

BUDGET IN BRIEF

ALTERNATIVE FEDERAL BUDGET 2014 Striking a Better Balance

MACROECONOMIC POLICY

The Alternative Federal Budget is prepared and presented on the basis that balanced budgets should not be the main focus of the federal government. The AFB is much more concerned with slow growth, a weak labour market, and income inequality than the federal government's historically low (and falling) debt levels.

If there is any debt problem in the Canadian federation, it is surely with households and not the federal government. Without breaking the bank, the AFB focuses on job creation and reducing inequality, while providing humanitarian programs like affordable child care and improved health care.

Under the AFB, economic growth is somewhat better and the employment picture improves markedly. The AFB will create an environment where those forced to the labour market sidelines since the recession, particularly our youth, will have other opportunities besides unemployment and will be given the opportunity to participate gainfully in the workforce.

As well as improving economic growth and the labour markets, the AFB will also make Canada a better place to live by curbing the rise of income inequality. In total, the AFB will lift 855,000 Canadians out of poverty: 20% of all those who live below the poverty line. This effect is targeted specifically at seniors who will see a 46% reduction in poverty, and children, who will benefit from a 26% reduction. Over 300,000 seniors and over 260,000 children will be lifted from poverty by the measures in the AFB.

The AFB utilizes the power of economic multipliers to accelerate economic and job growth. A dollar spent on infrastructure or social programs is far more effective at propelling growth than a tax cut. By taxing more at the top end of the income spectrum and spending that money effectively, all Canadians benefit.

The AFB demonstrates that we can markedly improve the lives of Canadians by expanding public and social services, providing quality health care, affordable housing and post-secondary education, significantly reduce poverty and inequality, create hundreds of thousands of additional jobs, grow the economy *and* balance the budget. The solutions are here. All it takes is the political will — and public pressure.

TABLE 1 AFB Case

	2013-14	2014-15	2015-16	2016-17
Nominal GDP	\$1,875,000	\$1,979,889	\$2,071,289	\$2,160,069
Nominal GDP Growth	3.0%	5.6%	4.6%	4.3%
Revenues (mil)	2013-14	2014-15	2015-16	2016-17
Base Case	\$265,200	\$277,400	\$293,900	\$307,000
Net AFB Revenue Measures		\$36,505	\$36,984	\$48,789
Multiplier Effect		\$4,128	\$5,618	\$7,161
Total	\$265,200	\$318,034	\$336,502	\$362,950
Expenditures (mil)	2013-14	2014-15	2015-16	2016-17
Base Case	\$253,600	\$253,100	\$259,400	\$268,800
Net AFB Program Measures		\$45,759	\$46,527	\$54,392
Total	\$253,600	\$298,859	\$305,927	\$323,192
Debt Service	\$29,500	\$30,164	\$32,172	\$35,802
Budget Balance (Deficit)	-\$17,900	-\$10,990	-\$1,598	\$3,956
Closing Debt (Accumulated Deficit)	\$617,900	\$628,890	\$630,487	\$626,532
Budgetary Indicators as Percentage of GDP	2013-14	2014-15	2015-16	2016-17
Revenue/GDP	14.1%	16.1%	16.2%	16.8%
Expenditures/G D P	13.5%	15.1%	14.8%	15.0%
Budgetary Balance/GDP	-1.0%	-0.6%	-0.1%	0.2%
Debt/GDP	33.0%	31.8%	30.4%	29.0%
AFB Employment Impact	2013	2014	2015	2016
AFB Jobs Created (000s)		278	269	264
Employed (000s)	17,803	18,532	18,838	19,162
Employment Rate (as % of Working Age Population)	61.8%	63.4%	63.6%	63.8%
Unemployed (000s)	1,361	1,163	1,132	1,088
Unemployment Rate	7.1%	5.9%	5.7%	5.4%

TABLE 2 AFB Program List (\$mil)

