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To: ["Direct to Mayor and Council - DL"](#)
Date: 11/3/2022 4:24:42 PM
Subject: [Summary – Federal Fall Economic Statement 2022](#)

Dear Mayor and Council,

For your information, the IGR Team has prepared the following summary of the Fall Economic Statement tabled on November 3, 2022 by the Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance.

The Statement aims to tame inflation and includes a number of measures meant to help students, workers, and businesses cope with the rising cost of living as the economy slows down.

The Deputy Prime Minister and Finance Minister indicated that while the deficit is declining, the risk that Canada enters into a recession is rising.

The Fall Economic Statement includes \$6.1 billion in new spending in 2022-23. In her remarks, Deputy Prime Minister stated that, among other things, these investments will mean that "If you're a young couple in Vancouver, more workers in the building trades means more affordable homes for your new family."

Investments were focused around three themes:

1. Making life more affordable
2. Jobs, growth and an economy that works for everyone
3. Fair and effective government

State of the economy

The fall economic statement projects a federal deficit at \$36.4 billion in 2022-23, down from the \$52.8 billion forecast in the April 2022 federal budget. It projects that the federal budget could be balanced by 2027-28. Deputy Prime Minister Freeland also outlined a "downside scenario" warning that Canada could enter "a mild recession in the first quarter of 2023."

The fiscal update forecasts that the deficit will be 1.3% of Canada's \$2.8 trillion economy, and federal debt-to-GDP ratio is projected to keep declining.

The statement notes that relative to Budget 2022, public debt charges are higher, and are expected to increase to \$34.7 billion in 2022-23, due to the sharp rise in short-term interest rates. They then may fall slightly in 2024-25 as inflation and interest rates are forecasted to subside.

Deputy Prime Minister Freeland emphasized that the global economy is at a turning point and Canada is well placed, as a stable democracy with abundant natural resources, to power the green transition and become a supplier of choice for energy such as hydrogen and products such as electric vehicles.

The fall economic statement includes \$6.1 billion in new spending in 2022-23 and includes the following highlights:

Help for workers

- \$4 billion over six years, starting next year, to automatically issue advance payments of the Canada Workers Benefit to those who qualified for the benefit in the previous year and shift the payment to be quarterly instead of annually.
- \$250 million over five years to help workers prepare and retrain for the green energy jobs of the future.
- More than \$26 million over five years, starting in 2023-24, to crack down on labour code violations and improve working conditions.

Help for students and youth

- \$2.7 billion over five years to make all Canada Student Loans and Canada Apprentice Loans permanently

interest-free as of April 1, 2023, including those now being repaid.

- More than \$800 million over three years, starting next year, to support summer jobs, an employment strategy for youth and job placements.

Help for businesses

- A refundable green tax credit equal to 30% of capital costs for investments in non-emitting energy, heating and energy storage projects, and zero-emission vehicles (ending in 2035).
- \$962.2 million over eight years starting in 2024, with \$121.1 million per year after that to modernize the National Research Council's infrastructure and boost innovation.
- \$1.28 billion over six years and \$55.4 million each year after that to speed up approval of natural resource and energy projects.

Cryptocurrency consultations

- Consultations will launch immediately on digital currencies including cryptocurrencies, stablecoins and central bank digital currencies to:
 - ensure Canada keeps pace with the rise of the currencies and transforming financial systems.
 - understand the challenges digital currency poses to democratic institutions, with some types of crypto being used to avoid global sanctions and fund illegal activities.

Truckers rights

- \$26.3 million over five years toward orders, fines and prosecutions against non-compliant trucking industry employers.

Immigration support

- Following the November 1, 2022 government announcement that it will seek to increase immigration to record levels, \$50 million will go toward the immigration department in the current fiscal year “to address ongoing application backlogs, speed up processing and allow for skilled newcomers to fill critical labour gaps faster.”

Other measures

- The federal government says it will deploy a threat of legislation as it negotiates with credit card companies to get them to lower fees without affecting reward points programs.
- A promise to tax share buybacks and introduce a new minimum tax regime for the richest Canadians, measures that are expected to boost government revenue by \$2.1 billion over five years.
- Launching the [Canada Growth Fund](#) meant to bring in new private investment to help reduce emissions and create new jobs.
 - Commitment to investment in the net zero transition.
- Setting aside \$1 billion in 2022-23 for Hurricane Fiona-related requests from provinces under the Disaster Financial Assistance Arrangements.
- Earmarking \$8.5 billion over six years to respond to economic pressures expected to hit Canada in the near term.
- Reiterated previously announced measures to improve housing affordability.

Infrastructure spending

- Deputy Prime Minister and Finance Minister Freeland also provided an update on infrastructure spending. In last spring's budget, the government promised \$33.5 billion for public infrastructure projects across the country.
- The fall statement says \$23 billion has been approved so far for 5,200 projects submitted by provinces and territories.
- The provincial deadline is March 2023, otherwise the money will be reallocated. British Columbia has \$661 million remaining, representing 17 per cent of its share.

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

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

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

Best,
Paul

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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Sḵwxwú7mesh (Squamish), and səlilwətał (Tseil-Waututh) Nations.