

## More Money and New Digital Tools for Competition Bureau in Federal Budget

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Funding for Canada's Competition Bureau is set to increase by more than one third, the government announced in the federal budget for 2021-2022. The budget proposes to increase the Bureau's budget by \$96 million over five years, beginning this year, and thereafter, by \$27.5 million annually. This increase is intended to pay for increased capacity and "new digital tools" for the Bureau.

The government points out that more robust competition law enforcement will benefit all Canadians, particularly lower income individuals and diverse groups who are disproportionately harmed by fraud or unfair market practices.

The new money more than makes up for cutbacks the Bureau has suffered in recent years. The Bureau's budget for 2019-2020 was \$53.7 million. While the Bureau's overall budget has held steady since FY2014, it has been forced to rely more on user fees, which have gone from \$10.2 million in FY2014 to \$16.5 million in FY2020. In FY2014, the Bureau's budget was reduced as part of government moves towards balancing the budget. These cutbacks forced the Bureau to close four regional offices and reduce its headcount from 441 (in FY2011) to 382 (in FY2020).

While the Bureau's plans for the new money are not yet known, such a large increase in funding will make possible a large increase in the Bureau's headcount and resources, including, presumably, new digital tools. Indeed, in its Strategic Vision 2020-2024, the Bureau said it would use proactive intelligence gathering to detect anti-competitive activity.

The new money could also make it possible for the Bureau to re-open regional offices it was forced to close. Currently, the Bureau has regional offices in Vancouver, Toronto, and Montreal; but it has no permanent presence in Atlantic Canada or the Prairies.

The budget does not propose any changes to Canada's *Competition Act*. It does, however, promise measures to enhance competition.

In particular, the budget promises "renewed efforts to eliminate internal trade barriers," as well as "new measures to enhance competition" in an increasingly digital economy.

The government also proposes to continue its "targeted regulatory reviews to identify and eliminate bottlenecks to economic growth," focusing on digitization and technology-neutral regulations, international standards, and clean technology, as well as looking at "how regulations can accelerate Canada's recovery from the pandemic."

For information about tax measures in the 2021 federal budget, see our Federal Budget Briefing.

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