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To: ["Direct to Mayor and Council - DL"](#)
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Good afternoon Mayor and Council,

Today, Minister of Finance Chrystia Freeland tabled the Government of Canada's budget for the 2023-24 fiscal year. Budget 2023 [\[A Made-in-Canada Plan: Strong Middle Class, Affordable Economy, Healthy Future\]](#) is focused on green investments, cost-of-living relief for the most vulnerable and improving health care.

Our IGR team has prepared the following synopsis for your reference.

Vancouver and Municipal Specific Announcements

- The Government will be launching a new round of the Smart Cities Challenge later this year. (Note: a joint submission from Vancouver and Surrey was identified as a runner-up in the previous Challenge.)
- Invest \$27.2 million over five years, starting in 2023-24, to Transport Canada to establish a Transportation Supply Chain Office to work with industry and other orders of government to respond to disruptions and better coordinate action to increase the capacity, efficiency, and reliability of Canada's transportation supply chain infrastructure.
- Invest \$25 million over five years, starting in 2023-24, to Transport Canada to work with Statistics Canada to develop transportation supply chain data that will help reduce congestion, make our supply chains more efficient, and inform future infrastructure planning.
- Support the reallocation of funding from the National Housing Co-Investment Fund's repair stream to its new construction stream, as needed, to boost the construction of new affordable homes for the Canadians who need them most.
- Budget 2023 proposes to commit an additional \$4 billion to Canada Mortgage and Housing Corporation to implement a co-developed Urban, Rural, and Northern Indigenous Housing Strategy. Funding is over seven years and is not to commence until 2024-25.

Economic Outlook

Canada's economy is expected to enter a shallow recession in 2023, with a peak-to-trough decline of 0.4%. GDP growth is expected to decline from 3.4% in 2022 to 0.3% in 2023. GDP is forecasted to rebound to 1.5% in 2024. The slow-down in the economy will impact the unemployment rate, which is expected to rise to 6.3% by the end of 2023. Private sector forecasters expect inflation to continue to ease over the year and fall below 3% in the third quarter of 2023 and reach the 2% Bank of Canada target in the second quarter of 2024.

Budget Outlook

The fiscal outlook budget includes a projected deficit of \$40.1 billion, which is up from the \$30.6 billion forecasted in the fall economic statement. The deficit is forecasted to drop to \$35 billion in 2024 and \$26.8 billion in 2025. The federal debt to GDP ratio will decrease from 1.5% in 2022, to 1.4% in 2023. The economic

outlook will affect Canada's revenues with a projected reduction of \$5.7 billion. Total spending in the 2023 budget is \$497 billion, which is approximately \$20 billion higher than last year.

Below is a high-level summary of the commitments included in Budget 2023

Making Life More Affordable

1. Introduction of a one-time Grocery Rebate, providing \$2.5 billion in targeted inflation relief for 11 million low- and modest-income Canadians and families. The Grocery Rebate will provide eligible couples with two children with up to \$467; single Canadians without children with up to \$234; and seniors with an extra \$225 on average.
2. Work with regulatory agencies, provinces, and territories to reduce “junk fees” for Canadians. This could include higher telecom roaming charges, event and concert fees, excessive baggage fees, and unjustified shipping and freight fees.
3. Work to implement a right to repair, to make it easier and cheaper for Canadians to repair, rather than replace, their home appliance and electronics. The government will launch consultations this summer, including on the right to repair and the interoperability of farming equipment, and work closely with provinces and territories to advance a right to repair, and make life more affordable for Canadians and protect our environment.
4. Starting next year, the CRA will pilot a new automatic filing service that will help vulnerable Canadians who do not currently file their taxes receive the benefits to which they are entitled.
5. Increasing Canada Student Grants by 40 percent—to provide up to \$4,200 for full-time students;
6. Raising the interest-free Canada Student Loan limit from \$210 to \$300 per week of study; and,
7. Waiving the requirement for mature students, aged 22 years or older, to undergo credit screening in order to qualify for federal student grants and loans for the first time.
8. Securing commitments from Visa and MasterCard to lower fees for small businesses, while also protecting reward points for Canadian consumers offered by Canada's large banks.

