

Federal Budget 2023-2024 Highlights

March 2023

MUNISCOPE



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Budget 2023 Brief

On March 28, 2023 Finance Minister Chrystia Freeland tabled the Government of Canada's 2023 budget titled [*A Made-in-Canada Plan: Strong Middle Class, Affordable Economy, Healthy Future*](#). The deficit for the fiscal year ending this week grows to \$43 billion, or 1.5 per cent of gross domestic product. Federal debt as a proportion of GDP will climb to 43.5 per cent in the fiscal year that begins April 1, from 42.5 per cent this year. It's expected to decline to 42.2 per cent in 2025-26 and 39.9 per cent by the end of the forecast horizon in 2027-2028.

The following summary highlights measures with potential implications for local governments and announces that may be of interest to ministries responsible for local governments.

Housing

- 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.
- \$4 billion, over seven years, starting in 2024-25, to implement a co-developed Urban, Rural, and Northern Indigenous Housing Strategy.

Infrastructure:

- No new funding announced pertaining to the Investing in Canada Infrastructure Program (ICIP). Following the success of ICIP, the government is actively reviewing Canada's continued infrastructure needs as it charts a course for future federal infrastructure programming. The government will provide an update on this work later this year, including the next steps on permanent public transit funding.
- 15 per cent refundable tax credit for eligible investments in:
 - Non-emitting electricity generation systems: wind, concentrated solar, solar photovoltaic, hydro (including large-scale), wave, tidal, nuclear (including large-scale and small modular reactors);
 - Abated natural gas-fired electricity generation (which would be subject to an emissions intensity threshold compatible with a net-zero grid by 2035);
 - Stationary electricity storage systems that do not use fossil fuels in operation, such as batteries, pumped hydroelectric storage, and compressed air storage; and,
 - Equipment for the transmission of electricity between provinces and territories.
- 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.
- \$3.0 billion over 13 years, starting in 2023-24, to Natural Resources Canada to:
 - Recapitalize funding for the Smart Renewables and Electrification Pathways Program to support critical regional priorities and Indigenous-led projects, and add transmission projects to the program's eligibility;
 - Renew the Smart Grid program to continue to support electricity grid innovation; and,

- Create new investments in science-based activities to help capitalize on Canada's offshore wind potential, particularly offshore.
- To further strengthen Canada's transportation systems and supply chain infrastructure, Budget 2023 proposes to:
 - Provide \$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;
 - Collaborate with industry, provinces, territories, and Indigenous Peoples to develop a long-term roadmap for Canada's transportation infrastructure to better plan and coordinate investments required to support future trade growth;
 - Provide \$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. This measure will be advanced using existing Transport Canada resources;
- \$29.9 million over two years, starting in 2023-24, to Transport Canada for the Ferry Services Contribution Program to support the continued safe and reliable operation of ferry services in Eastern Canada. This will include the chartering of a second vessel for the Wood Islands-Caribou route.
- \$47.8 million over nine years, starting in 2023-24, with \$225.5 million in remaining amortization, to the Jacques Cartier and Champlain Bridges Incorporated for the redevelopment of the federal portion of the Bonaventure Expressway into an urban boulevard.
- \$576.1 million over five years, starting in 2023-24, with \$192.3 million in remaining amortization, to the Jacques Cartier and Champlain Bridges Incorporated to operate, maintain, and repair its infrastructure in the Greater Montreal Area.

Climate and Environment:

- **\$15.3 million over three years, starting in 2023-24, to Public Safety Canada to create a publicly accessible online portal where Canadians can access information on their exposure to flooding [This item is flagged as this measure may potentially deviate from the 2016 principles underlying federal initiatives regarding municipalities, see appendix].**
- Announce of an intention to launch, in partnership with provinces and territories, a new approach to address gaps in natural disaster protection and help Canadians access affordable insurance.
- \$48.1 million over five years, starting in 2023-24, and \$3.1 million ongoing to Public Safety Canada to identify high-risk flood areas and implement a modernized Disaster Financial Assistance Arrangements program, which would incentivize mitigation efforts.
- \$31.7 million over three years, starting in 2023-24, to Public Safety Canada and the Canada Mortgage and Housing Corporation to work with the Department of Finance Canada to stand-up a low-cost flood insurance program, aimed at protecting households at high risk of flooding and without access to adequate insurance. This would include offering reinsurance through a federal Crown corporation and a separate insurance subsidy program. The government will engage provinces and territories on the development and implementation of the program, as well as the requirements for its long-term fiscal sustainability, including cost-sharing and risk mitigation.

