

CONSTRUCTION MONITOR

The BC CONSTRUCTION MONITOR is an ICBA publication providing ahead-of-the-curve information and statistics on the BC construction industry and issues relevant to it.

The Monitor draws on analyses and outlooks from various sources, and provides current and substantive insight. This regular publication is intended for industry executives, government decision makers, journalists and other opinion leaders.

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Federal #Elxn2015: Big Gains are at Risk



Philip Hochstein

We're in the home stretch of a long election campaign that three parties are in serious contention to win. In part, that's no doubt due to the inherent appeal that "change" tends to have whenever a long-standing government asks for another term.

But "change" to what?

And at what risk to the many gains we've made over the past decade?

The Conservatives have a clear track record. They have delivered low taxes, a return to balanced budgets, strong infrastructure investment, and economic performance and job growth that's the envy of many other countries. These are gains well worth protecting.

The Conservatives understand the value of leaving more money in the pockets of businesses and individuals. They respect the fact that each of us is best positioned to make our own decisions about the spending

that we and our families will benefit from most. In contrast, the other parties offer top-down policies, suffocating tax hikes and questionable budgetary plans.

In BC, we have even more reason to be concerned with the prospect of a NDP government in Ottawa. When it was in power here in the 1990s, the party believed it could tax its way to prosperity. It took disposable income from families and pushed job creators out. BC had the highest unemployment rate in Western Canada and became a have-not province. And this is part of the provincial NDP track record that its federal leader says he's proud of.

It's also noteworthy that BC is a battleground region in this campaign. Many results here could turn on very narrow margins, and the entire election will probably be won or lost based on the BC seat count. So will it be change – or a steady course designed to maintain and grow upon the gains we've made? That's the decision we've all got to make by October 19.

The entire election will probably be won or lost in BC.

The Gains at Stake	The Change on Offer	
<p>Conservatives</p> <ul style="list-style-type: none"> - Lowest Federal Tax Burden in >50 Years - Ongoing Reductions in Payroll Taxes for Employers & Employees - Early Return to a Budget Surplus - Leading Economic & Employment Growth 	<p>NDP</p> <ul style="list-style-type: none"> - \$34 Billion in New Spending - \$30 Billion in Increased Tax Burden & Other "New Revenues" - Risk of Deficits 	<p>Liberals</p> <ul style="list-style-type: none"> - \$33.5 Billion in New Spending - \$3 Billion in Net Increased Tax Burden & Other "New Revenues" - Certainty of Deficits

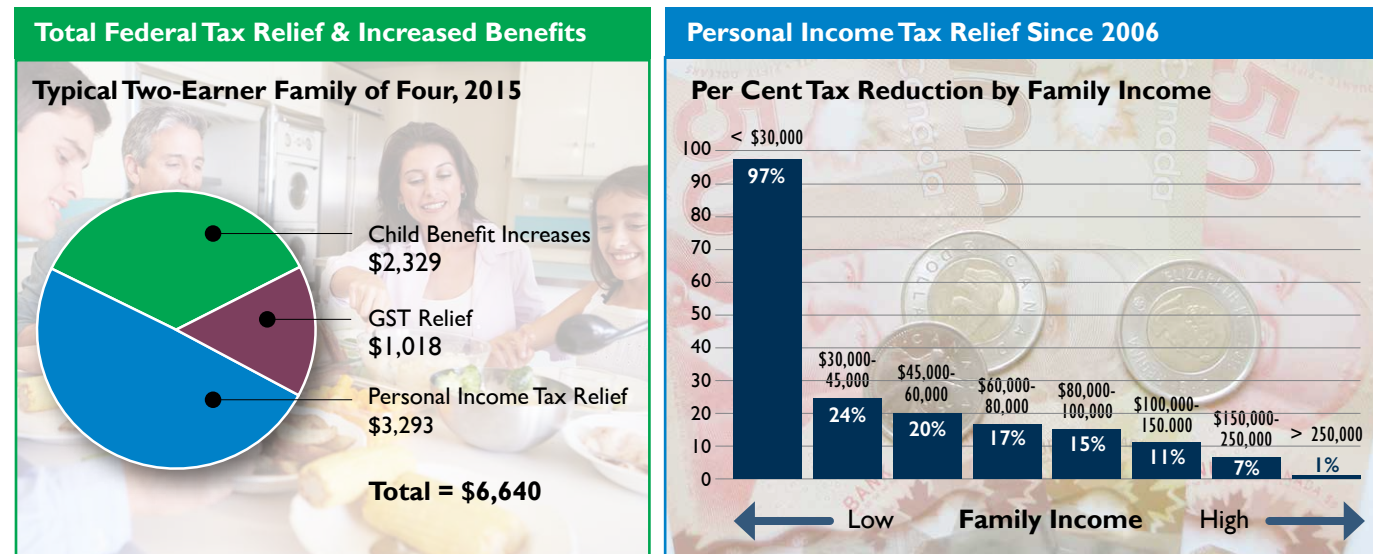
Sources: NDP and Liberal Fiscal Plans. Both opposition parties plan for some savings, but "new revenues" are largely tax- and benefits-based. Figures are for four-year term.