Program Name	2014-15	2015-16	2016-17
Agriculture			
Reverse Cuts to Farmer Programs	13	13	13
Arts & Culture			
Canada Council for the Arts	120	120	120
Ensure Increases in Canadian Heritage Funding to Cover Cost of Living	21	41	62
Develop Artistic and Cultural Markets in Canada and Abroad	25	25	25
Child Care: Early Childhood Education and Care			
Expand Affordable Child Care	1,000	2,000	3,000
Cities and Communities			
Community Renewal Fund: Public Transit	1,350	1,350	1,350
Community Renewal Fund: Core Infrastructure	1,250	1,250	1,250
Community Economic Development Framework	2.5	2.5	2.5
Neighbourhood Revitalization Program	100	100	100
Defence			
Military Spending Back to Pre-9-11 Levels	-1,280	-2,600	-3,200
Employment Insurance			
Renew Extended Employment EI Benefits Pilot	500	500	500
Working While on Claim Exemption	200	200	200
Continued Support for Long Tenured Employees	100	100	100
Alternate Canada Jobs Grant	600	600	600
Pilot Universal Entrance of 360 Hours	300	300	300
Environment and Climate Change			
Remove Extractive Industry Subsidies	-375	-340	-340
National Conservation Plan	454	154	154
Sustainable Energy: Strategic Opportunities	272	275	295
Support International Adaptation and Mitigation	400	400	400

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First Nations			
First Nations Water Treatment Systems	470	470	470
First Nations Housing	1,000	1,000	1,000
First Nations Education	715	715	715
Non-Insured Health Benefits (NIHB) Program	573	805	805
First Nations Skills Training	100	100	100
Double Family Violence Prevention Programming	30	30	30
National Public Commission on Missing and Murdered Indigenous Women and Girls	5	5	0
Support Community Based Healing Programs	51	51	51
Gender Equality			
National Plan to Address Violence Against Women	498	498	498
Increase Funding for Status of Women	100	100	100
Implement Equal Pay at the Federal Level	10	10	10
Cancel Pension Income Splitting	-1,505	-1,558	-1,620
Health Care			
National Pharmacare	3,390	3,831	4,597
Community-Based Services	2,600	2,704	2,812
140 New Community Health Centers	300	0	0
Long Term Care Facilities	2,300	2,369	2,440
Reduce Long Term Care User Charges by 50%	3,200	3,296	3,395
Dental Health for Children	50	100	200
Aboriginal Health Care Providers	50	50	0
Cancel Centers of Excellence for Commercialization and Research	-73	-73	-73
Expand Women's Health Contribution Program	10	10	10
Community-Based Mental Illness	30	30	30
Interim Federal Health Program	20	20	20
Housing			
New Affordable Housing Supply	2,000	2,000	2,000
International Development			
Boost Development Funding to 0.31% of GNI	1,083	1,362	1,648
Internet Communications			
Modernize Broadband	400	450	500
Restart the Canadian Access Program	40	40	40

Post-Secondary Education			
Reduce Tuition to 1992 Levels	2,890	3,036	3,190
Create New Income Tested Grants	2,208	2,248	2,277
Cancel Textbook Tax Credit	-41	-41	-41
Cancel Scholarship Tax Exemption	-44	-44	-44
Cancel Tuition Fee and Education Tax Credit	-1,055	-1,055	-1,055
Cancel RESP	-155	-155	-155
Cancel Canada Education Savings Program & Canada Learning Bond	-913	-953	-982
Eliminate the Backlog in the PSSSP Program for First Nations Students	590	620	650
Increase Research Funding by 10%	231	231	231
Add 3000 New Canada Graduate Scholarships	17	17	17
Poverty and Income Inequality			
Poverty Reduction Transfer to Provinces	2,000	2,000	2,000
Double the Refundable GST Credit	4,460	4,550	4,650
Double the NCBS	3,060	3,090	3,140
Cancel the Universal Child Tax Benefit (UCCB)	-2,040	-2,060	-2,080
Public Services			
Scale-Up Implementation Fund	300	0	0
Sectoral Development			
Sectoral Development Councils	50	50	50
Passenger Rail Support	800	800	800
Sustainable Forestry	300	300	300
National Green Industries Initiatives	150	150	150
Reinstate 28% Rate on Oil and Gas Industries	-1,000	-1,000	-1,000
Capitalize Canadian Development Bank	1,000	0	0
Seniors and Retirement Security			
Improve the GIS Top Up	1,100	1,150	1,210
Limit RRSP Contributions to \$20,000/Year	-1,140	-1,320	-1,520
Taxation			
Reinstate 2007 Corporate Tax Rates	-11,500	-11,500	-11,500
New Income Tax Above \$250,000 (35%)	-2,465	-2,639	-2,835
Eliminate Tax Loopholes & Simplify the Tax System	-9,600	-9,792	-9,988
Tax Havens Withholding Tax	-2,000	-1,800	-1,620
Financial Transactions Tax	-4,000	-4,080	-4,162
Inheritance Tax on \$5 Mil+ Estates	-2,000	-2,000	-2,000
Carbon Tax	0	0	-11,250

