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News Release

Ottawa, March 21, 2013

Jobs, Growth and Long-Term Prosperity the Top Priority of Canada's Economic Action Plan 2013

The Honourable Jim Flaherty, Minister of Finance, today unveiled the next phase of the Harper Government's plan for jobs, growth and long-term prosperity, Canada's Economic Action Plan 2013. While the Government remains squarely focused on balancing the budget during this Parliament, the Economic Action Plan introduces, among other things, a bold and innovative skills training initiative, the largest and longest federal infrastructure plan in Canadian history, and significant new investments to support manufacturing and innovation in Canada.

"The Canadian economy continues to create jobs and experience modest growth, yet we still face significant risks from beyond our borders, particularly from the euro area and the United States, our largest trading partner," said Minister Flaherty. "Economic Action Plan 2013 builds on the strong foundation laid in previous years to connect Canadians with available jobs, to provide long-term predictable funding for infrastructure, and to make significant investments in manufacturing and critical research."

In this risky and uncertain global economic environment, Canada's Economic Action Plan 2013 focuses on initiatives that will improve the quality of life for Canadian individuals, families, businesses and seniors.

Canada Job Grant

Training in Canada is not sufficiently aligned to the skills employers need or to the jobs that are actually available. This means higher unemployment and slower economic growth than Canadians should otherwise expect. Matching the needs of employers with the training Canadians are getting is key to turning this trend around. That's why the Government is taking bold, innovative steps and introducing the new Canada Job Grant.

The Canada Job Grant will transform the way Canadians receive training. The Canada Job Grant could provide \$15,000 or more per person to ensure Canadians are getting the skills employers are seeking. Up to \$5,000 will be provided by the federal government, and that amount will be matched by the province/territory and the employer.



For the first time, the Canada Job Grant will take skills-training choices out of the hands of government and put them where they belong in the hands of employers and Canadians who want to work. Job seekers will train at community colleges, career colleges, polytechnics or union training halls, among others. The Canada Job Grant will benefit hundreds of thousands of Canadians. Current Labour Market Agreements with the provinces and territories expire in 2014. The Government of Canada will negotiate new Agreements centred around the Canada Job Grant.

A New Building Canada Plan

The Government is providing long-term, predictable funding for infrastructure through a new Building Canada plan to build roads, bridges, public transit and other public infrastructure. New investments will focus on projects that stimulate economic growth, and are designed to capitalize on innovative approaches, such as public-private partnerships (P3s).

The new Building Canada plan is the largest and longest federal investment in provincial, territorial and municipal infrastructure projects in Canadian history—over \$53 billion in investments, including over \$47 billion in new funding over 10 years, starting in 2014–15. This funding will be delivered through three key funds:

- The ***Community Improvement Fund***, consisting of the Gas Tax Fund and the incremental Goods and Services Tax Rebate for Municipalities, will provide over \$32 billion to municipalities for projects such as roads, public transit and recreational facilities, and other community infrastructure. Gas Tax Fund payments will be indexed at 2 per cent per year starting in 2014–15, with increases to be applied in \$100-million increments.
- The new ***Building Canada Fund*** will provide \$14 billion to support major economic projects of national, regional and local significance across the country.
- The renewed ***P3 Canada Fund*** will provide \$1.25 billion to continue to support innovative ways to build infrastructure projects faster and provide better value for Canadian taxpayers through public-private partnerships.

An additional \$6 billion will be provided to provinces, territories and municipalities under current infrastructure programs in 2014–15 and beyond. In addition, the Government will make significant investments in First Nations infrastructure and in federal infrastructure assets. Overall federal infrastructure funding will total \$70 billion over 10 years. This will ensure that Canada's public infrastructure is world-class and a contributor to job creation, economic growth and productivity for years to come.

Helping Canadian Businesses Succeed and Create Jobs

The Government is providing \$1.4 billion in tax relief for manufacturers and processors through a two-year extension of the temporary accelerated capital cost allowance for new investment in machinery and equipment. This tax relief will allow businesses in the manufacturing and processing sector to accelerate and undertake additional investment in machinery and equipment, making their operations more efficient.

The Government is also investing:

- \$225 million to expand and extend the temporary Hiring Credit for Small Business for one year in recognition of the important role that small businesses play as job creators in the Canadian economy.
- \$110 million over five years to increase support for small business owners, farmers and fishermen by increasing the Lifetime Capital Gains Exemption to \$800,000 in 2014 and indexing the new limit to inflation.
- \$60 million over five years to help outstanding and high-potential incubator and accelerator organizations expand their services to entrepreneurs so that new companies can start and thrive.

In addition, Economic Action Plan 2013 introduces measures to help the manufacturing sector succeed in the global economy, providing \$920 million over five years to renew the Federal Economic Development Agency for Southern Ontario, confirming close to \$1 billion in stable funding over five years for the permanent Strategic Aerospace and Defence Initiative, and investing \$92 million over two years starting in 2014–15 in continued support for forestry innovation and market development.

Canada's Economic Action Plan 2013 is an intentional and deliberate low-tax plan to control spending and keep the Government on track to balance the budget by 2015. In fact, this plan contains the smallest increase in discretionary spending in nearly 20 years.

“In uncertain global economic times, the most important contribution a government can make to bolster confidence and growth in a country is to maintain a sound fiscal position, and that's why balancing the budget by 2015 is so important,” said Minister Flaherty. “In Canada's Economic Action Plan 2013, we remain focused on what matters to Canadians—jobs and economic growth, and ensuring Canada's economic advantage today will translate into the long-term prosperity of tomorrow.”

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