

The Speech from the Throne: Canada's government sets its direction for the future

Tax alert | December, 2019



With the Liberal minority government in power and ready to govern, Governor General Julie Payette delivered the Speech from the Throne to the Senate of Canada on December 5, 2019 to open Canada's 43rd Parliament. In front of Prime Minister Justin Trudeau, elected Members of Parliament, senators, Supreme Court justices and other VIPs, the Governor General read aloud, in both official languages, the Liberal government's plan for all Canadians. The Throne Speech appeared to outline the federal government's intent to work on policies more closely aligned with its own ideological views and to continue working on policies from its first mandate. However, the government also seemed to purposefully reach out to all Parliamentarians, regardless of political party, to work together to get things done.

Tax relief was one of the major items on the government's agenda in the Throne Speech. Almost all of the major political parties included tax relief for Canadian individuals as part of their policy platforms during the election campaign. Due to this, and the fact that it would likely be politically untenable to oppose such a policy, this tax measure will likely receive widespread support in Parliament when it is officially outlined, possibly later in December or, alternatively, in budget 2020. Assuming the upcoming legislation mirrors the Liberal election campaign proposal, this would mean a gradually-increasing

basic personal credit for individuals up to \$15,000 by 2023-24 on income up to \$147,667, with a gradual phase-out when income hits \$210,371.

There were also several nods towards both tax and other economic measures to fight climate change. The Throne Speech specifically stated that the government will "work with businesses to make Canada the best place to start and grow a clean technology company." This likely referred to the policy proposed during the election campaign to halve the tax rate for corporations.

considered “clean tech companies.” Moreover, the wording “best place to start” might suggest an additional incentive, tax or otherwise, targeting entrepreneurs looking to start a “clean technology company.” In his post-Throne Speech reaction, Andrew Scheer, the leader of the Conservative party, the official opposition, appeared to suggest that his party was potentially in agreement with this aspect of the Throne Speech. There was also mention of further incentives for Canadians who wish to purchase zero-emission vehicles, which is likely a reference to the 10 percent rebate of up to \$2,000 that was also part of the Liberal election platform. Climate change seemed to be one of the main pillars of the Throne Speech, with the government offering several additional ways that it plans to address this issue.

Despite outlining several measures to address climate change, the Throne Speech clearly mentioned that the government will “work just as hard to get Canadian resources to new markets, and offer unwavering support to the hardworking women and men in Canada’s natural resources sectors, many of whom have faced tough times recently.” Although they did not specifically mention pipelines, it was clear this was (at least) partly what the government was referring to. Following the Throne Speech, the leader of the Bloc Québécois, Yves-François Blanchet, stated that although the speech did not mention the word “oil”, he did understand this was what it referred to. However, he acknowledged that since the speech did not specifically say “oil”, his party could also assume the reference was to other resource industries, such as forestry or hydroelectric—both large industries in Québec.

The concept of “tax fairness” was mentioned in the speech. Furthermore, several references were made to the group commonly referred to as the “middle-class.” Some of the items that would likely target this group include:



providing more time and money for children, likely referring to, at least in part, enhancements to the Canada Child Benefit mentioned in the party platform;



making it easier for first-time homebuyers to purchase a home, which may refer to the increase in home value eligibility for the First-Time Home Buyer Incentive outlined in the platform;



increasing the federal minimum wage (\$15/hour was the target set in the platform);



cutting cellular and wireless costs by 25 percent; and



investing in healthcare and affordable housing, and providing help for students.

Although the eventual legislation may not exactly mirror the original election campaign proposals, the above-mentioned items were, in fact, all outlined in the party’s election platform and many, if not most, of the main elements will likely be present.

The Throne Speech also mentioned that the government would continue to push through the “new NAFTA”. It also specifically stated that those in the supply management sectors—specifically

mentioning farmers in the dairy sector—would be “fully and fairly compensated” as a result of the new NAFTA and other trade agreements.

What the specifics of the government’s agenda might entail is anyone’s guess. Prior to the Throne Speech, Prime Minister Trudeau met with leaders of the other federal political parties, Saskatchewan premier Scott Moe and Edmonton Mayor Don Iveson, among others, to discuss various matters important to each of them. The speech itself contained several instances where the government seemed to say that it wanted to work together with the other parties. Furthermore, additional measures not originally part of the Liberal party’s election platform, but part of other parties’ platforms, were also mentioned in the speech. For instance, the government stated it was open to new ideas from all Parliamentarians and mentioned national dental care, part of the NDP’s election platform, as an example of one such idea. These signs seem to suggest that the Liberal government is making a deliberate effort to work with other parties, governments and stakeholders. That said, this may also have been done more out of necessity than as a gesture of cooperation, given the unstable nature of minority governments.

Subsequent to the Throne Speech, Finance Minister Bill Morneau was interviewed about some of the content in the speech. During the interview, he mentioned that an economic update from the federal government will likely soon be forthcoming. Although he declined to specify when exactly Canadians should expect such an update, it appears that it may be sooner rather than later, possibly even before the holidays. If this is the case, it will be interesting to see if any specific legislation hinted at in the Throne Speech will be included in that update.

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