- By the end of 2023, the government will outline a concrete plan to improve the efficiency of the impact assessment and permitting processes for major projects, which will include clarifying and reducing timelines, mitigating inefficiencies, and improving engagement and partnerships.
- \$650 million over ten years, starting in 2023-24, to support monitoring, assessment, and restoration work in the Great Lakes, Lake Winnipeg, Lake of the Woods, St. Lawrence River, Fraser River, Saint John River, Mackenzie River, and Lake Simcoe. Budget 2023 also proposes to provide \$22.6 million over three years, starting in 2023-24, to support better coordination of efforts to protect freshwater across Canada.
- \$85.1 million over five years, starting in 2023-24, with \$0.4 million in remaining amortization and \$21 million ongoing thereafter to support the creation of the Canada Water Agency, which will be headquartered in Winnipeg.
- \$165.4 million over seven years, starting in 2023-24, to Transport Canada to establish a Green Shipping Corridor Program to reduce the impact of marine shipping on surrounding communities and ecosystems.

Rural Development:

- \$368.4 million over three years, starting in 2023-24, with \$3.1 million in remaining amortization, to Natural Resources Canada to renew and update forest sector support, including for research and development, Indigenous and international leadership, and data. Of this amount, \$30.1 million would be sourced from existing departmental resources.
- \$10 million in 2023-24 to top up the Local Food Infrastructure Fund to strengthen food security in Northern, rural, and Indigenous communities across Canada.

Indigenous communities:

- \$30 million over five years, starting in 2023-24, to Indigenous Services Canada to enhance the Reserve Land and Environment Management Program, ensuring First Nations can develop capacity to exercise increased responsibility over their lands, resources, and environment.
- \$11.4 million over three years, starting in 2023-24, to Crown-Indigenous Relations and Northern Affairs Canada to engage with Indigenous communities and to update the federal guidelines for federal officials to fulfil the Crown's duty to consult Indigenous peoples and accommodate impacts on their rights. This will support the implementation of the *United Nations Declaration on the Rights of Indigenous Peoples Act* and provide more clarity on how the government will proceed to ensure an effective and efficient whole-of-government approach to consultation and accommodation.
- \$76.3 million in 2023-24 to Indigenous Services Canada to continue to support the administrative capacity of First Nations governments and tribal councils delivering critical programs and services to their members.
- \$19.4 million over five years, starting in 2023-24, to Crown-Indigenous Relations and Northern Affairs Canada for the Northern Participant Funding Program to increase the participation of Indigenous Peoples and other Northerners in environmental and regulatory assessments of major projects.
- \$1.6 million over two years, starting in 2023-24, to the Canadian Northern Economic Development Agency for the Northern Projects Management Office to increase capacity for federal participation in environmental assessments and consultation with Indigenous communities on major projects in the territories.

- The federal government also continues to encourage, and will help facilitate, taxation arrangements between interested provincial or territorial and Indigenous governments.
- The government will also continue to explore the potential role of additional tools, including tax arrangements, to enable Indigenous communities to meaningfully benefit from resource development.
- \$8.7 million in 2023-24 to Natural Resources Canada to support deeper engagements with Indigenous partners, including Indigenous rights-holders, towards the development of the National Benefits-Sharing Framework.
- The Canada Infrastructure Bank will provide loans to Indigenous communities to support them in purchasing equity stakes in infrastructure projects in which the Bank is also investing. These loans will be sourced from the Canada Infrastructure Bank's existing funding envelope.
- The government reaffirms its commitment to negotiate a renewed operating funding formula with the Lands Advisory Board to ensure the continued growth and success of First Nation Land Management.
- \$35.3 million over three years, starting in 2023-24, to Crown-Indigenous Relations and Northern Affairs Canada and Natural Resources Canada 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.
- \$810.6 million over five years, beginning in 2023-24, to support medical travel and to maintain medically necessary services through the Non-insured Health Benefits Program, including mental health services, dental and vision care, and medications and \$16.2 million over three years, beginning in 2023-24, for interventions to reduce rates of tuberculosis in Inuit communities.
- \$20 million over four years, starting in 2022-23, to support Indigenous-led projects for safer communities through the Pathways to Safe Indigenous Communities Initiative.
- \$95.8 million over five years, starting in 2023-24, and \$20.4 million ongoing to help Indigenous families access information about their missing and murdered loved ones, and to enhance victim services to support their healing journeys.
- \$2.5 million over five years, starting in 2023-24, to facilitate and coordinate work on advancing the National Action Plan by establishing a standing Federal-Provincial-Territorial-Indigenous table on Missing and Murdered Indigenous Women, Girls and 2SLGBTQI+ People.
- \$444.2 million over three years, starting in 2022-23, to support Peguis First Nation in Manitoba and Louis Bull Tribe First Nation in Alberta to exercise jurisdiction over their child welfare systems.