PROTECTING THE GAINS WE'VE MADE

More Money in Your Pocket

The Conservatives have lowered taxes every year while in office, with more than 180 relief measures since 2006. Their plan includes further reductions, while the opposition parties would roll back popular measures such as tax-free savings accounts and income splitting, and would boost payroll taxes. The NDP will also boost the general corporate tax rate by a substantial 13 per cent, with this move alone taking \$3.7 billion out of the economy and away from job creation.

Individuals are paying less tax now, with low-income earners getting the biggest break.



Business tax bills have also dropped – leaving more money available for growth and new hiring – and the Conservative platform promises more relief ahead.

Federal Corporate Income Tax Paid	
Small Canadian-Controlled Private Company, \$500,000 Taxable Income – Current Plan	
2006	\$83,600
2015	\$55,000 (↓34%)
2019	\$45,000 (↓46%)

Sources: Federal Budget, media coverage, party campaign materials.

Payroll Taxes in 2017	
For a Small Business with 15 Employees Earning \$40,000 on Average	
Conservative Plan	↓ \$3,276
NDP Plan	↑ \$16,593
Liberal Plan	↑ \$10,501

Individual payroll taxes (EI and CPP) and take-home pay would be similarly impacted.

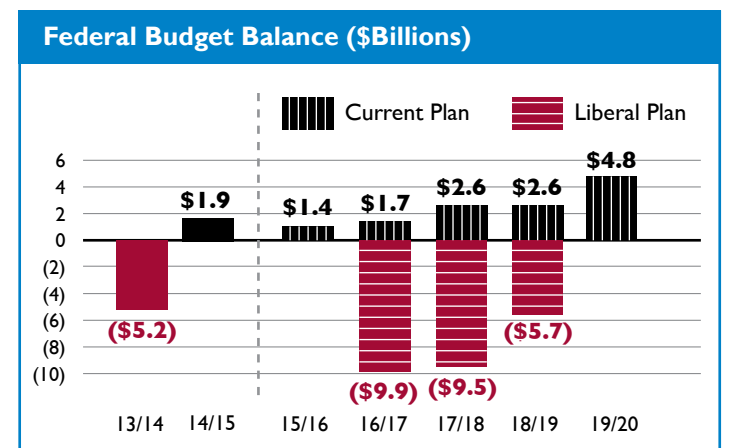


Please be sure you get to the polling station on or before October 19 to make your vote count. To confirm your registration or find out when and where to vote visit www.elections.ca

Living Within Our Means

Following several years of recovery from the 2007/08 global financial crisis, the federal budget returned to surplus a full year ahead of schedule in 2014/15, and the Conservative government has a plan to keep it in the black. The NDP – in a pledge that “does not appear to be arithmetically credible” according to one national newspaper – now says it will balance the budget too. The Liberals plan for multi-year deficits – deferred taxes that we or our children will eventually have to pay – and will repeal balanced-budget legislation.

Sources: Federal Budget, Dept. of Finance Annual Financial Report for 2014/15 figure, Liberal Fiscal Plan.



“The overall federal tax burden is now at its lowest level in more than 50 years.”

