



POTENTIAL IMPACT OF THE 2019 CANADIAN ELECTION

With the election now behind us, and a Liberal minority government in place, we will take a look at what the potential impacts that could occur based on Trudeau's campaign proposals. The focus of this article will be on the financial aspects of the policy, therefore, social policy will not be addressed unless it comes with a potential financial impact to Canadians.

Health Care

Health care was one area that seemed to attract a lot of attention this election, with the NDP and Liberals both putting forth the idea of Universal Health Care being expanded into other areas such as dental and prescription drugs. The Liberals did float the idea exploring the inclusion of prescription drug coverage, but the likely massive cost of such a program may put this issue on the back-burner for some time. If the Liberal government begins to rely on NDP support to hold power, this issue may come more into focus.

Housing

Affordable housing is a major issue with all Canadians, but especially young people. The Liberals have already taken steps to improve conditions with the First Time Home Buyers Incentive Program, but have promised to expand the program to help those in the high-cost areas of Toronto, Vancouver, and Victoria, by raising the house value limits and income rate required to qualify for the program there. Real Estate experts seem to think the plan will do little to help, instead only exacerbating the problem by making it easier for young people to buy houses and further inflate prices. Another campaign promise was to provide interest-free loans up to \$40,000 for those that wish to renovate their homes to make them more energy efficient.

Small Business

The Liberals have promised to raise the Federal minimum wage to \$15/hour. While each province sets its own minimum wage, the federal level provides an effective floor level that must be reached. Alberta already has in place a \$15/hour minimum wage, so there would be no effect locally, but other provinces, especially those with minimum wages still in the \$11/hour range will be greatly affected by this change, with small business owners facing much higher wage costs as a result.

Taxes

The focus on helping lower and middle-income Canadians will be realized with proposed changes to the Basic Personal Income Tax Deduction, which will see it increased to \$15,000 for those earning less than \$147,000 per year. The Liberals have promised to cut taxes on companies that work on "zero-emission" technologies and products, but that relief will likely only impact a very small number. There was also talk of adding taxes on luxury items like high-end cars, but no formal information was presented before the election.

Technology

One of the most unclear campaign promises was the idea that a Liberal government would take action to lower the cost of cell phone bills in Canada. While Canada has long held the status of having the most expensive cellular service in the G8, previous governments have tried, and failed, to address the issue, and the Liberals offered no details on how they would tackle the problem.

Transportation

On the long list of Liberal spending was the increased support for public transportation projects, and for electric vehicles with a promise to have charging stations available along the entire length of the TransCanada Highway. While quintessentially Canadian, turning the TransCanada Highway "Green" will likely have little environmental impact until electric vehicles become more widespread and fit within the budget of the average Canadian, which is another area the Trudeau government may look at.

Child Care

Child care had been a major policy initiative under the Trudeau government. Previously, and still continuing to promise, expanding the Universal Child Care Benefit for parents with children under the age of one. They also made promises to work on expanding the amount of child care spaces, and to work on reducing the costs of those programs by providing more federal funding.

Education

An interesting proposal for students is the Liberal promise to make student loans interest free for two years post graduation, and not to require repayment until the former student is earning more than \$35,000 per year (before taxes). This could certainly provide some breathing room for new graduates to find a solid job before they need to worry about repaying their loans. The Liberals also proposed raising the maximum Canada Students Grants to \$4200 per year for full-time students, up from the current \$3000.

Budget

The overall Liberal budget will likely be an extension of what we have already seen in the last four years, with high levels of spending and substantial deficits. While this may not have immediate implications, massive ballooning debt will put pressure on future governments and young people to pay the burden.

Source:

<https://newsinteractives.cbc.ca/elections/federal/2019/party-platforms/>

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