



300 - 95 Cole Ave.
Winnipeg, MB
R3B 1N3 TF: 800.661.0253
Fax: 204.947.5195
www.wrla.org

Notes on the Federal Cabinet Shuffle

Prepared by Prospectus Associates

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As the trio of Finance, Industry and International Trade Ministers walked up to the front door of the Rideau Hall, the message was clear what headline Prime Minister Trudeau wants from today's sunny Rideau Hall event: Government focuses on economic priorities as the Cabinet renews and resets. With the recent rocky spring session of the House of Commons, the Prime Minister and his team needed to change the channel and refocus the Government on its goals as it moves into the last half of its deal with the NDP. With continued challenges with inflation and global economic uncertainty, the PM and his team wanted to underline economic stability and sensitivity to the plight of Canadians.

The Prime Minister and his inner circle have looked at this shuffle as "fortifying" the prime minister's economic team around issues such as housing affordability and the clean energy transition, to present a clear contrast to their main Conservative opponents. In addition, we should expect to see a new tone and plan when it comes to how they view and communicate on these issues. It's also been widely discussed that elevating high performers into key posts today may help the Liberals, after eight years in power, present a refreshed face to make the case to the Canadian public that they're re-electable.

"We are ready to keep delivering on the things that matter most to you – making life more affordable, growing the economy, and creating good jobs for the middle class. We have the right team, made up of accomplished people who reflect the diversity and talent of our country. Together, we will keep building a strong future for the middle class, and for all Canadians," Trudeau said in a statement detailing every title change.

The Prime Minister maintained his 38-member cabinet. Historically, most federal governments have appointed larger cabinets over time because, as the years go by, more caucus members need to be rewarded for their loyalty and service. The challenge for the Prime Minister in his 3rd mandate is balancing the national political needs with the hopes and wishes of Caucus members who have been working hard and waiting patiently to get the call to serve as a Minister.

What's Changing

As expected, Trudeau's cabinet is gender-balanced, with 19 female and 19 male ministers (excluding the Prime Minister). It also takes in account Canada's different regions. There are 6 ministers from



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Atlantic Canada; 10 (plus PM) from Quebec; 16 from Ontario; 1 from Manitoba; 1 from Alberta and 4 from B.C.

Leaving Cabinet are: Marco **Mendicino** (Toronto), Omar **Alghabra** (Mississauga), Joyce **Murray** (Vancouver), Helena **Jaczek**, David **Lametti** (Montreal), Mona **Fortier** (Ottawa), Carolyn **Bennett** (Toronto).

Joining Cabinet: Ya'ara **Sak** (Toronto), Arif **Virani** (Toronto), Rechie **Valdez** (Mississauga), Terry **Beech** (BC), Jenna **Sudds** (Kanata/Ottawa), Gary **Anandasangaree** (Scarborough), Soraya Martinez **Ferrada** (Montreal).

Remaining in their positions are: Chrystia **Freeland**, François Philippe **Champagne**, Mary **Ng**, Steven **Guilbeault**, Patty **Hajdu**, Marci **Ien**, Mélanie **Joly**, Filomena **Tassi** and Dan **Vandal**.

Analysis

Simply put this is one of the largest cabinet shuffles in recent history with only 8 of the 38 ministers without changes to their portfolios.

Regionally speaking, the new Ministers replace the outgoing ones, covering the same regions and cities.

The cheers that accompanied the swearing in of each of the new Ministers energized the normally stiff, formal proceedings inside Rideau Hall.

For several days leading up to the shuffle, the 'on background' comments from Government insiders was the shuffle would promote and highlight strong communicators who will underscore the Government's economic work. Although all would say that Minister **Hussen** was a solid and personable Housing Minister, the accomplishments of the Government in this file were not communicated well to the public. Housing remains a critical concern of Canadians across the country. Minister Hussen's new duties will suit him well and he will excel in the international arena.

Sean Fraser is an example of strong communicator. He has taken over the duties of Housing and Infrastructure and is seen as one of the PM's strongest communicators in and outside of the House of Commons.

Dominic Leblanc who has been the go-to Minister for the PM to dealing with hot files. He moves to Public Safety vacated by **Marco Mendicino**. Minister Leblanc will continue to be



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the Government's interlocutor with the provinces. Premiers respect him and he has become a key conduit in Federal-Provincial-Territorial negotiations.

Karina Gould gets a portfolio change in recognition of her strong performance in the House of Commons dealing with Opposition parties and has been named Government House Leader. She is expecting in January and will be replaced by **Steve MacKinnon**, now Whip, during her maternity leave.

Lawrence MacAulay, who took over Veteran's Affairs during the difficult time of **Jody Wilson Raybould**, has returned to his previous job at Agriculture and Agri-Food.

Some surprises to Ottawa observers are: **Mark Holland** to Health, **Bill Blair** to Defence, **Arif Virani** to Justice, **Marc Miller** to Immigration and **Pablo Rodriguez** to Transport and **Pascale St-Onge** to Canadian Heritage.

Minister **Anand** had sought an economic portfolio after a very active time at Defence. Treasury Board will immerse her in the challenges that the core economic team (**Freeland, Champagne and Ng**) that the PM will be leaning on going into the fall session.

After announcing the new cabinet, we expect that the government will soon publish ministerial mandate letters. Prospectus will review the relevant ones and share them with you as soon as possible. We will want to align our government relations objectives with the priorities of the relevant ministers.

We can then look forward to a resumption of Parliament on September 18, with perhaps Prorogation a few days before that would result in a Throne Speech.