

*FEDERAL BUDGET 2009 COMMITMENTS*

**Fiscal Outlook**

	<b>2008-09</b>	<b>09-10</b>	<b>10-11</b>	<b>11-12</b>	<b>12-13</b>
<b>Current trend</b>	<b>\$0.8</b>	<b>-\$15.7</b>	<b>-\$14.3</b>	<b>-\$8.3</b>	<b>\$5.5</b>
<b>With surplus</b>	<b>-\$1.1</b>	<b>-\$33.7</b>	<b>-\$29.8</b>	<b>-\$13</b>	<b>-\$7.3</b>

Under the surplus plan Canada will enter a surplus in 2013-14 when the government books will register a \$0.7 billion surplus

**Debt**

Debt to GDP ratio will increase from 28.6% in 08-09 to 32.1% by 2010-11 returning to a level below 2009-09 in 2013-14. At no point does the debt to GDP ratio go above any other country in the G7

**Access to credit**

- BDC and EDC will be able to access \$13 billion through an increase in the flexibilities and capabilities they can use to loan.
- Increase in maximum eligible loan amount under Canada Small Business Financing Program
- Creation of the Canadian Secured Credit Facility which will provide \$12 billion to purchase term asset-backed securities backed by loans and leases on vehicles and equipment

**Tax relief**

- Budget states \$20 billion in personal income tax relief over 2008-09 and the next 5 years.
- Increase basic personal amount to \$10,300 and the top of the two lowest personal tax brackets by 7.5% above their 2008 levels
- Small business – increase in the small business income tax eligible rate from \$400,000 to \$500,000 effective Jan 1, 2009
- Effectively doubling the tax relief provided through the Working Income Tax Benefit which will increase relief to low-income earners by \$580 million for 2009 and subsequent tax years

## **Canada Skills and Transition Strategy**

\$8.3 billion program

\$1.9 billion to strengthen benefits:

- Increase in all regular benefits entitlements by five extra weeks to a maximum of 50 weeks
- \$500 million over two years to extend EI income benefits for individuals participating in long-term training
- Extension of work-sharing agreements by 14 weeks to a maximum of 52 weeks
- \$1.9 billion for training
- \$1 billion for two year program for enhanced training programs under the EI program, this will be based on the share of unemployed persons in a province or territory
- \$500 million over two years for Strategic Training and Transition Fund, funding will be provided according to each jurisdictions share of unemployed across Canada and will be administered through existing LMA's.
- Other measures – 2 year \$20 million for federal public service student employment program, one time \$15 million grant to YMCA and YWCA for internships, \$90 million over 3 years to extend the Targeted Initiative for Older Workers, \$40 million for the launch of the Apprenticeship Completion Grant, \$50 million over two years to assist in the development of the common framework for the Foreign Credential Recognition Office
- \$4.5 billion to freeze EI rates for 2009 and 2010

## **Infrastructure**

Budget 2009 states that there will be \$12 billion in new infrastructure stimulus funding over the next two years:

- A new two-year \$4 billion Infrastructure Stimulus Fund that will require a cost-share with other levels of government as feds will cover up to 50% of the cost for project
- \$1 billion for Green Infrastructure Fund
- \$500 million for Community recreation facilities
- \$2 billion to support the deferred maintenance and repair projects at post-secondary institutions

In addition to funding the government has also committed to streamline federal approval processes to facilitate construction. This will involve administrative, regulatory and legislative changes to environmental review, Navigable Waterways and Fisheries Act.

### **Social/Low income Housing**

\$7.8 billion for housing;

- Temporary home Renovation Tax Credit
- \$300 million over two years for ecoENERGY retrofit
- \$750 in tax relief for first time home buyers
- \$400 million over two years for construction of social housing for low-income seniors
- Make available up to \$2 billion over two years for local government to access low-cost loans to finance improvements to housing related infrastructure

### **Resource community funding**

\$1 billion community adjustment fund over 2 years.

This will include a base amount of \$10 million for each province with the balance allocated on a per capita basis

### **Forestry**

\$170 million over 2 years

- \$80 million over two years to Natural Resource Canada for the Transformative Technologies Program (this program focuses on the development of emerging and breakthrough technologies related to forest biomass utilization, nanotechnology and next generation forest products).
- \$40 million will be provided to NRCAN in 2011-11 to develop pilot-scale demo projects of new products that can be used in commercial applications
- \$40 million over two years for Canada Wood, Value to Wood, and North American Wood First programs for international marketing.
- \$10 million to support large scale demo of Canadian style use of wood for construction in targeted off-shore markets and non-traditional uses of wood in domestic markets.

### **Mining**

15% million exploration tax credit to be extended until March 31, 2010

### **Tourism**

\$40 million to Canadian Tourism Commission over two years, \$20 million for domestic advertising and \$20 million for new activities in priority international markets.

\$100 million over two years for marquee international events