An Affordable Place to Call Home

1. In Budget 2022, the government committed to introduce a Tax-Free First Home Savings Account—a registered plan to give prospective first-time homebuyers the ability to save \$40,000 on a tax-free basis. Budget 2023 delivers on this commitment and announces that financial institutions will be able to start offering the Tax-Free First Home Savings Account to Canadians as of April 1, 2023.
2. Publishing guidelines through the Financial Consumer Agency of Canada to protect Canadians with mortgages who are facing exceptional circumstances. Existing mortgage regulations may also allow lenders to provide a temporary mortgage amortization extension even past 25 years.

Stronger Public Health Care

1. Provide an additional \$198.3 billion over 10 years, including \$46.2 billion in new funding for provinces and territories. As previously announced by the Prime Minister, this includes additional Canada Health Transfer measures, tailored bilateral agreements to meet the needs of each province and territory, personal support worker wage support, and renewal of the Territorial Health Investment Fund. The government's plan also includes \$2 billion for an Indigenous Health Equity Fund.
2. Invest \$13 billion over five years, and \$4.4 billion ongoing, to implement the Canadian Dental Care Plan. The plan would provide dental coverage for uninsured Canadians with annual family income of less than \$90,000, with no co-pays for those with family incomes under \$70,000. The plan will begin to roll out in 2023.
3. Provide \$250 million over three years, and \$75 million ongoing, to establish an Oral Health Access Fund. The fund will complement the Canadian Dental Care Plan by addressing oral health gaps among vulnerable populations and reducing barriers to accessing dental care, including in rural and remote communities.
4. Investment of \$45.9 million over four years, with \$11.7 million ongoing, to expand the forgivable Canada Student Loans for doctors and nurses working in underserved rural and remote communities.
5. Invest \$158.4 million over three years to support the implementation and operation of a 988 Suicide Prevention Line. As of November 30, 2023, Canadians would be able to call or text 988 at any time to access quality, effective, and immediate suicide prevention and mental health crisis support.
6. Invest \$36 million over three years to renew the Sexual and Reproductive Health Fund. This fund supports community-based organizations that help make access to abortion, as well as other sexual and reproductive health care information and services, more accessible for vulnerable populations.
7. Provide \$359.2 million over five years to support a renewed Canadian Drugs and Substances Strategy, which would guide the government's work to save lives and protect the health and safety of Canadians.
8. Provide \$10 million over two years towards ParticipACTION's Let's Get Moving Initiative, which will continue supporting national programming that aims to increase daily physical activity among Canadians.

Affordable Energy, Good Jobs and Growing Clean Economy

1. Introduce a 15 per cent refundable tax credit for eligible investments in non-emitting electricity generation systems, abated natural gas electricity-fired electricity generation, stationary electricity storage systems, and equipment for the transmission of electricity between provinces and territories.
2. Refundable tax credit equal to 30 per cent of the cost of investments in machinery and equipment used to manufacture or process key clean technologies, and extract, process, or recycle certain critical minerals essential to clean technology supply chains.
3. Provided details on the Clean Hydrogen Investment Tax Credit announced in the 2022 Fall Economic Statement, with the levels of support varying between 15 and 40 per cent of eligible project costs, with the projects that produce the cleanest hydrogen receiving the highest levels of support.