National Green Tax Refund

1,875

7,500

0

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Reverse Cuts to the Trade Commissioner Service & U.S. Consular Offices	99	99	99
Water			
National Public Water and Wastewater Fund	2,700	2,700	2,700
Implementation of Wastewater Systems Effluent Regulations	1,000	1,000	1,000
Clean Up Priority Waterways	950	950	950
Implement Water Quality and Quantity Monitoring Frameworks	109	109	109
Reinstate the Experimental Lakes Area	2	2	2
Comprehensive Action Plan to Protect to the Great Lakes	500	0	0
Environmental Assessments for All Energy and Mining Projects	50	0	0
Study on Water Effects of Tar Sands, Climate Change & Fracking	32	0	0
Youth			
Youth Workers Initiative	100	100	100
Youth Voting Study	10	0	0
Total AFB Expenditure Changes	45,759	46,527	54,392
Total AFB Revenue Changes	-36,505	-36,984	-48,789

AGRICULTURE

Restructuring existing federal agriculture programs

- AFB will shift federal-provincial agriculture framework spending into programs that support food sovereignty, local food processing and marketing, and young farmer development.
- AFB will shift all agriculture research funding into public research for public interest purposes.
- The AFB will launch a farm debt reduction strategy to promote access to land for young and new farmers, retirement with dignity for older farmers, and prevent land price inflation and speculation. Farm Credit Corporation will be given a new mandate to promote these goals and will be restructured to have no retained earnings.

Reverse cuts to agriculture programs

Public agriculture programs, institutions and agencies that were set up to protect the interests of farmers and Canadian citizens will have funding to return to their mandate of acting in the interest of the public. The AFB will invest approximately \$12.6 million per year to allow these programs, institutions and agencies to resume operations and rebuild their capacity promoting the prosperity of family farms and the public interest in agriculture.

ARTS AND CULTURE

Support the Canada Council for the Arts

The AFB will bring the total annual parliamentary allocation for the Canada Council for the Arts up to \$300 million from its currently allocation of \$180 million.
 (Cost: \$120 million per year)

Re-invest in programs from the Department of Canadian Heritage

The AFB will renew investment in a suite of programs delivered by the department of Canadian Heritage and insure that funds available through these programs are increased over time by indexing them to the annual cost of living. (Cost: \$21 million per year and rising)

Promote Canadian artists abroad

 The AFB will align Canada's cultural diplomacy strategy with Canada's Global Commerce Strategy, and capitalize on opportunities to promote Canadian values as well as business and cultural interests in key markets by investing \$25 million annually in support of artistic and cultural market development initiatives in Canada and abroad.

CHILDCARE: EARLY CHILDHOOD EDUCATION AND CARE

Expand affordable child care

- The AFB will begin to build, with provinces, territories, and Indigenous communities, a system of high-quality, affordable, inclusive, publicly managed ECEC across Canada with equitable access for all children and families.
- In 2014–15 the AFB will invest \$1.0 billion of federal funds and increase this investment by \$1 billion more each year over five years.
- The AFB will establish an overarching federal policy framework to guide collaboration between the federal government and provinces/territories. The AFB will provide federal funds to those that are accountable for developing and maintaining the following: public plans, public management, public funding and public monitoring.

CITIES AND COMMUNITIES

Meaningful infrastructure renewal

- The AFB will introduce the Community Renewal Fund (CRF) to supplement the new Building Canada Plan.
- The AFB will commit \$2.6 billion per year, of which \$1.35 billion will be allocated to develop a national transit strategy and invest in additional public transit infrastructure. Projects must be designed to increase ridership and reduce commute times for public transit users. This portion of the fund will be allocated using a per capita formula, which will target regions with higher populations and more congestion.
- The remaining \$1.25 billion per year will be for sustainable core economic infrastructure. This portion of the fund will be allocated using a "base plus per capita" formula.

