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**OFFICIAL REPORT (HANSARD)**

**Tuesday, April 4, 2017**

Speaker: The Honourable Geoff Regan

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**The Budget**

Financial Statement of Minister of Finance

**Ms. Dianne L. Watts (South Surrey—White Rock, CPC):**

I am pleased to rise and speak to the 2017 budget that was tabled in the House on Wednesday, March 22.

During the election—and everybody knows this, including members on this side of the House—the Liberals went door to door promising they would run a small temporary deficit of \$10 billion for two years and would then balance the budget in 2019. In 18 months, the Liberals have given Canadians a debt of \$100 billion and no plan to balance the budget. Even if they started to try right now, they would not balance the budget until 2055. They have missed the target by 38 years.

Since budget 2016 was tabled, the Liberals have failed to deliver on a majority of the allocated infrastructure funds. Ninety-five per cent of the announced infrastructure projects are still not under construction.

As the critic for infrastructure, communities, and urban affairs, I had hope and optimism for budget 2017. I really thought the government had a chance to introduce a new infrastructure plan, a plan that would actually get infrastructure projects built instead of just announcing and reannouncing them; a plan that included transparency measures to ensure Canadians could clearly see where the infrastructure funds were going and how their tax dollars were being spent; a plan that included performance measures, a framework to measure progress and to ensure that the promised announcements were actually creating jobs and growing the economy; a plan that included clear funding commitments for Canadian municipalities; a plan that was transparent and accountable. After two parliamentary budget officer reports that identified these shortfalls, a Senate committee report that identified these shortfalls, two independent reports that identified these shortfalls, we see budget 2017 has included none of these measures. What

we have is a back-ended budget. Canadians must wait. They must wait for child care dollars, housing, and transit projects.

The Liberal government is the government of announcements and reannouncements.

Several initiatives that support the most vulnerable will not start this year. They will not start next year. In some cases, they will not start until after 2022, well after the next election.

Let us just leave that piece for now.

I would like to switch gears for a moment and discuss infrastructure banks. Both the Prime Minister and the minister stated that we needed desperately to set up an infrastructure bank. Why? It was to leverage private sector dollars.

In 2009, the Conservative government set up PPP Canada specifically to leverage private sector dollars for infrastructure, and it worked. We leveraged almost \$7 billion. The infrastructure is in place, the expertise is in place, and there is a proven record of success. Why does the government need to take \$15 billion from Canadian communities, from rural communities, from projects that have already been announced and reannounced? In fact, \$1.3 billion in committed funds from PPP Canada was already leveraged in public infrastructure.

As well, last August, during the Prime Minister's visit to China, he announced that Canada intended to join the Asian Infrastructure Investment Bank. This is an institution, backed by the Chinese government, is based out of Beijing, and it is specifically designed to build infrastructure projects in Asia. Upon its inception in 2014, both the Conservative government and the Obama administration decided that this bank was not the best way to use taxpayers' dollars, and both administrations decided to decline joining the bank.

Fast-forward to 2017, and it is clear that times have changed. This clearly shows where the Liberal government's priority is, so it was no surprise that this budget included \$256 million committed from Canada for the Asian Infrastructure Investment Bank. However, what the budget conveniently left out is that Canadians will actually be on the hook for approximately \$1.3 billion if the projects default, not just the \$256 million that had been promised. Nowhere in the budget is this mentioned.

Going back to Canadian infrastructure, 95% of the announced infrastructure projects in Canada have not started construction. Instead of focusing on building projects here at home, the government is spending billions of dollars to build roads and bridges in Asia. Canadians need a government that is focused on their needs first, not spending their hard-earned taxpayer dollars overseas. Note that Liberal commitment spending outside Canada has exceeded \$9 billion. The Liberal government members excel at telling Canadians how much they are spending on infrastructure, how they are creating jobs, how they are growing the economy, and how they are growing the middle class. Words are only words if there are no actions to back them up.

Furthermore, budget 2017 announced that the public transit tax credit will be eliminated starting July 1, 2017, Canada's 150th birthday. This common sense tax credit makes public transit more affordable for low-income workers, for students, and for seniors. In the budget, the Liberals have taken away the public transit tax credit that helps make public transit more affordable for Canada's most vulnerable. Their argument was that this tax did not help low-income Canadians because those who make less than \$12,000 per year could not use the credit. Today we heard from another parliamentary secretary that the tax credit was for the rich. This is astounding, because I have never seen billionaires take a bus.

The rationale for slashing the tax-free savings account was that it was only for rich people. In my riding, seniors, the disabled, and youth are the ones using the TFSA and transit passes.

