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Written Submission for the Pre-Budget Consultations in Advance of the 2023 Budget

By: The Surrey Board of Trade



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- **Recommendation 1:** That the government implement a full tax review.
- **Recommendation 2:** That the government form a multilateral technology advisory group with the EU, India, Japan, US, ASEAN, and UK to ensure that we are competitive in the implementation and commercialization of Artificial Intelligence, cloud computing, quantum technology, mathematics, aerospace technology, and 5/6G technology
- **Recommendation 3:** That the government Implement a new independent commission led by the private sector with government participation to examine the arts and culture in Canada with the goal to strengthen the industry and ensure that Canada's arts and culture industry can continue to thrive and grow.
- **Recommendation 4:** The Government Ensure that new oil and gas projects with world class carbon intensities are not omitted from sustainable finance taxonomies currently being developed and contemplated in Canada, recognizing that sustainable finance is a strong incentive for emissions reductions across industries in Canada.
- **Recommendation 5:** Working with the provinces, territories, and Indigenous groups, develop a strategy to enable the development of critical mineral extraction projects, including tax and regulatory measures to support the development of this sector. Use government procurement contracts to create incentives for North American sourced critical minerals. Expand the list of priority minerals to all 13 critical minerals that can be mined in Canada. Explore with the United States the possibility for joint purchasing and stockpiling of critical minerals. Create a level playing field for mines that cannot access electricity grids and create different climate change targets.



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Recommendation 1 rationale:

We need to determine what works and what doesn't. A review of the tax system could find and provide recommendations to eliminate redundancies and find where simplification can occur. With simplicity, efficiency, and certainty comes international competitiveness.

Benefits of a tax review: Reduce rising cost of living Drive down debt Create economic growth Improve international competitiveness Improve efficiency

Tax systems have become complicated, caused by piecemeal policy implementation, structural and ideological changes, and politicized budget processes. Many other jurisdictions have laid the groundwork for Canada to complete a tax review. Newfoundland and Labrador completed a comprehensive tax review in 2018 that can be replicated in BC. Newfoundland & Labrador created the Independent Tax Review Committee (ITRC) charged with completing a comprehensive independent review of the tax system, including tax expenditures.

Recommendation 2 rationale:

Canada needs to rework our international playbook in the technology sector. The tech sector will grow exponentially in the next few years because of private industry innovation, which is not occurring at a reasonable level in Canada. Countries like Japan, China, United States, Germany, and Russia are far more advanced in technological capacity than Canada.

Geopolitics will continue to have unprecedented impacts on Canada's ability to protect our assets, grow economically, and leverage our current intellectual property. As technology continues to develop, Canada needs to work collaboratively with countries that hold similar values and interests to increase global competition in certain sectors such as AI, cloud computing, quantum technology, mathematics, aerospace, and 5G or 6G technology. Multilateral advisory groups are one way to ensure that many actors are working towards a similar goal with shared interest. The technology that arises from these working groups can be utilized within each member country to prevent the formation of a global technological monopoly.

Recommendation 3 rationale:

Artists contribute to Canada's international acclaim. The arts provide economic viability for many. The 1951 Royal Commission on National Development in the Arts, Letters and Sciences (known as the Massey Commission) provided a foundation for arts and culture to thrive. However, today, the arts and culture industry have been struggling throughout the pandemic, and much of that struggle is due to systemic inequities related to regulations and investments. Canada needs a new commission that will lay a new foundation that will nurture arts and culture in Canada to thrive and grow.



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Recommendation 4 rationale:

Canada is a leader in environmental, social, and governance (ESG) performance and needs to play a larger role as a leader in providing decarbonized and innovative resources and energy to the world. British Columbia has abundant natural resources and the ability to export those resources to a world that needs them. There are large geopolitical forces at play in global markets and countries are making challenging choices.

These include the Russian invasion of the Ukraine, China's growing demand for all sources of energy and Japan shifting back to coal as a reliable and cheaper option. A real energy transition must move forward and requires lower emission bridge fuels like Canadian natural gas.

Recommendation 5 rationale:

Supply chain resilience is a lesson that we learned because of the pandemic. As countries weathered wave after wave of infections owing to the pandemic, resources were stretched thin, and industries were halted due to government-mandated shutdowns. One commodity's supply chain has been neglected in the discussion of supply chain resilience, and that is the supply chain of sustainable and trusted critical minerals, or Rare Earth Elements (REE). Canada urgently needs a trade and economic strategy for our own critical mineral deposits. Building our domestic production capacity is essential to reduce our vulnerability to supply shortages in times of crises.