Community Economic Development Framework

• To encourage the ongoing co-construction of public policy in support of CED, the AFB will create and invest in a roundtable mandated to develop a working relationship with all three levels of government and citizens. (Cost: \$2.5 million)

Neighbourhood revitalization program

The AFB will establish a federal Neighbourhood Revitalization program and fund.
 The fund will provide multi-year core support for the establishment and ongoing operations of Neighbourhood Renewal Corporations (NRCs) in under-invested urban communities throughout the country. (Cost: \$100 million per year for five years)

COMMUNICATIONS

Modernize broadband

• The AFB will increase expenditure to \$1 billion annually over 10 years to modernize Canada's digital communications infrastructure.

Restart the Canadian Access Program

• The AFB will allocate \$40 million to support new and existing Canadian Access Program public access sites in the 2014–15 budget year.

DEFENCE

Reduce defence spending to pre-September 11, 2001 levels

- The AFB will reduce the size of the Department of National Defence to its pre—September 11, 2001 level (adjusted for inflation). The 2000–01 budget was \$11.9 billion, or \$15.8 billion in 2013 dollars. The AFB will reduce the current \$19 billion budget by \$3.2 billion over three years to \$15.8 billion.
- This would provide urgently needed public dollars for other priorities, boost efficiency in National Defence, and create a military capable of protecting Canadians and supporting UN peace operations.

EMPLOYMENT INSURANCE

Renew Extended Employment EI Benefits Pilot

 The AFB will renew the Extended Employment Insurance Benefits Pilot Project, phasing regions out only when their unemployment rate falls below 8% for 12 consecutive months. (Cost: \$500 million)

Working While on Claim exemption

• The AFB will replace the Working While on Claim Pilot Project with an earnings exemption on the first \$100 per week *or* 50% of weekly earnings, whichever is greater. (Cost: \$200 million per year)

Continued support for long tenured employees

The government's Expert Panel on Older Workers recommended special permanent EI measures to support long-tenure displaced workers. These workers have the biggest challenge in finding new jobs, and often experience large income losses due to permanent layoffs. The AFB will provide an additional benefit extension to these workers. (Cost: \$100 million per year)

Alternative Canada Jobs Grant

- Alternative Canada Job Grant from Labour Market Development Agreements.
 (Cost: \$600 million per year from EI Account)
- The AFB will continue to help vulnerable groups enter the workforce, and support literacy and essential skills training, by maintaining \$500 million in funding for the Labour Market Agreement programs. This will not affect the federal budget since this money was already set aside in Budget 2013.

Pilot universal entrance of 360 hours

 The AFB will introduce a pilot project to establish a uniform national eligibility requirement of 360 hours. Only about 40% of workers now qualify for regular EI benefits due to the disproportionate growth of temporary and part-time jobs. (Cost: \$300 million per year)

ENVIRONMENT AND CLIMATE CHANGE

Remove extractive industry subsidies

The AFB will enact subsidy reform in the extractive industries, including enabling the Canadian Exploration Expense only for unsuccessful exploration and not renewing the Mineral Exploration Tax Credit for flow-through shares (mining). (\$375 million in savings in 2014–15, \$340 million in savings afterwards)

National Conservation Plan

 The AFB will implement a National Conservation Plan, including investments in healthy oceans, Canada's national parks system, private lands, grasslands, wetlands and protecting migratory birds. Additionally, the AFB will attempt to better connect Canadians with nature. (\$454 million in 2014-5, \$154 million ongoing)

Sustainable energy: Strategic opportunities

• The AFB will invest in strategic opportunities to help Canada achieve its goal of generating 90% of its electricity from non-emitting sources by 2020, including by establishing a Sustainable Action Fund for Energy (SAFE) for northern and remote communities (\$15 million for three years), promoting the development and commercialization of energy storage technologies (\$130 million over five years) and implementing a National Green Homes Strategy to build on energy efficiency successes in Canadian houses (\$250 million per year for five years).