4. The Investment Tax Credit for Carbon Capture Utilization and Storage will be expanded to cover additional equipment, and now be available for dedicated geological storage projects in British Columbia.
5. Expand eligibility for the refundable Clean Technology Investment Tax Credit to include eligible geothermal energy systems.
6. To reach the federal government's goal of achieving net-zero emissions by 2050 and to power homes, vehicles, and industries for generations to come Budget 2023 puts in place major, long-term investments to place Canada on a track to build a net-zero emissions economy and secure Canada's affordable clean electricity advantage. This plan includes:
 - a. Beyond the clean electricity investment tax credit, as needed, low-cost and abundant financing through a targeted focus on clean electricity from the Canada Infrastructure Bank; and,
 - b. Targeted electricity programs, where needed, to ensure critical projects are built.
7. The Canada Infrastructure Bank will invest at least \$10 billion through its Clean Power priority area, and at least \$10 billion through its Green Infrastructure priority area. This will allow the Canada Infrastructure Bank to invest at least \$20 billion to support the building of major clean electricity and clean growth infrastructure projects. These investments will be sourced from existing resources.
8. Create new investments in science-based activities to help capitalize on Canada's offshore wind potential, particularly off the coasts of Nova Scotia and Newfoundland and Labrador.
9. Provide \$500 million over ten years to the Strategic Innovation Fund to attract and spur high-quality business investments to support the development and application of clean technologies in Canada.
10. Pursue targeted engagement with provinces and territories, industry stakeholders, and workers and unions on concrete reciprocal procurement measures, so they can be implemented in the near term. The proposed measures will include placing conditions on foreign suppliers' participation in federally funded infrastructure projects, applying strict reciprocity to federal procurement, and creating a preference program for Canadian small businesses.

Reconciliation

1. Invest \$4 billion to implement a co-developed Urban, Rural, and Northern Indigenous Housing Strategy. This investment will complement the more than \$6.7 billion already committed to address significant housing need in Indigenous communities.
2. Invest \$2 billion in new, additional funding over ten years for a distinctions-based Indigenous Health Equity Fund.
3. Ensure Indigenous Peoples can meaningfully participate and share in the benefits of decisions that affect them, including:
 - a. \$5 million to co-develop an Economic Reconciliation Framework that will increase economic opportunities for Indigenous Peoples, communities, and businesses;

- b. \$21 million to increase the participation of Indigenous Peoples and other Northerners in environmental and regulatory assessments of major projects in the territories; and,
4. \$8.7 million for deeper engagement on a National Benefits-Sharing Framework that will improve the quality and consistency of benefits Indigenous communities derive from major resource projects in their territories.
5. \$35.3 million to co-develop, with the Lands Advisory Board, a new First Nations-led National Land Registry that will provide communities in First Nation Land Management with more opportunities to realize the economic benefits arising from local control over their lands.
6. \$171 million to Indigenous Services Canada to ensure First Nations children continue to receive the support they need through Jordan's Principle.

Strong and More Inclusive Communities

1. Provide \$160 million over three years for the Women's Program to provide funding to organizations in Canada that serve women.
2. Introduce a new Action Plan to Combat Hate to combat hateful rhetoric and build on measures being taken in Budget 2023 to build safer, more inclusive communities.
3. Invest \$49.5 million over five years to Public Safety Canada to enhance and expand the Communities at Risk: Security Infrastructure Program and allow it to be more responsive to the evolving security needs of communities.
4. Invest \$25.4 million over five years to continue supporting Canada's Anti-Racism Strategy and fight all forms of racism, including but not limited to anti-Indigenous racism, anti-Black racism, anti-Asian racism, antisemitism, and Islamophobia.
5. \$25 million in 2024-25 for the Supporting Black Canadian Communities Initiative, to continue empowering Black-led and Black-serving community organizations and the work they do to promote inclusiveness.
6. Invest \$48.9 million over three years, starting in 2023-24, to the RCMP to protect Canadians from harassment and intimidation, increase its investigative capacity, and more proactively engage with communities at greater risk of being targeted. This will be accompanied by \$13.5 million over five years, and \$3.1 million ongoing to Public Safety Canada to establish a National Counter-Foreign Interference Office.

Improving Service Delivery

1. Provide \$1.8 billion over five years to the Canadian Air Transport Security Authority (CATSA) to maintain and increase its level of service, improve screening wait times, and strengthen security measures at airports.
2. Amend the Canada Transportation Act to require the sharing and reporting of data by airports and air carriers. This will help to reduce delays and improve coordination between airports, airlines, and CATSA.
3. Provide \$5.2 million over five years to Transport Canada to collect and analyze air sector performance data.

4. Amend the Canada Transportation Act to strengthen airline obligations to compensate passengers for delays and cancellations.

For additional details, please see the federal government [budget book](#) and [news release](#).

Best,
Paul

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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̍əm (Musqueam), Snw̓x̓w̓ú7mesh (Squamish), and səliwətaʔ (Tsleil-Waututh) Nations.