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## Memorandum

**To:** FdFA Members  
**From:** Barbara Barrett, Executive Director  
**Subject:** Member Update: Federal Budget 2019  
**Date:** March 19, 2019

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### General

Today, the Minister of Finance Bill Morneau tabled the last budget of the Liberal's mandate in the House of Commons. The budget sets the tone for the governments re-election effort ahead of a busy unofficial campaign season and the writ drop expected late this summer. In the lead up to the budget, seniors were expected to be an area of focus for the government, as well as housing affordability and rural infrastructure, especially for broadband internet. Themes of support for the middle class, helping working people get ahead, and supporting women and marginalized communities' access equitable opportunities in the labour force carry through this budget.

The government has been battling scandal since the beginning of 2019 and this budget aims to turn the page on a period defined by high-profile resignations, opposition gains, and missteps on files important to the Liberals' re-election hopes. Certainly, older Canadians and people struggling with adapting their skills and training to the labour force will benefit from measures tabled today. Other beneficiaries include rural communities and municipalities which will oversee the distribution of energy efficiency funding. In areas where the government has to retain support, targeted investments were made. Support from the liberal base, including women and youth, as well as environmentally conscious consumers and innovative businesses has the potential to be shored up after today's announcement.

The deficit for this year is pegged at \$19.8 billion, which is anticipated to decline to a deficit of \$9.8 billion in 2023-2024.

### Plain Packaging

While Budget 2019 doesn't shed any new light on the timeline for the implementation of plain packaging regulations, or if this will include slide-and-shell regulations as well, it does reiterate

the government's commitment to plain packaging overall. The budget also alludes to "significant investments in tobacco control, including vaping, over the next five years", however does not include a specific figure or funding timeline.

### **Tobacco Taxes**

As set out in Budget 2018, increased excise duties on tobacco products as well as other excise duties is expected to increase revenues by \$400 million in 2018-2019. This presents a 3.2 percent jump, without any clear actions against contraband tobacco by the federal government.

### **Tourism industry**

Budget 2019 proposes to provide \$58.5 million over two years, starting this year, to the Regional Development Agencies for the creation of a Canadian Experiences Fund. The Fund would support Canadian businesses and organizations seeking to create, improve or expand tourism-related infrastructure—such as accommodations or local attractions—or new tourism products or experiences.

Budget 2019 provides \$5 million to Destination Canada for a tourism marketing campaign to promote Canada as a Tourism destination.

### **Removing federal barriers to the interprovincial trade of alcohol**

To facilitate internal trade, the Government intends to remove the federal requirement that alcohol moving from one province to another be sold or consigned to a provincial liquor authority. Provinces and territories would continue to be able to regulate the sale and distribution of alcohol within their boundaries.

Regards,



Barbara Barrett  
Executive Director