Support international adaptation and mitigation

The AFB will ensure Canada contributes its fair share of developed countries' commitment to jointly mobilize us\$100 billion a year of climate financing by 2020 "from a wide variety of sources." (Cost: \$400 million annually from 2014 to 2016)

FIRST NATIONS

First Nations infrastructure

The AFB will invest \$470 million annually for the next ten years in First Nations
water treatment systems and \$1 billion annually for the next ten years to address
the housing crisis in First Nation communities.

First Nations education

 The AFB will invest \$715 million in 2014–15 to address the existing gap in First Nations education funding and implement equitable funding for First Nations education systems. Additionally, the AFB will provide equitable funding for First Nations child welfare systems.

Non-Insured Health Benefits (NIHB) program

The AFB will invest \$573 million in the NIHB Program in 2014–15 and \$805 million in 2015–16 and implement a comprehensive approach to mental health and addictions programming.

First Nations skills training

 The AFB will provide new investments of \$500 million for First Nations skills training. And the AFB will invest \$100 million per year to support incentive programs to foster corporate-First Nation partnerships over the next five years.

Double family violence prevention programming

• The AFB will increase the current investment in family violence prevention programming. (Cost: \$30 million a year)

National Public Commission on Missing and Murdered Indigenous Women and Girls

The AFB will establish and fund a National Public Commission of Inquiry on Missing and Murdered Indigenous Women and Girls. (Cost: \$10 million over two years)

Support First Nations restorative justice

 The AFB will invest \$51.2 million annually to support community-based healing programs, First Nations justice systems and community-based justice programming.

GENDER EQUALITY

National plan to address violence against women

 The AFB will invest in a National Action Plan to Address Violence Against Women, including increased funding for prevention programs and victims' services as well as funding to support uniform access to specialized social, legal and health services. (Cost: \$498 million annually)

Increase funding for Status of Women

The AFB will increase funding for Status of Women Canada and restore its mandate to fund women's groups to conduct independent policy research and advocacy. (Cost: \$100 million annually)

Implement equal pay at the federal level

 The AFB will proactively ensure equal pay for work of equal value by repealing the Public Service Equitable Compensation Act, establishing proactive pay equity legislation, and implementing the recommendations of the 2004 Pay Equity Task Force. (Cost: \$10 million per year)

Cancel Pension Income Splitting

 The AFB will eliminate tax policies that exacerbate women's economic insecurity and reduce women's labour force participation, such as pension income-splitting measures. (Estimated savings of \$1.5 billion in 2014-15, and \$1.6 billion in 2015-16, on-going)

HEALTH CARE

National Pharmacare Program

• The AFB will initiate a National Pharmacare Program to replace private spending on prescription drugs and significantly reduce public expenditures. The AFB will allocate \$2 billion plus 10% of private expenditures (or \$1.39 billion) in 2014–15 for a National Pharmacare Plan. In 2015–16, the AFB will increase the allocation by 13% for a total of \$3.83 billion. In 2016–17, this amount will increase by 20% to \$4.59 billion. Future savings will offset the program's start-up costs.

Community-based services

- The AFB will also re-establish a dedicated transfer for community-based services at 1995 levels, plus an annual escalator based on population growth and inflation. This amounts to \$75 per capita (\$2.6 billion) for community-based health services, including home care and allied health services, subject to the criteria of the CHA upon physician referral.
- Additionally, a one-time \$300-million investment in 140 new community health centres in regions lacking this model of delivery will create 10,000 new jobs and increase access to services.

Long-term care

- Total long-term care expenditures reached \$20 billion in 2010, split among governments and out-of-pocket payers. The public share, \$14.4 billion, was divided between federal (20.4% or \$2.9 billion) and provincial/territorial governments (\$11.5 billion). The remaining \$5.64 billion was paid by some of Canada's most economically vulnerable citizens.
- The AFB will invest \$2.3 billion in long-term/residential care to enable moving alternate-level-of-care patients from acute-care beds to more appropriate settings. This will free hospital resources to reduce high occupancy rates and wait times and support the establishment of outpatient rehabilitation clinics. The AFB will also invest \$3.2 billion to reduce by 50% healthcare user charges applied to residents of long-term care facilities.

