

2024 Fall Economic Statement

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Government Fiscal Situation

The federal deficit is now tagged at \$61.9 Billion for 2023/2024.

The deficit for 2024/2025 is anticipated to be \$42.8 Billion. Both numbers eclipse the fiscal guardrail of \$40.1 Billion previously set by Minister Freeland. At the same time, former Minister Freeland's preferred fiscal guardrail the Debt-to-GDP ratio is trending in the direction that the government would like, declining from 42.1 per cent in 2023-2024 down to 41.9 per cent in 2024-2025.

Regulatory

To reduce unnecessary barriers to innovation, productivity, and economic growth, and lower regulatory costs for Canadians and Canadian businesses,

The 2024 Fall Economic Statement proposes to provide \$27.8 million over five years, starting in 2025-26, for a new Red Tape Reduction Office, sourced from existing resources of the Treasury Board Secretariat. The Red Tape Reduction Office will:

- Accelerate the cutting of red tape from the regulatory system, including strengthened efforts to address overly burdensome or outdated requirements in existing regulations;
- Establish measures to track, assess, and communicate results of regulatory action to ensure a stronger, evidence based regulatory framework; and,
- Improve accountability, oversight, and transparency, including through stronger engagement with Canadians and Canadian businesses and a dedicated channel for feedback on regulatory red tape.
- The Red Tape Reduction Office will prioritize work in key sectors including, but not limited to, telecommunications, transportation, power generation and transmission, innovation, medicine, and health.

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Procurement Announcements

Advancing Innovative Procurement

- The 2024 Fall Economic Statement announces the launch of a strategic review of government operations and programs with a focus on expanding the use of AI in the public service to improve both efficiency and service delivery. The review will be led by the AI Secretariat, and results will be announced in Budget 2025.
- The 2024 Fall Economic Statement announces the government's intent to introduce the *Small Business Innovation and Procurement Act that would obligate federal government departments and agencies to procure a minimum of 20 per cent of goods and services from small- and medium-sized Canadian businesses and a minimum of 1 per cent of goods and services from innovative firms.*
 - CMC-Canada contributed to the consultation, including recommending that the government create more opportunities for SMEs to meet procurement needs. CMC-Canada will continue to make contributions that highlight the needs of SME members, and independent CMC's to be supported by the government's new initiative.
- The 2024 Fall Economic Statement also proposes to establish a small business innovation program to support federal departments and agencies in meeting the new targets. *This program will focus on the development of new procurement service standards,* changes to Government Contracts Regulations, and piloting new ways to refine innovations that improve the way government does business. The program will also enhance collaboration between government and small businesses and foster a culture of innovation across departments, enabling more agile approaches to contracting.

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Our Next Steps

- The government's intent to introduce the Small Business and Innovation Act, will advantage many of CMC-Canada's members as they work to develop and meet new procurement service standards.
 - **CMC-Canada will work with officials in Public Services and Procurement and the Treasury Board of Canada to be part of the consultation and development of the Small Business and Innovation Act.**
- The new Red Tape Reduction Office within the Treasury Board Secretariat will be focusing on transparency and oversight.
 - **CMC-Canada will contact the officials in charge of the new office, and ensure that oversight and transparency in procurement practices are being prioritized, which are hallmarks of the CMC designation.**