



Memorandum

To: Canadian Veterinary Medical Association (CVMA)

From: Impact Public Affairs

Subject: **Federal Fall Economic Statement 2024**

Date: December 16, 2024

Government House Leader Karina Gould tabled the Fall Economic Statement (FES) on behalf of the new Minister of Finance Dominic LeBlanc and the federal government this afternoon. The FES follows the resignation of the Deputy Prime Minister and Minister of Finance, the Hon. Chrystia Freeland, earlier this morning. Minister LeBlanc will now serve as the Prime Minister's steady hand as Minister of Finance in addition to his roles as Minister of Public Safety and Intergovernmental Affairs.

The FES provides an opportunity for the federal government to share an update on current finances and highlight priorities. Compared to typical timelines for release, this year's announcement comes after significant delay and in a period of great uncertainty for the federal government. Affordability and the cost-of-living crisis remain top-line agenda items for the federal government, with Prime Minister Trudeau recently announcing measures such as the GST/HST break and business-focused tax breaks and incentives. The FES also features updates on and commitments to housing and infrastructure development, capital investment in Canadian innovation, and investment tax credits to support the industrial transition, among other key priorities, to increase productivity and sustain wage growth.

In response to looming 25% tariffs promised by President-elect Donald Trump and pressure from Premiers, the federal government plans to invest in supporting the Canada Border Services Agency, the RCMP, Public Safety Canada and the Communications Security Establishment, although the details of this remain vague. They are "focused on countering the U.S. threat of tariffs while fostering a stable and competitive business investment climate."

The Leader of the Official Opposition, the Hon. Pierre Poilievre, posted online that the Liberals forced former Minister Freeland "through the fiscal guardrail and Canadians off the debt cliff" and reiterated the Conservatives' intention to take a common-sense approach to supporting Canadians.

The federal government has failed to hold its commitment to keep the deficit at or below \$40.1 billion. The deficit for the 2023-2024 fiscal year totalled \$62 billion. Last week, the Bank of Canada cut interest rates from 3.75% to 3.25% — factors that influenced this decision included weaker GDP data than expected and slowing economic growth. Ahead of 2025, the federal government continues to contend with the ongoing affordability and cost-of-living crisis, rising unemployment rates, and pressure from



opposition parties and the public alike to deliver relief and support to Canadians. The federal Cabinet is also in significant disarray and is expected to be shuffled shortly.

Key measures related to health in the 2024 Federal Fall Economic Statement:

- Reaffirmed previously announced \$200 billion investment over 10 years to improve Canada's universal public health care system, to shorten wait times, and attract more family doctors.
- \$30 million for the Vital real-time health computing infrastructure for Trials, Artificial Intelligence, and a Learning Health System (VITAL) to pilot a secure digital AI infrastructure to leverage Canadian health data.
- \$27.8 million over five years, starting in 2025-26 for a new Red Tape Reduction Office to accelerate the cutting of red tape from the regulatory system; establish measures to track, assess and communicate the results of regulatory action; and improve accountability, oversight, and transparency in key sectors including medicine and health
- Federal government considering further measures to create a more nimble and resilient labour market, that supports newcomer integration into their chosen professions, including by removing the tax-exempt status of regulatory colleges that do not accelerate credential recognition and publishing a national credential recognition performance framework.
- To further improve labour mobility, the 2024 Fall Economic Statement announces the government's intent to consider a similar standard setting framework as the Red Seal Trade Program to enable the mobility of health care workers across the country.
- It was noted that the Canada Health Transfer is projected to increase from \$52.1 billion in 2024-25 to \$65.3 billion in 2029-30, supported by the CHT growth guarantee of at least 5 per cent for five years (in effect from 2023-24 to 2027-28), after which it will grow in line with a three-year moving average of nominal GDP growth, with funding guaranteed to grow by at least 3 per cent per year.
- Health agreements with provinces and territories total \$4.3 billion per year from 2024-25 to 2026-27, which includes \$2.5 billion per year for tailored bilateral agreements, \$600 million per year for mental health and addictions services that expires in 2026-27, \$600 million per year for home and community care that expires in 2026-27, and \$600 million per year for long-term care that expires in 2027-28.

Key measures related to agriculture in the 2024 Fall Economic Statement include:

- \$4.3 million over three years, starting in 2025-26, to the Canadian Food Inspection Agency to advance mutual recognition in the agriculture and agri-food sector and support businesses in building capacity to meet federal regulations and expand trade across the country.