Tourism

- \$108 million over 3 years, on a cash basis, starting in 2023-24, to the Regional Development Agencies to support communities, small businesses, and non-profit organizations in developing local projects and events.

Inclusive Communities

- \$49.5 million over five years, starting in 2023-24, 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.

Other

- Renew the Equalization and Territorial Formula Financing programs for a five-year period, beginning April 1, 2024, and make technical changes to improve the accuracy and transparency of the programs.
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Reference

Government of Canada. Budget 2023. [A Made-in-Canada Plan: Strong Middle Class, Affordable Economy, Healthy Future.](#)

Reactions

Provincial and Territorial Governments

PT Governments	Reactions
Alberta Edmonton Journal	<ul style="list-style-type: none">• Alberta Finance Minister Travis Toews said the government was “continuing to analyze” the federal budget, but was encouraged to see more detail about the previously-announced hydrogen investment tax credit.• “We will be working to understand how it will affect the overall competitiveness of the hydrogen industry here in Alberta,” said Toews, adding that the federal document doesn’t acknowledge the impact assessment process.• “We are disappointed that the federal government did not include a path to balance. This is contrary to their recent claims that the budget would represent a fiscally responsible plan,” he said.
Ontario The Star	<ul style="list-style-type: none">• Ontario Finance Minister Peter Bethlenfalvy praised several elements of the budget, including its focus on growing “clean” tech: The budget “provides significant support responding to the U.S. Inflation Reduction Act with investment tax credits in clean electricity, including small modular (nuclear) reactors, and clean technology manufacturing and extraction of critical minerals.”
Northwest Territories Newsroom	<p>Premier Caroline Cochrane today issued the following statement:</p> <ul style="list-style-type: none">• “One of the main areas of focus of the 2023 budget is investing in health care. While I welcome the \$196-billion health-care funding proposal with all provinces and territories, and the \$2-billion one-time top-up to the Canada Health Transfer, I have been vocal about the need for increased funding for the NWT based on the extremely high cost to administer health care services in our jurisdiction. Negotiations with Canada are ongoing on this front, and I look forward to concluding them soon.• “In addition to health care funding, I did see the introduction of a national 988 Suicide Prevention Line. This is welcome news, and I look forward to learning more about this important service.

	<ul style="list-style-type: none"> • "Building a clean economy is another area of focus in the 2023 federal budget. The Northwest Territories is a jurisdiction with great energy and critical mineral potential but we have a small population and limited financial resources. We can't address our infrastructure challenges alone, and the Government of Canada is a key partner in this journey. Budget 2023 specifically references the ability to support clean electricity projects across the north including the Taltson Hydro Expansion Project. • "I also welcome the investment of an additional \$4 billion over 7 years to implement a co-led Urban, Rural and Northern Indigenous Housing Strategy and look forward to working with Canada to ensure the strategy benefits the Northwest Territories. The NWT's housing situation is in dire need of investment, and it is my hope that this new money is a step toward making a significant difference in meaningfully addressing the lack of appropriate housing. • "Another highlight of the budget for the Northwest Territories is the proposal to provide \$650 million over 10 years to support monitoring, assessment, and restoration work in waterways across the country, including the Mackenzie River. • "Finally, \$6.9 billion over 12 years has been slated to continue to support environmental remediation activities related to eight large and complex abandoned mine sites in the Northwest Territories and Yukon. • "While we did not see direct new transportation infrastructure funding in Budget 2023, we have appreciated recent announcements and work with Infrastructure Canada to make funding under our current agreements better meet the context of the Northwest Territories.
<p>Nunavut CBC News</p>	<ul style="list-style-type: none"> • Nunavut Premier P.J. Akeeagok highlighted some of the budget investments applicable to that territory, including health funding and the Indigenous housing strategy. The budget initiatives will "contribute to our government's efforts to improve access to housing and health care services here in Nunavut," Akeeagok said.

Municipal Associations

Municipal Associations	Reactions
<p>FCM</p>	<ul style="list-style-type: none"> • FCM notes that the 2023 federal budget represents progress on some priority issues for Canadian municipalities, and leaves significant gaps on other critical challenges facing communities and cities. • "FCM, on behalf of its more than 2,100 members, has put forward efficient, cost-effective recommendations for much-needed investment in our communities; including in disaster mitigation and adaptation, infrastructure renewal, affordable housing and community well-being.

