

MOVING IN A LIVABLE REGION

Canada's new Federal Government
A Platform Analysis for Metro Vancouver

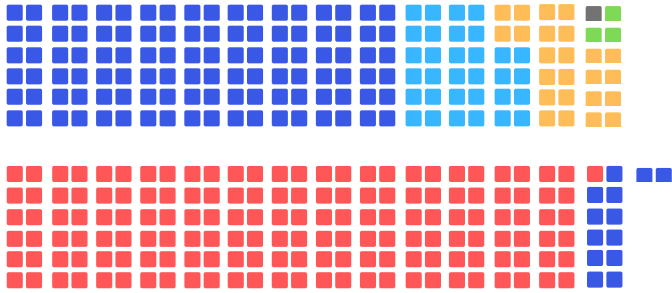
NOV 2019



OVERVIEW

With the outcome of the 2019 Federal Election resulting in no party holding the majority of seats in the House of Commons, the path forward for the 43rd Parliament holds opportunities and challenges for local governments and infrastructure spending.

While the Liberal Party currently holds the most seats, there are factors to consider when reviewing the new government's approach to partnership with provinces and municipalities.



House of Commons

LPC = 157 BQ = 32 GPC = 3
 CPC = 121 NDP = 24 IND = 1

FACTORS CHARACTERIZING POST-ELXN 43 POLITICS

ALBERTA OIL + GAS REVENUES ARE FORECAST TO INCREASE

30%

WITH PIPELINE DEVELOPMENT

FEDERAL GOVT PROVIDED DAIRY INDUSTRY WITH FUNDING OF

\$1.75bn

BEFORE FEDERAL ELECTION

GOVERNING PARTY SEAT COUNT BY PROV/TERR

BC = 11 NS = 10
 MB = 4 ON = 79
 NB = 6 PE = 4
 NL = 6 QC = 35
 NT = 1 YT = 1

BANK OF CANADA PROJECTS GDP TO SHRINK

4.5%

BY 2021, HOLDING INTEREST RATE AT 1.75%

AUTO SALES DECREASED IN JUNE 2019 BY

7.2%

AND ARE HOLDING AT A NEGATIVE TREND

SEAT DISTRIBUTION IN METRO VANCOUVER

LPC = 11 NDP = 4
 CPC = 10 IND = 1

TOTAL SEATS IN METRO VANCOUVER = 26

A minority government needs to collaborate with other parties. However, analysts are considering whether the Liberals will test the desire of other parties to call an election.

TESTING THE STABILITY OF A MINORITY

01 The NDP has a negative asset holding of \$4.5 million, and ran a \$1.4 million operating deficit, entering 2019 with \$155k in the bank.

02 The BQ have repeatedly stated that they do not want an early election, and will be competing with the Liberals for support in QC.

03 The CPC is currently engaged in an internal review of the party's election performance, with a formal membership review at their convention next spring.

ESSENTIALLY: These circumstances provide the Liberals with a greater degree of freedom to exercise their party's agenda.

PARSING THE GOVERNMENT'S PLATFORM

The Liberal Party has made a number of monetary and policy commitments in its 2019 platform that may have an impact on the work of various MLR stakeholders. Some of the major relevant items from the platform are listed here.

It might be important to note that the Liberal Party has promised to make it a requirement that provincial and territorial governments identify and approve their long-term infrastructure priorities within the next two years. Undesignated funds will be invested back into the federal Gas Tax Fund at the end of 2021.



