

BBOT POLICY BULLETIN

2017 Federal Budget

Burnaby Board of Trade Welcomes Budget's Focus on Infrastructure, Innovation, Housing and Child Care; Concerned with Lack of Plan for Return to Balance

March 22, 2017 --- The Honourable Bill Morneau, Minister of Finance, released the 2017 federal budget today in Ottawa outlining the Government of Canada's spending priorities for the coming years, including innovation, skills training, infrastructure, affordable housing and child care, while forgoing any major changes to taxation.

The budget contains a deficit of \$28.5 billion for the coming fiscal year of 2017/18 and does not anticipate a return to balanced budgets with significant deficits expected throughout the budget's 5-year forecast. The BBOT is concerned with this lack of a plan for returning to balanced budgets as continued deficits and increased debt may limit the ability of the federal government to enact future taxation reductions or spending initiatives.

Budget 2017 gives considerable attention to skills training and supporting innovation in Canada, which the BBOT supports. The budget includes more money to help current workers upgrade skills, gain experience or start businesses, and pledges to more than double the number of co-op opportunities for students to gain valuable work experience. Budget 2017 also gives further clarity to the government's plan to support "innovation superclusters" to enhance competitiveness and innovation in the key sectors of digital media, clean tech, agrifood, advanced manufacturing, biosciences, and clean resources. As Burnaby is home to many of these types of companies---as well as two leading post-secondary institutions---the BBOT is particularly interested in this specific aspect of the government's "Innovation Agenda."

In addition, Budget 2017 makes further mention of the clean technology sector---a key economic cluster in Burnaby---and proposes \$2.2 billion for clean tech research, development, demonstration and adoption as well as to help support the growth and development of Canadian clean tech firms. The BBOT applauds this continued support of the clean technology sector as it is both an economic driver and a route to increasing sustainability. Beyond clean technology though, the budget contained few additional sustainability initiatives.

The federal budget proposes to endow the new *Canada Infrastructure Bank* with \$35 billion over 11 years to spend in partnership with all levels of government and the private sector on transformative infrastructure projects. Further focus was given to infrastructure with the announcement of the *Trade and Transportation Corridors Initiative* which will spend \$10.1 billion over 11 years to improve trade infrastructure across the country to help businesses access world markets for Canadian goods.

The BBOT is pleased to see significant attention given to improving access to child care and the issue of unaffordable housing. Budget 2017 dedicates \$7 billion over 10 years to build more child

care spaces across Canada and estimates that the first 3 years of funding would create 40,000 new child care spaces. The budget also proposes spending \$11.2 billion over 11 years to build and repair Canada's stock of affordable housing as part of a new *National Housing Strategy*. \$5 billion of this funding will be dedicated to a new *National Housing Fund* which will, among other things, prioritize affordable and social housing for vulnerable populations. In addition, \$40 million will be dedicated to a *Housing Statistics Framework* to provide better statistics and data on housing, including the degree of foreign ownership.

Following the launch of its new *Women's Business Success Network*, the BBOT was also interested in seeing the first-ever gender statement in a federal budget, which provides gender-based analysis of the different impacts of budget policy on men and women.

As part of its review of the federal budget, the BBOT is happy to share analysis and information on the 2017 federal budget from across the Chamber network:

Canadian Chamber of Commerce [2017 Budget Analysis](#)

"Business needs a modern, well-trained and constantly-evolving workforce to compete in the economy of the 21st Century. We commend the government for its measures on skills, but urge it to do more to ensure our businesses can compete on all levels."

BBOT-member KPMG [2017 Budget TaxNewsFlash](#)

"Although the budget did not feature significant tax changes, it does include many measures that affect Canadian businesses and individuals... Further, the budget announced that Finance is reviewing the use of certain tax planning strategies involving private corporations."

Additional Budget Material:

[Government of Canada Budget 2017 Website](#)

[Minister Morneau's Full Budget Speech](#)