

# We've got holes in the fiscal framework!

THE GAPS FEDERAL BUDGET 2017-18 NEEDS TO FILL

## Picking Winners and Losers

A major barrier to investment, the Accelerated Capital Cost Allowance doesn't apply to oil sands production & mining as it does to other sectors.

## Deficit Budgets

Following the fall fiscal update Budget 2016 includes a deficit of \$25.1B. The path to balanced budget remains undefined, with total Government of Canada debt estimated at \$730B by 2021.

## Overspending for Programs

Budget 2016-17 saw a 7.57% increase in program expenses. Chambers suggest holding operational spending growth to the growth of population and inflation (approx. 2.5%).

## Stalled Pipelines, Investment

Approval processes for pipelines that move energy products to world & domestic markets continue to stall. The 3 largest Canadian projects represent \$25.3B in potential private investment and over \$50B in estimated federal tax revenues.

## Inefficient Innovation

Budget 2016 committed \$2B for post-secondary institutions to enhance innovation. At the same time, supports for business-based R&D grew only \$50M. Supports to improve innovation in Canada should be aligned to encourage private R&D investment and competitiveness.

## Growing Cost Burdens

New programs like the proposed federal carbon price and CPP premium hikes are missing the price tag cost to business. Layering costs reduce business competitiveness, and uncertainty erodes their confidence.