	<ul style="list-style-type: none"> • "FCM welcomes the new investment of \$4 billion over 7 years in an Urban, Rural and Indigenous Housing Strategy, responding to a long-standing FCM priority, and continues to urge that this effort remain Indigenous-led. FCM continues to call for additional investment in other critical programs addressing both housing and chronic homelessness challenges in Canada, such as Reaching Home and the Rapid Housing Initiative—programs designed to help our most vulnerable. • "FCM appreciates the commitment in this budget to review Canada's infrastructure needs, to chart a course for future federal infrastructure programming, and to provide an update later in the year, including the next steps on permanent public transit funding • "Budget 2023 makes strong investments to support Canada's progress towards a net-zero GHG emission future. New funding and tax incentives, including for hydrogen production and carbon capture, utilization and storage (CCUS), • "FCM is disappointed to see that Budget 2023 does not contain a commitment to absorbing the retroactive costs stemming from the latest RCMP collective bargaining agreement, but rather offers details of a repayment period for municipalities.
Union des municipalités du Québec (UMQ)	<ul style="list-style-type: none"> • L'Union des municipalités du Québec (UMQ) déplore l'absence de mesures structurantes pour répondre aux pressions inflationnistes et climatiques auxquelles sont confrontées les municipalités. « À la lecture du budget, il n'y a rien de nouveau pour le milieu municipal et les régions, malgré le fait que nous avons des besoins criants en infrastructure, en habitation, en transport collectif, en transport aérien régional, et j'en passe ».
Fédération Québécoise des municipalités (FQM)	<ul style="list-style-type: none"> • « Considérant que la FQM accompagne activement les municipalités locales et régionales dans l'élaboration de projets éoliens, nous demandons au gouvernement du Canada de confirmer que l'ensemble des mesures prévues à cet effet seront accessibles à nos membres qui souhaitent participer financièrement dans la réalisation de ces projets ». • En ce sens, la FQM désire s'assurer que : <ul style="list-style-type: none"> ○ les sociétés en commandite mises en place par les municipalités et MRC aient droit au crédit d'impôt à l'investissement dans l'électricité propre ; ○ le financement à faible coût et abondant pour les projets d'électricité – qui sera offert par la Banque de l'infrastructure du Canada et annoncé dans ce même budget – soit également disponible pour les communautés qui développent des projets éoliens.

Municipalities

Municipalities	Reactions
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<p>Edmonton</p> <p>Edmonton Journal</p>	<ul style="list-style-type: none"> • Edmonton Mayor Amarjeet Sohi, a former federal Liberal cabinet minister, said Tuesday he's pleased with some new federal budget announcements, but the cash doesn't go far enough to tackle housing pressures in the city. • Sohi said investments from Ottawa in urban Indigenous housing were what the city had been asking for. On top of that, he said funding for mental health, substance use and addictions programming is important, and renewable energy, hydrogen and growth in the clean tech sector will help grow and decarbonize the economy, creating well-paying middle class jobs. • "While these are welcome investments, we are still concerned that these investments do not go far enough to tackle the challenges that urban centres like Edmonton are facing when it comes to addressing issues like houselessness and the housing crisis," said Sohi.
<p>Calgary</p> <p>Global News</p>	<ul style="list-style-type: none"> • "We're also pleased to see funding directed to the construction of new affordable housing units, given that one in five Calgary households struggles to afford housing," Calgary Mayor Jyoti Gondek said in an emailed statement on Tuesday afternoon. • But Gondek said she is disappointed in the lack of funding for downtown revitalization programs like office-to-residential conversions, a sentiment echoed by the Calgary Chamber of Commerce. • "We will continue to advocate to the federal government that cities across Canada need support in improving the livability and safety of our downtowns." • "Of the encouraging news coming out of the federal budget this afternoon, we are pleased to see a 15 per cent refundable tax credit for eligible investments into clean technology innovation," Gondek said. • "There is a further \$20 million allocation to the Canada Infrastructure Bank's Clean Power and Green Infrastructure priority areas. • "Calgary's commitment to energy transformation with projects like transit fleet electrification has positioned our city as a strong candidate for these Budget 2023 funds, as well as other capital opportunities that require partner funding."
<p>Lethbridge</p>	<ul style="list-style-type: none"> • "It will take some time to review the entire scope of the 2023 Federal Budget, including discussions with our City Treasurer, to see the full impacts. As always, City Council and I will continue to advocate for the supports we need in our city to best serve our residents. We look forward to working with the Federal Government in the coming weeks and months to learn more about what this budget means specifically for Lethbridge." -Mayor Blaine Hygen
<p>Toronto</p> <p>The Star</p>	<ul style="list-style-type: none"> • "The 2023 federal budget fails to address the City of Toronto's request for operating budget support," Deputy Mayor Jennifer McKelvie said in a biting statement Tuesday afternoon. • "While I am thankful for past support during the COVID-19 pandemic from the Government of Canada, I'm disappointed the Deputy Prime