Dental health for children

Almost 60% of Canadian children and youth and 96% of adults have dental
caries, but tooth decay is a preventable disease. The AFB will improve access to
basic dental care by focusing on prevention, beginning with a cost-shared school-

based program that provides children and youth preventive and basic curative dental care. The AFB will offer \$90 per capita to any province undertaking such an initiative. If implemented across Canada, this will cost the federal government \$280 million.

Aboriginal health care providers

 In each of the next two years, the AFB will allocate \$50 million to post-secondary institutions to support health education programs for Aboriginal students who work with Aboriginal peoples and communities.

Cancel Centers of Excellence for Commercialization and Research

- The AFB will end the \$73 million a year (2013–16) in funding to the Centres of Excellence for Commercialization and Research. This funding will be redirected to:
 - Restore and expand the Women's Health Contribution Program, which supported community-academic partnerships in developing policy research and information on the health of women and girls. (\$10 million a year)
 - Fund a comprehensive range of mental health services, with a focus on promotion, prevention, treatment, and community supports. (\$30 million a year)
 - Restore funding to the Interim Federal Health Program to ensure all refugees have healthcare coverage equivalent to Canadian citizens in the same economic circumstances. (\$20 million per year)

HOUSING AND NEIGHBOURHOODS

New affordable housing supply

The AFB will increase the federal investment in affordable housing and homelessness to \$2 billion annually, with this amount to be matched by the provinces and territories. The new funding will be shared among the three major housing and homelessness initiatives — the National Homelessness Partnering Strategy, the Investment in Affordable Housing funding, and funding for existing social housing. (Cost: \$2 billion per year)

INCOME INEQUALITY, POVERTY AND WEALTH

Poverty reduction transfer to provinces

The AFB will introduce a new federal transfer payment to the provinces, tied to
helping them achieve their poverty-reduction goals. This innovative transfer will
be worth \$2 billion in both the first and second year, over and above the costs
associated with the federal measures outlined below.

Double the refundable GST credit

To help provide adequate and accessible income support, the AFB will immediately double the refundable GST credit and lengthen the phase out to include more families. (Cost: \$4.5 billion per year)

Double the National Child Benefit Supplement

• In order to reduce child poverty by an estimated 26%, the AFB will double the National Child Benefit Supplement (NCBS). (Cost: \$3.1 billion per year)

Cancel the Universal Child Tax Benefit

• The AFB will cancel the Universal Child Care Benefit (UCCB). (Savings: \$2.0 billion)

INTERNATIONAL DEVELOPMENT

Boost development funding to 0.31% of GNI

• The AFB will increase and enhance its aid commitments to end global poverty. In 2014, the AFB will follow the OECD Development Assistance Committee's suggestion and begin to peg Official Development Assistance at 0.31% of GNI (the international average) until the government posts a surplus - at which point the government can plan a longer-term timetable of increases. (Cost: \$1.1 billion in 2014–15, \$1.3 billion 2015–16 and \$1.6 billion in 2016–17)

POST-SECONDARY EDUCATION

Reduce tuition to 1992 levels

• The AFB will reduce the cost of post-secondary education to pre-1992 levels. To achieve this, the AFB will introduce a dedicated post-secondary education cash transfer of \$2,875 per full-time student, escalating by 2% per year, conditional on the reduction of tuition fees to 1992 levels. This transfer will be guided by federal legislation based on principles of accessibility, comprehensiveness, collegial governance, public administration, and academic freedom. The reduction in tuition fees will cost the federal government \$2.8 billion in 2014–15, \$3.0 billion in 2015–16, and \$3.2 billion in 2016–17.

Create new income tested grants and cancel tax credits

The AFB will eliminate the need for new federal student loans by increasing the
value and number of up-front grants to students provided by the Canada Student
Grants Program. This will be funded by redirecting funds currently used for education-related tax credits and savings schemes. This will be revenue-neutral but
will shift \$2.2 billion from tax credits to grants.

