

Annex. Progress in structural reform

This Annex reviews actions taken on recommendations from previous Economic Surveys that are not covered in tables within the main body of the Assessment and Recommendations. Recommendations that are new to this Survey are listed at the end of the Executive Summary and the relevant chapter.

Recommendations in previous Surveys	Actions taken since May 2016 and current assessment
A. Product market competition	
Grant the Competition Bureau the power to require provision of relevant information in the context of conducting market studies and advocacy activities. Require federal government agencies to "comply or explain" in response to the Bureau's recommendations	No action taken.
To level the playing field between cable and satellite companies and new media, consider subsidising Canadian content through general taxation.	No action taken.
Consider deeper integration within North America to establish a common aviation market.	No action taken.
Assess the impact of the current ownership structure of large Canadian airports on efficiency and cost competitiveness. Consider selling the largest airports to one or more private companies or set of investors. Alternatively, convert existing airport authorities into one or more for-profit corporations and sell the airport land. At a minimum, tie airport rents to profits or land values rather than revenues by moving towards a for-profit structure for airport authorities.	The federal government is reviewing its policies concerning airports and their governance, in line with its Budget 2016 commitment to look for ways to increase the affordability and sustainability of infrastructure in Canada where that would be in the public interest. No decisions have been taken.
Investigate the extent to which the current slot allocation system at constrained airports is reducing competition and system wide-efficiency. Consider implementing a more competitive process for slot allocation, such as establishing a secondary market, or broadening congestion-based pricing.	No action taken.
Eliminate revenue caps on western grain shipments by rail.	The federal government decided to maintain the caps.
Determine whether the expanded inter-switching zone for Prairie provinces' commodity shipments has led to net benefits for the economy; otherwise allow the provisions to lapse in August 2016.	The provisions were extended indefinitely.
B. Financial-sector policies	
Extend participation in Cooperative Capital Markets Regulatory System to provinces and territories not already participating.	The governments of British Columbia, New Brunswick, Ontario, Prince Edward Island, Saskatchewan, the Yukon and Canada participate. They continue to invite all other provinces and territories to participate.
Move towards a national corporate registration system.	No action taken.
C. Taxation	
Eliminate GST zero rating for basic groceries.	No action taken.
At the provincial level, increase taxes from non-renewable resource development, and raise the share of revenues saved.	No action taken.
Make more use of property taxes and user fees by municipalities, while easing the property tax burden on firms. As their tax base becomes more sustainable, reduce local authorities' reliance on provincial transfers by granting them more revenue-raising powers.	No action taken.
D. Social and labour market policies	
Adopt employer- or employee-targeted measures that improve the insurance and incentive basis of the Employment-Insurance (EI) programme, thereby cutting repeat use, and enhance opportunities for seasonal workers to retrain.	No action taken to improve the insurance and incentive basis of the EI programme. Additional investments through Labour Market Development Agreements with key provinces were announced in Budget 2018 to help seasonal workers to retrain.
E. Tertiary education and skills shortages	
Increase differentiation between institutions that engage in research and those that focus primarily on teaching, as has occurred in Ontario.	No action taken.
Promote a more flexible delivery model of higher education to encourage skills upgrading by strengthening credit transfer arrangements between tertiary education institutions and provinces.	No action taken.
In provinces with constrained public finances, evaluate whether tuition policies undermine institutional quality and competitiveness.	No action taken.

Recommendations in previous Surveys	Actions taken since May 2016 and current assessment
Replace the lifetime capital gains tax exemption by a more targeted measure of benefit to high-potential young firms.	No action taken.
Review Business Development Bank of Canada (BDC) programmes to ensure that they are focused on efficiently addressing clear capital-market failures. Encourage the BDC venture capital arm to shift from direct seed capital investments to passive side-car investments with angel investors.	The BDC has a legislative mandate to offer services that are complementary to those offered by private financial institutions. Through its annual corporate reporting process, the BDC has provided the government updates on how it is meeting its complementarity mandate, including changes to its venture capital strategy and lending to women entrepreneurs. The BDC will undergo a more in-depth legislative review in 2020 that assesses its effectiveness in the current economic and financial climate.
Subject the Industrial Research Assistance Program (IRAP) and other R&D support programmes to rigorous cost-benefit evaluations.	As an outcome of the 2017 horizontal review of federal business innovation programmes, the Government of Canada will be collecting better data to be able to evaluate interventions in a robust manner, with new funding for this purpose provided in Budget 2018 to Statistics Canada and the Treasury Board Secretariat.
Encourage tertiary education institutions to include training in entrepreneurship and business skills in their science-based programmes.	Collaborative networks/partnerships are being established between employers and post-secondary education institutions through the Student Work Placements programme to promote entrepreneurial skills and experiences for STEM students. Budget 2017 provided CAD 221 million over five years, starting in 2017–18, to provide work experience in businesses to Canadian post-secondary students, generally at the graduate-level. Funding is delivered by Mitacs, a not-for-profit organisation that builds partnerships between industry and educational institutions and has the goal of providing 10,000 work-integrated learning placements for Canadian post-secondary students and graduates each year—up from the 2017 level of 3,750 placements.
Scale up business development support for growth-oriented female ventures.	BDC has committed to investing CAD 200 million in women-led technology firms over 2018-19 to 2022-23.

F. Energy and environmental policies

Act on Canadian governments' Vancouver declaration to ensure that an adequate price is placed on carbon emissions across the country to allow Canada to meet its international commitments.	The federal, provincial and territorial governments adopted the Pan-Canadian Framework on Clean Growth and Climate Change (PCF) in December 2016. A core component is ensuring that GHG emissions are subject to a minimum price across the country. The price is to rise from CAD 10 per tonne of CO ₂ equivalent in 2018 to CAD 50 by 2022. All provinces and territories except Saskatchewan have signed on to the PCF. The federal government will introduce an explicit carbon-pricing system, which will apply in jurisdictions that do not have carbon pricing in place by end-2018.
Make greater use of road-use charging and parking fees to encourage commuters to switch to public transit.	No action taken.
Regularly review water pricing and rights to ensure efficient use. Check that Alberta's water allocation and licence transfer processes reach conservation objectives.	No action taken.
Review the efficiency of promoting corn and cellulosic ethanol and other biofuels. Rather than imposing regulatory mandates, offer increased research subsidies or prizes for technological breakthroughs if a carbon tax or permit trading is infeasible in agriculture.	No action taken.
Review the oil-sands tenure process regularly, and remove the exploration/production requirement to make it consistent with Alberta's sustainability objectives.	No action taken.
Provide clear guidelines for resource companies on how to engage with affected Aboriginal groups so that projects bring long-term benefits to these communities.	The federal government recently tabled legislation in Parliament outlining a new impact assessment regime that proposes better rules for major project reviews to protect Canada's environment and grow the economy. These rules include: early, inclusive and meaningful public engagement; nation-to-nation, Inuit-Crown, and government-to-government partnerships with Indigenous peoples; timely decisions based on the best available science and Indigenous traditional knowledge; and sustainability for present and future generations.

G. Agricultural policies

Phase out the supply management regimes by the progressive introduction of market forces, in particular, for milk and eggs.	The Senate tasked Ernst and Young to report on the effects of supply management. This report has not been published.
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