

Thursday, January 28, 2016

Minister of Finance

The Honourable William Francis Morneau
Department of Finance Canada
90 Elgin Street
Ottawa, Ontario K1A 0G5

RE: Federal Budget Consultations

Dear Minister of Finance,

The Peterborough Chamber of Commerce is pleased to have the opportunity to contribute to the 2016 pre-budget dialogue.

This federal budget cycle represents a key moment in Canada's recent history as the government prepares to set a course of infrastructure spending. While there is no doubt as to the importance of infrastructure to the Canadian economy and to Ontario, the importance of a Canada Pension Plan (CPP) that allows employees more flexibility in their contributions and a plan that shows Canadian resourcefulness by using our natural resources in a way that is sustainable and benefits our economy also need consideration.

The Peterborough Chamber of Commerce represents over 900 businesses in Peterborough and 25,000 employees. We have been at the forefront of discussions in the business community through the Chamber Network around the Energy East Pipeline and Canada Pension Plan.

The following are recommendations from the Peterborough Chamber of Commerce:

Targeted Infrastructure Spending: As the government moves forward with the plan to increase infrastructure investment to \$125 billion over the next decade, we ask that consideration be given to infrastructure projects that will have a positive economic impact.

- **Shining Waters Railway:** Infrastructure assets that are underutilized, such as rail between Peterborough/Havelock and mid-town Toronto, are leaving billions of dollars on the economic table each year. This project in particular has the potential to inject millions of dollars into the Ontario economy and benefit a region that has been plagued with high unemployment.
- The **Energy East Pipeline** is another infrastructure project that looks to repurpose a section of pipe and build new so that Canadian oil can be used in Canada from coast to coast. This project would also bring 250 new well-paying jobs to Peterborough, as the GE plant here has the contract to build the large motors to move the oil. In October 2015, the business community supported a resolution on the Energy East Pipeline that was brought forward by the Peterborough Chamber, the Saint John Region Chamber of Commerce and the Federation des Chambres de Commerce du Quebec, and officially supported by chambers of commerce or boards of trade in all provinces through which the pipeline will travel.

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- **Canada Pension Plan:** As the federal government reviews this plan, we ask that consideration be given to increasing the allowable amount an employee can contribute. Along with the Kingston Chamber of Commerce, we brought forward a recommendation to the federal government requesting an expansion of the employee contribution of CPP. This type of plan allows for more saving and yet does not mean an increase in payroll taxes for employers. It also supports our argument that the proposed Ontario Retirement Pension Plan is unnecessary and a burden on business.
- **Immigration:** A strong Canada needs an immigration strategy that builds up the entire country. Such a strategy should include increasing immigration to smaller centres and rural areas and ensuring these areas have the ability to support immigrant resettlement. There are several ways this can be accomplished including linking private sponsor groups with Government Assisted Refugees (GARs). The New Canadians Centre in Peterborough has also suggested making a conscious effort to re-connect families in the same community. Another area which needs further consideration is the creation of an efficient pathway through which international students trained in Canada and with links to an employer can continue on with that employer after their schooling.
- **Innovation:** Innovation and bringing new ideas to market are a growth sector of our economy. Investment in this area should allow for established companies to further innovate, as well as foster the commercialization of research. The Ontario Chamber of Commerce is asking for the Scientific Research and Experimental Development (SR&ED) tax credit be increased to 20% from the current 15%. There are also a number of tools suggested such as the Canadian Chamber of Commerce's innovation box on tax returns that would see sales/ revenues earned on a patent or a new technology developed here in Canada taxed at a much lower rate. Methods of encouraging innovation must also be easy for small and medium enterprises to access.

Peterborough businesses are looking for a federal government that is flexible and able to anticipate changes in the marketplace in a way that doesn't slow down the economic wheel, but rather improves its efficiency and function, so that Canadians reap the benefits.

Sincerely,

Stuart Harrison
President & CEO
Greater Peterborough Chamber of Commerce

c. Minister of Democratic Institutions and Peterborough-Kawartha MP Maryam Monsef

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