has long advocated for and the Government remains committed to delivering. The Government has made considerable progress in its work to develop the pension for life option and will announce further details this year.

NEWCOMERS AND REFUGEES

- **Reallocate \$27.5 million over five years starting 2017–18 and \$5.5 million per year thereafter to support a Targeted Employment Strategy for Newcomers** that will include:
 - Improved pre-arrival supports, so that newcomers can begin the foreign credential recognition process before arriving in Canada.
 - A loan program to assist newcomers with the cost of having their foreign credentials recognized.
 - Targeted measures to test innovative approaches to help skilled newcomers gain Canadian work experience in their profession.

- **\$62.9 million over five years, starting 2017–18, and \$11.5 million per year thereafter to enhance delivery of immigration and refugee legal aid services**, in partnership with the provinces and territories.

VIOLENCE PREVENTION

- **\$100.9 million over five years, starting in 2017–18, and \$20.7 million per year thereafter, to establish a National Strategy to Address Gender-Based Violence.** The Strategy will create a centre of excellence within Status of Women Canada, to better align existing resources to address gender-based violence, and include measures that will be implemented by the RCMP and the Department of National Defence. Additional details on the Strategy will be announced in the coming months.

FINANCIAL SERVICES

- **To promote a well-functioning payments system that fosters innovation and better protects consumers, the Government will release a 2017 consultation paper on a new retail payments oversight framework.** Based on the results of its consultations, the Government will propose legislation to implement the oversight framework.
- **The Government will work with stakeholders to assess developments in the fintech sector, and consider the implications for the federal financial sector legislative and regulatory framework.** This process will culminate in the Review of the Federal Financial Sector Framework.

ELIMINATION OF TAX MEASURES

- **Eliminate the Public Transit Tax Credit**, effective for transit use occurring after June 30, 2017, on the basis that it has been ineffective in encouraging the use of public transit and reducing greenhouse gas emissions.
- **Repeal the 25 per cent Investment Tax Credit for Child Care Spaces** given that it has had very low take-up and has not been effective in increasing the number of child care spaces provided by employers. Budget 2017 also proposes to invest an additional \$7 billion over 10 years, starting in 2018–19, to support and create more high-quality, affordable child care spaces across the country.
- **Repeal the additional deduction available to corporations that donate medicine to eligible registered charities**, given high compliance costs for charities and very low take-up. Corporations will continue to be able to deduct the fair market value of donated medicine.
- **Allow the First-Time Donor's Super Credit will be allowed to expire in 2017 as planned**, due to its low take-up, small average amounts donated, and the overall generosity of existing tax assistance for charitable donations.