ESTABLISH A NATIONAL INFRASTRUCTURE FUND

FUND TO ALLOW SCHOOL BOARDS + CITIES TO BUY

5k

ZERO EMISSION BUSES OVER FIVE YEARS

SET UP A PERMANENT PUBLIC TRANSIT FUND

\$3bn

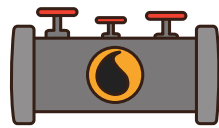
INCREASE IN STABLE TRANSIT FUNDING



ONLY ZEV TRANSIT WITH FED MONEY FROM 2023



CREATE NATL FLOOD INSURANCE



BUILD TMX PIPELINE AND SELL BACK

FEDERAL FUNDING TO BUILD

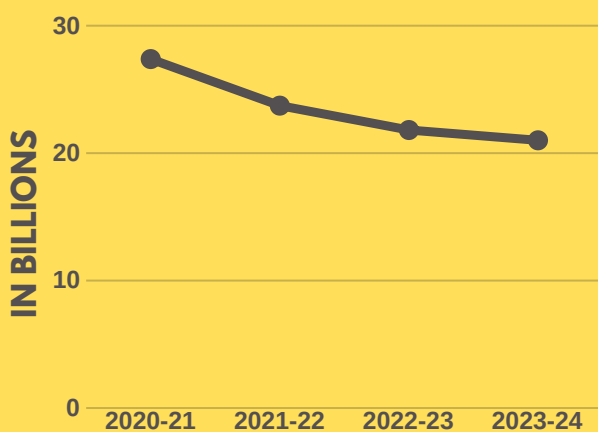
100k

AFFORDABLE HOMES IN 10 YEARS

FIRST TIME HOME BUYER SUBSIDY

10%

ON NEW HOME PURCHASES



The Platform Projected Deficit

The government platform sees the federal budget deficit going from approximately \$27bn in 2020-21 to \$21bn in 2023-24. These spending trends may affect the distribution of federal support among provinces, compounded by the effects of a minority scenario.

It is worth noting that the process of passing the new NAFTA (CUSMA) through the U.S. House of Representatives may also affect federal spending to account for losses/gains.

ISSUES AFFECTING BC + METRO VAN

Metro Vancouver contains many federal electoral districts that are valuable to the major parties. The electoral outcomes in these ridings can often be affected by decisions and investments.

We can expect to see the federal government interested in making progress on different local priorities. However, there exists the issue of the construction of the TMX pipeline extension.

The federal government has been clear about making the construction its priority, and will push through the process to getting it built. The reactions of other entities involved could have an influence on the working relationship between various levels of stakeholders.

A QUICK REVIEW OF OTHER PARTIES' PRIORITIES

This section provides an overview of where the other parties lie on highlighted issues, thereby painting a picture of how party cooperation could potentially play out in this parliamentary setup.

TRANSPORTATION

- BQ** Bigger discounts for ZEVs. Wants transportation across Canada electrified. Wants review of rail regulations.
- CPC** Support EV sales. Keep current transit investments, but scrap the Canada Infrastructure Bank. Reinstate transit tax credit.
- GPC** Ground transport zero-carbon by 2040. Build rail systems. All car sales to be EVs by 2030. Exempt ZEVs from federal sales taxes.
- NDP** Electrify transit by 2030 and make transit rides free. Eliminate federal tax on ZEVs and make all car sales EVs by 2040. Reinstate rural buses.

HOUSING

- BQ** Funding for more social and affordable housing in QC. Allow people to take money out of RRSP to renovate post-disaster.
- CPC** Ease regulations to get homes built. Raise amortization limit to 30 years. Green homes tax credit. Inquiry into money laundering.
- GPC** 25,000 new affordable housing units. Make housing a right. National Housing Strategy. Scrap Liberal home buyer incentive.
- NDP** 500,000 affordable housing units in 10 years. Federal surtax on foreign buyers. Reinstate 30-year terms for mortgages. Double home buyers' tax credit.

CLIMATE CHANGE

- BQ** Committed to Paris Agreement and wants to exceed targets. End fossil fuel subsidies. Against Energy East and pro-QC veto.
- CPC** Repeal bills C-69 and C-48. Eliminate the carbon tax. Create National Energy corridor. End foreign interference in energy.
- GPC** Make Canada Post electric. Zero emissions by 2050. Cancel TMX. Divest CPP investment from fossil fuels. Make EVs more affordable.
- NDP** Create a climate bank for projects. Build clean energy corridor. 100% non-emitting electricity by 2050. Eliminate fossil fuel subsidies.

HEALTH CARE

- BQ** Reduce price of brand-name drugs. QC should receive more funds for the cost of drugs due to CUSMA/USMCA.
- CPC** \$1.5 billion for new medical imaging equipment. Increase the Canada Health Transfer. Want to focus on gaps in insured public.
- GPC** Implement pharmacare by 2020. Declare a national emergency for the opioid crisis. Implement low-income dental care.
- NDP** Implement pharmacare by 2020. Extend public dental coverage for households making less than \$70k/yr. Expand coverage to mental, eye, dental, and hearing.