

From: ["Mochrie, Paul" <Paul.Mochrie@vancouver.ca>](mailto:Paul.Mochrie@vancouver.ca)  
To: ["Direct to Mayor and Council - DL"](#)  
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Good evening Mayor and Council,

For your information, our IGR team has prepared the following summary of the economic and fiscal update tabled earlier today by Hon. Chrystia Freeland, Deputy Prime Minister and Minister of Finance.

The update provided information on the current state of the economy and the Government's current priorities, which are largely focused on ensuring there are supports for Canadians and businesses to get through possible additional waves of COVID-19 due to the spread of the Omicron strain. The broad themes of the update were completing the fight against COVID, continuing supports for economic growth and paying down COVID-related deficits.

#### State of the economy:

The government reported that the economic response plan it put in place last year has been successful in protecting the economy, as Canada has exceeded its goal of creating a million jobs and GDP is expected to return to pre-pandemic levels by the first quarter of 2022. Additionally, the fiscal update projects a \$144.5-billion deficit for 2021-22, that's \$11 billion lower than the original forecast due to higher tax revenues and low uptake on some COVID-19 programs.

To address rising inflation, the Government has renewed the Bank of Canada's two-per-cent inflation target.

#### Investments in the fight against COVID:

- \$4.5 billion for "variant response" money that can be used to extend lockdown support measures if necessary
- Free booster-shots and pediatric vaccines for all eligible children
- \$1.7 billion to purchase 180 million additional rapid tests
- \$2 billion to procure COVID-19 therapeutics and treatments
- \$180 million to improve ventilation in schools, as well as public and community buildings
- \$300 million to help provinces and territories with proof-of-vaccination programs

#### New and extended measures:

- \$60 million to support workers in Canada's live performance industry through the new temporary Canada Performing Arts Workers Resilience Fund
- \$101 million to extend the Highly Affected Sectors Credit Availability Program to March 31, 2022
- \$50 million to help relieve supply chain congestion by launching a call for proposals to assist ports with the acquisition of cargo storage capacity
- Increase immigration to help address labour shortage with \$85 million to reduce backlogs in Canada's immigration system
- Implement a national, annual 1-per-cent tax on the value of non-resident, non-Canadian owned residential real estate in Canada that is considered to be vacant or underused
- Commitment to finalize Canada's first National Adaptation Strategy by the end of 2022
- \$30 million over three years to adapt public spaces to facilitate social distancing and outdoor gatherings

Minister Freeland also provided some hints at what to expect in the next federal budget, including further action to address housing affordability and a focus on economic growth and competitiveness.

#### Additional Note:

- There is \$120M in funding proposed for Employment and Social Development to support the Government of British Columbia's provincially-led homelessness initiatives. This will help the province provide temporary housing, reduce crowding in existing homelessness shelters, and provide safe isolation spaces for vulnerable populations and individuals experiencing homelessness until permanent housing is available.

The full report can be found [here](#).

The full speech can be found [here](#).

The press release can be found [here](#).

Best,  
Paul

**Paul Mochrie** (he/him)  
City Manager  
City of Vancouver  
[paul.mochrie@vancouver.ca](mailto:paul.mochrie@vancouver.ca)



The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Sḵw̓x̓wú7mesh (Squamish), and səlilwətaʔ (Tsleil-Waututh) Nations.