Eliminate the backlog in the PSSSP program for First Nations students

To reduce socio-economic disparities between First Nations and non-First Nations students, the AFB will remove the funding cap for the PSSSP. It will also increase funding and expand eligibility to meet the needs of all First Nations post-secondary students. (Cost: \$590 million in 2014–15, escalating by \$30 a year thereafter)

Research funding and scholarships

- Recognizing the importance of funding based on an independent, merit-based approach, the AFB will increase the federal granting agencies' base budgets by 10%, with more funds asymmetrically allocated to the social sciences and humanities. (Cost: \$231 million per year)
- The AFB will increase the number of Canada Graduate Scholarships to 3,000 consistent with the average growth of the program since 2003. (Cost: \$17 million per year)

PUBLIC SERVICES

Public Assets Office

 The AFB will eliminate the P3 Canada fund and convert PPP Canada into a Public Assets Office that will assist in the creation of a green economy through training and the renewal of crumbling infrastructure through contracting practices that consider green sustainable construction techniques tied to localized and targeted training and job-creation initiatives. (Cost neutral)

Scale-up implementation fund

 The AFB will create a Scale-Up Implementation Fund that will replace the Social Impact Bonds currently being proposed. The Fund will support and implement projects that have been rigorously proven to work in other jurisdictions or on a smaller scale. (Cost: \$300 million in 2014–15)

SECTORAL DEVELOPMENT

Sectoral Development Councils

The AFB will establish a network of Sector Development Councils. The councils will identify opportunities to: stimulate investment and employment in Canada, develop and mobilize Canadian technology, utilize technologies developed in educational institutions for broader commercial applications, invest in sustainable products and practices, and better penetrate export markets. (Cost: \$50 million per year)

Enhance value-added production and investment in key sectors

- Automotive: A comprehensive new auto industry strategy will include support for product development and tooling for alternative fuel vehicles, skills support, and trade policy measures to address the debilitating one-way imbalances in automotive trade.
- Passenger rail support: Comparing 2012 levels with highs reached in the 1980s,
 Via Rail's overall public funding has been cut by 65% in inflation adjusted terms.
 The AFB restores Via Rail's operating and capital funding to levels comparable to the 1980s at an annual cost of \$800 million.
- Sustainable forestry: Forestry and wood/paper products are important export industries and employers in many regions of Canada. Support for the industry's sustainable recovery will be provided through a \$300 million per year fund.

National Green Industries initiatives

- The AFB will implement a \$100 million per year National Green Skills Initiative to support college and on-the-job training to enhance the capacity of Canadian workers to perform high-level services in green industries.
- The AFB will implement a 10% refundable investment tax credit for new capital and tooling in green energy manufacturing for \$50 million per year.

Higher corporate tax rate for oil & gas and mining corporations

 The AFB would reinstate corporate income tax rates on oil and gas production to the former 28% rate. The same rate would apply to mining firms as well, the combined effect being a \$1 billion per year increase in revenues for the federal government.

Capitalize a Canadian Development Bank

 To provide financing for the ambitious development programs prepared by the Sector Development Councils, the federal government will create and endow a new publicly-owned economic development bank, the Canadian Development Bank. (Cost: \$1 billion)

SENIORS AND RETIREMENT SECURITY

Improve the GIS top up

 The AFB will triple the GIS top up for singles and double the singles' turndown point for the GIS top up. The result would be a 35% reduction in the seniors poverty rate. (Cost: \$1.1 billion per year)

Limit RRSP contributions to \$20,000 per year

 The AFB will cap RRSP contributions at \$20,000, a level that will affect only those making \$110,000 or more, saving \$1.1 billion a year

Improve access to Old Age Security (OAS)

- The AFB will reverse the decision to change the age of eligibility for OAS from 65 to 67 and restore age 65 as the age at which individuals become eligible for OAS and GIS.
- The AFB commits the federal government to examine ways in which immigrant seniors living in poverty, who do not necessarily benefit from OAS payments, can be better supported.

Improve the Canada Pension Plan

The AFB will double the CPP's replacement rate from 25% to 50% of a retiree's
pensionable earnings. Increased contributions will be phased in over a sevenyear period. The basic personal exemption in the tax system will be doubled to
offset the impact on lower-income workers.

TAXATION

Reinstate 2007 corporate tax rates

• The federal government has slashed the general corporate income tax rate down from 29.1% in 2000 to 15% in 2011. The AFB will restore the general federal corporate income tax rate to 22%, just slightly below its 2006 rate of 22.1%. This will generate an estimated \$9.8 billion annually in additional revenues. Additionally, the AFB will proportionally increase the small business tax rate from 11% to 15%. This will generate an additional \$1.75 billion annually.