The Liberals took away income splitting, which allowed parents to stay home with their children, because it was only for the rich. This is a similar Liberal brain trust that believes "budgets will balance themselves".

I now want to go back to my earlier point. There is a significant disconnect between Liberal announcements and reality, and let me give some examples. Page 120 of the budget lists five upcoming transit projects across Canada. On the list is the Vancouver Broadway subway project in the Lower Mainland, which I would note has no dollar figures attached, nor do any of the five transit projects. Just two hours after the budget was announced, the mayors said that the federal government had told them that \$2.2 billion is committed toward their projects. Where did they get the information, and where are the funds coming from?

The budget states there is no new public transit spending this year, and most of the new public transit dollars will not flow until 2018-19. It is funny; that is just in time for the next federal election. The truth is that the Liberals will use existing Conservative infrastructure programs and the stacking of other green infrastructure programs to fund these projects, which is to the detriment of other promises they have made to Canadians.

Furthermore, this "announce now but delay funding" budget is not just related to public transit but also social infrastructure. When it comes to day care, billions of dollars were announced in the budget, but none of these new dollars will be forthcoming this year and 70% of the new money will not be spent until after 2022. The same thing goes for affordable housing.

As I am running out of time, I would also like to point out that there is no new funding in the 2017-18 budget for early childhood learning and child care, homelessness, home care infrastructure, housing research, northern housing, or indigenous programs, and there is no mention of funding for the RCMP or the Canada Border Services Agency at all.

I note that the Liberal government has allowed nearly \$1 billion in infrastructure funding in 2016 to lapse. That means the government is unable to fund announced projects.

I could go on, because the budget is very thick, and on each and every page there is something missing, but I have run out of time.

**Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):**

Mr. Speaker, one thing with which I do concur with the member across the way is that there is just not enough time to talk about the budget in terms of the things we would like to talk about. For me, it is full of wonderful things that will make a huge difference in the lives of all Canadians.

I want to go to the tax credit issue that the member made reference to and, if I may, put it in the form of a question. Hundreds of millions of dollars have actually been allocated to build transit infrastructure, including everything from buying buses to extending routes, which are significant investments that will improve the number of people actually riding on public transit, and that is something we all want to see.

Could the member across the way give us any sort of indication that the tax credit the Conservatives brought in had anything to do with increasing the amount of ridership? In other words, is it better to have the tax credit or to spend the types of money necessary in order to

expand the transit to all individuals, even individuals who do not get the monthly passes or the weekly passes, who buy and purchase the daily tokens or put the change in the meter itself?

**Ms. Dianne L. Watts:**

Mr. Speaker, clearly fairyland is going on over here, because the budget clearly states that transit infrastructure is going to be built according to ridership. If we have a community that is fast-growing, there is no ridership because there is no transportation. Therefore, the funding does not go to the growing communities.

Second, if we actually look at the budget, we see that 95% of the transit projects are not under way, they are not under construction, and they are not even going to be under construction until past the next election.

What about the people now? What about the people who need to function and live now without all of the taxes that the Liberals have put into this budget and into the lives of everyday Canadians? They need help now. They need help now when it comes to homelessness. They need help now when it comes to affordable housing. They need help now when they need to get to work. They need it now when they are struggling from paycheque to paycheque. They need those tax credits now.

**Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP):**

Mr. Speaker, I represent a community that felt the double hit of the cancellation of the public transit tax rebate. On the marine side, ferry fares have gone through the roof in my province over the last 12 years of a user pay philosophy around public transit. Commuters were able to apply for a 15% tax rebate. Public transit commuters also use buses and so on. The working poor who rely on this transit rebate are very disappointed. It is all over social media how many people are disappointed about this.

I would like to hear more from the member, from her local government leadership experience, on her perspective on whether the transit tax program was sufficiently communicated and what the government might have chosen to do to increase ridership and increase take-up of this tax rebate.

**Ms. Dianne L. Watts:**

Mr. Speaker, as a former mayor, in dealing with the community and dealing with public transit, I heard very clearly. When we have students who need to get to school or to university, when we have people who do not have vehicles, who cannot afford vehicles, taking public transit when that is their only option, I find it absolutely outrageous that the members on this side of the House have categorically stated that the tax credit was only for the rich and that is why it was taken away. I find it outrageous. I have disabled people in my community who have depended on that tax credit and who have used it.

In fact, I go back to the tax-free savings account. There are several disabled people in my community and several seniors in my community who were depending on that. When I hear that all of these tax credits are gone because only the rich get them, I do not know what their definition of rich is, but I think they had better redefine what rich is and redefine what the middle class is, because they are clearly out of touch.