

Small businesses are "biggest losers" in Federal budget: Chamber

By Brock Weir

The Federal Liberal Government released their first Budget last week and while municipalities like Aurora are hailing the blueprint for its investment in infrastructure, local business owners shouldn't be so happy, according to the Aurora Chamber of Commerce.

Following last Tuesday's budget speech, Mayor Geoff Dawe said Aurora was 'pleased' to see the Trudeau government maintain its commitment to make a 'significant investment in Canada's key infrastructure, addressing both underfunded and overdue critical infrastructure while, in the process, stimulating our national economy through job creation and funding in this construction activity.'

'The Budget commits over \$120 Billion for various infrastructure groups and categories over the next 10 years,' said Mayor Dawe in a statement. 'Areas the Town is delighted in seeing is support for municipal infrastructure, as well as commitment for significant improvements for public transit in major urban centres such as the GTA, as well as other important groups of infrastructure such as recreational facilities.'

'Again, the details are where we really find out is what benefits might flow to Aurora specifically, and where the projects larger than Aurora, such as public transit, may have an improvement for the quality of life for our residents.'

Aurora-Oak Ridges-Richmond Hill MP Leona Alleslev offered similarly optimistic words about the financial blueprint, noting she was 'inspired' by the budget which finds the 'delicate balance between tinkering and actually making some fundamental foundational challenges.'

'It is a challenge, but it is pretty exciting and definitely something that we need at this point,' she said. 'If we were looking at some of the immediate things, that is around lowering taxes, which has already happened, and the Canada Child Benefit which is going to be coming and should be effective by July, and will make a significant difference to probably three million families and will lift 300,000 children out of poverty.'

Among the medium-term goals, Ms. Alleslev points to these infrastructure investments which she says will create jobs immediately and lay the foundation for companies to 'either grow, expand, or choose our country as a place to invest.'

That, however, is not enough, according to Javed Khan, Chair of the Aurora Chamber of Commerce, and Ms. Alleslev, along with Newmarket-Aurora MP Kyle Peterson, might find themselves in the hot seat on Friday morning when they take questions from the Chamber starting at 7.30 a.m.

'We would be the biggest losers,' said Mr. Khan. 'There is no piece at all that talks to small businesses. We represent the business community in Aurora and, quite frankly, there was nothing there. If we were representing the families in the community and infrastructure organizations, we would say the opposite - it was a massive win.'

A particular bone of contention, he said, was a less than anticipated drop in the small business tax rate, which falls to 10.5 per cent instead of nine per cent from the current 11 per cent, with any future reductions to be deferred until later.

'I am literally scratching my head asking why small businesses would be celebrating this budget,' he said. 'I am interested in hearing from the two MPs what their take is and what they're going to do to support the business community in Aurora. I would have suspected the Federal Government would have moved to fulfil a campaign promise that would reduce a small business tax rate they set. They said they would do that and now it looks like it is not going to happen until later.'

Bright spots can be found in the Budget's promise to market Canada as a top tourism destination, he adds, which would bring benefits to the business community as well as bolstering labour market information to bridge skills gaps.

?I am hoping the Aurora Chamber, along with the Ontario Chamber, encourages the Federal government to leverage any existing programs so we can enhance our labour market integration of New Canadians and I will be encouraging Kyle and Leona to go back and ensure employers within our community are aware of the opportunities provided by some level of entry system,? he said.

?At the end of the day, those things are positive but when it comes to the general small business community that would have impacted folks in Aurora's business community?There's just not really anything there. It is disappointing.?

Ms. Alleslev, however, argues that investments in infrastructure as outlined in the Budget will have a positive impact on local businesses. What is good for the riding is good for Canada and vice versa, she says.

?Once you see those investments in infrastructure, once you see more money in middle class pockets, both in terms of the lower tax rate and the Canada Child Benefit, they will have more money to spend and that will help small businesses because that is where they are going to be spending their money,? she said. ?That will give a much needed boost to small businesses in that respect.

?There is going to be a major impact both by having more money in the hands of people and all these investments in infrastructure and other things, including students not paying back their student loans until they are earning \$25,000 a year. They then have a little bit more to spend on local small businesses as well. It is not a one to one correlation all the time. Sometimes it is a ripple effect and I think small businesses are going to significantly benefit from the investments we are making.?