New income tax bracket above \$250,000 (35%)

• The AFB creates a new tax bracket of 35% for income over \$250,000, which would generate revenue of \$2.5 billion in 2015.

Eliminate tax loopholes & simplify the tax system

 The AFB will eliminate or limit a number of tax credits and significantly increase funding for public programs. In total, closing these loopholes will save the government \$9.6 billion a year.

Tax havens withholding tax

• It is estimated that Canada loses up to \$10 billion annually as a result of the use of tax havens. Together with much stricter enforcement and international cooperation, the AFB will apply a modest 1% withholding tax on the assets held in tax havens. This would generate approximately \$2 billion annually and encourage those sheltering their assets offshore to bring their money back home.

Financial transactions tax

The AFB would seek an agreement with the provinces to introduce a broad-based financial transactions tax at a rate of 0.5% on transactions of stocks — similar to the rate in the U.K. — and at lower rates on bonds and financial derivatives. This would generate over \$4 billion annually, assuming a 50% reduction in trading volumes.

Inheritance tax on \$5 mil+ estates

• The AFB proposes a minimum inheritance tax of 45% on estates of \$5 million or more, modeled after the Estate Tax in the United States. (Est. \$2 billion per year in revenue.)

Carbon tax

• The AFB would introduce a \$30 per tonne national carbon tax on July 1st, 2016. The national harmonized carbon tax would apply where provincial carbon taxes are not in effect or are at a lower rate. Gross revenues net of provincial and border tax adjustments would be approximately \$15 billion annually.

National Green Tax refund

As with all forms of carbon pricing or regulations, carbon taxes are regressive.
 Accordingly, a half of the revenues raised (\$7.5 billion annually) would be devoted to a progressive green tax refund, which would provide a majority of Canadians with a larger annual credit than they actually pay out in carbon taxes.

TRADE

Reverse cuts to the Trade Commissioner Service & U.S. Consular offices

- The AFB will ensure that Foreign Affairs, Trade and Development Canada promotes Canadian trade within an overarching foreign policy framework that pursues and promotes peace, democratic development, respect for privacy, and human rights. As such, the AFB spend \$99 million a year to:
 - reverse the cuts to the Trade Commissioner Service, which helps Canadian businesses sell their goods and services in international markets.
 - restore funding to consular offices and services in the U.S., which advise and assist Canadian exporters in our largest foreign market.

WATER

Right to Water and Sanitation

- The AFB will support the full realization of the Right to Water and Sanitation, by creating a National Public Water and Wastewater Fund. (Federal cost: \$2.6 billion a year)
- The AFB will implement a new Wastewater Systems Effluent Regulations Fund.
 (Cost: \$1 billion a year)

Protecting Canada's freshwater supply

- The AFB will clean up priority waterways with \$950 million a year for five years.
- The AFB will implement a comprehensive action plan to protect the Great Lakes.
 (Cost: \$500 million)
- The AFB will establish water quality and quantity monitoring frameworks, including by increasing the number of monitoring stations, training staff in water monitoring and contributing to the UN Global Environment Monitoring System.
 (Cost: \$327.5 million spread over three years)
- Additionally, the AFB will reinstate federal funding for the Experimental Lakes Area. (Cost: \$2 million)

Environmental impact research

The AFB will support and fund environmental impact research by providing assessments of all energy and mining projects (cost: \$50 million) and an in-depth and independent study of the effects of tar sands development and fracking (cost: \$32 million).

YOUTH

Young Workers Initiative

- The AFB will introduce a Young Workers Initiative, including: wage subsidies for employers that hire young workers, initiatives to link young workers with employers, and targeting Public Works projects to ensure involvement of young workers. (Cost: \$100 million per year)
- Additionally, the AFB mandates Statistics Canada to add a series of questions about unpaid internships in their monthly Labour Force Survey, in order to track the number, duration, and industry of unpaid internships.

Youth voting study

• The AFB will make it an explicit government priority to assess and address the problem of youth electoral participation. It will hire an independent research firm to conduct an in-depth, nationwide study of youth electoral participation, using quantitative survey methods as well as qualitative focus groups and town hall meetings. (Cost: \$10 million in 2014–15)