– Budget 2015

Red Tape Reduction: The Conservative Record

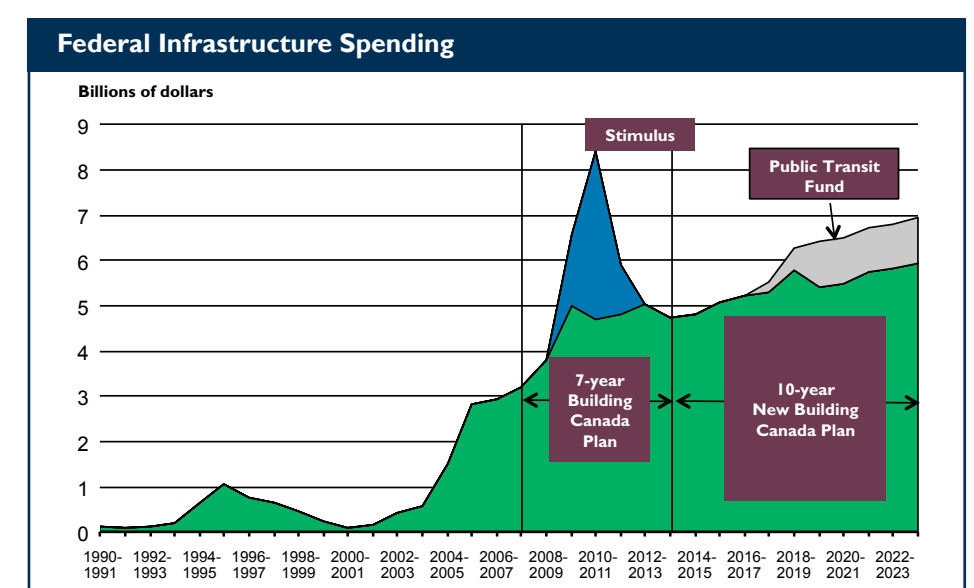
- Administrative Costs for Business ↓ >\$32M Annually
- Time Savings for Business ↓ 750,000 Hours Annually
- Commitment to Further Action ↓ 20% Additional Red Tape Reduction

Source: www.conservative.ca/cpc/conservatives-cut-red-tape/

Responsible Infrastructure Investment

Well-planned public infrastructure spending remains vital in BC and across Canada, and will provide significant construction work. The Conservatives have greatly increased infrastructure investment while in office. Both opposition parties are promising even higher spending, with the Liberals' expensive deficit-based plan including a near doubling to almost \$125 billion over 10 years.

Sources: Federal Budget, Infrastructure Canada, party campaign materials.



CANADA'S ECONOMIC TRACK RECORD

The Conservative government has had a steady hand on economic management. Despite global turbulence, our economy has grown while the Conservatives have been in office. That's good for businesses and good for people, in part because it means more jobs are available. And at the same time, our debt has been kept low and our federal budget balanced.

“Over 1.2 million more Canadians are working now than at the end of the recession in June 2009... the majority of these net new jobs have been full-time positions in high-wage, private-sector industries.”

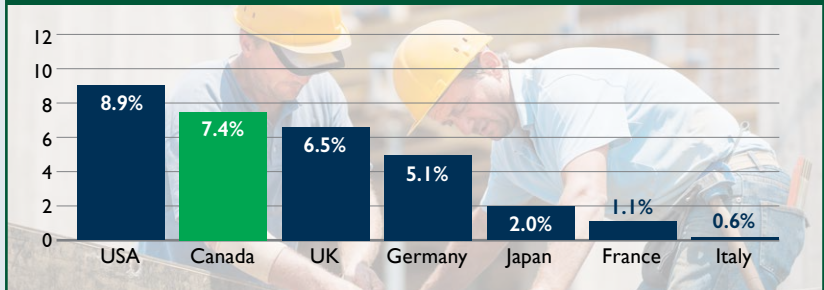
– Budget 2015

CANADAS HAS Lowest Net-Debt-to-GDP Ratio Among G7 Countries

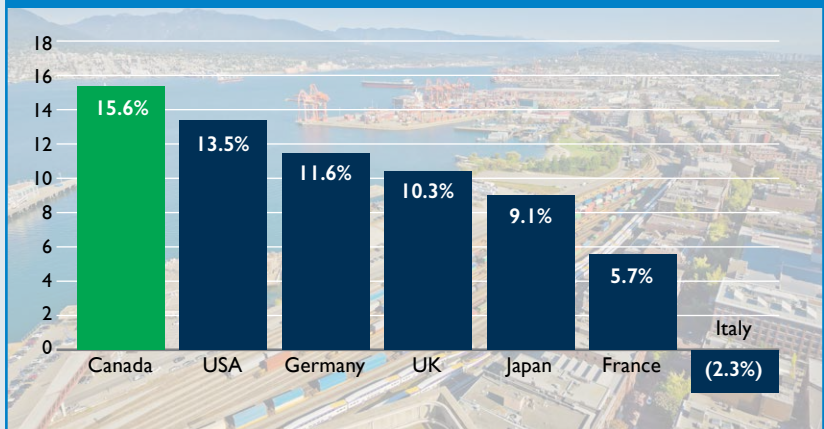
“After-tax middle-class incomes in Canada – substantially behind in 2000 – now appear to be higher than in the United States.”

– New York Times analysis, April 2014

Recent Employment Growth (%)



Recent GDP Growth (%)



Lower Government Debt =

- ↓ Lower Interest Costs
- ↑ More \$ Available for Programs/Services
- ↑ More \$ Available for Infrastructure and Jobs
- ↓ Lower Tax Revenue Needed
- Not Passing Debt to our Children

Sources: Federal Budget



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