	<p>Minister — a Toronto MP — would ignore a direct commitment the Federal Liberals made during the last election to former Mayor John Tory and the City of Toronto,” McKelvie said</p> <ul style="list-style-type: none"> • “We have been very clear to the Government of Canada what the City’s needs are and about the importance of supporting Toronto — the country’s economic engine.”
<p>Mississauga Twitter</p>	<ul style="list-style-type: none"> • Mayor Bonnie Crombie - Great to see the federal gov't delivering on their commitment to housing by working to boost the construction of new homes while rolling out the Tax-Free First Home Savings Account, which will give first time home buyers the ability to save up to 40K tax free as of April 1. • Looking forward to more details later this year on how cities can work with the federal gov't to build on the success of ICIP, including next steps on permanent public transit funding, that will be critical as we accelerate new homes and build complete communities.
<p>Sault Ste. Marie, ON SOO Today</p>	<ul style="list-style-type: none"> • Mayor Matthew Shoemaker is mostly satisfied with the numbers that came out of Parliament Hill this week, but he’s not convinced there will be an overwhelming impact on everyday families in the Sault. • “I don’t think the budget will change people’s lives to any great extent,” he says. “There were expected things like the increase of health transfers, which is good for our communities that are facing healthcare professional shortages and long wait times. • “It’s a system that seems to not have fully recovered from the effects of the pandemic, so more money going into that is a positive.”

Organizations

Organizations	Reactions
<p>Canadian Centre for Policy Alternatives (CCPA)</p>	<ul style="list-style-type: none"> • One major omission in the budget, Mertins-Kirkwood says, is transit funding. Public transit systems in cities and towns across the country are in a funding crisis—and municipalities have been begging the federal government for help. This budget provides zero dollars to top up public transit systems. • “Without additional funding, public transit systems will have to either increase fares or cut service,” Mertins-Kirkwood says. “It’s a downward spiral—worse service leads to less riders, which leads to less funding, which leads to worse service and less riders. The only way to stop it is by stepping in with funding.”
<p>Clean Energy Canada Reuters</p>	<ul style="list-style-type: none"> • Mark Zacharias, Executive Director Of Clean Energy Canada - "We thought today's budget was generally excellent and it sets Canada on a path for prosperity. We really like the focus on electrification, the investment is needed and timely and on the scale required." • "The investment tax credits for clean tech manufacturing positions Canada as a leader, particularly in zero-emissions vehicles."

	<ul style="list-style-type: none"> • "Our suggestion for future budgets is we'd like to see production tax credits for electricity, batteries and clean hydrogen. That would help Canada match the Inflation Reduction Act."
<p>Canadian Alliance to End Homelessness</p> <p>The Star</p>	<ul style="list-style-type: none"> • Tim Richter, president and CEO of the Canadian Alliance to End Homelessness, lamented the lack of focus on housing: "For thousands of Canadians who will not be able to pay their rent this week, they will find no relief or meaningful support in this budget."
<p>Assembly of First Nations</p> <p>CBC News</p>	<ul style="list-style-type: none"> • Assembly of First Nations National Chief RoseAnne Archibald said if Trudeau intends to meet the 2030 infrastructure target, he needs to strike an "economic new deal" that empowers First Nations to share in the wealth taken from their lands. • "This prime minister is a performative reconciliationist," Archibald said. • "First Nations are not looking for a handout. We're looking for the opportunities that are the birthright of our people." • Despite that initial reaction, Archibald welcomed the pledge of more than \$100 million in Finance Minister Chrystia Freeland's latest budget for missing and murdered Indigenous women and girls.
<p>Business Council Of Canada</p> <p>Reuters</p>	<ul style="list-style-type: none"> • "On the IRA responses, I thought some of the responses (were) good. The tax credits are focused on the things we need to get right including electricity, carbon capture utilization and storage (CCUS), clean technologies. But execution and implementation are super important." • "A budget doesn't solve everything. There was so much they could do, they chose to focus mainly on tax credits for their response to the IRA. I think those are, for the most part, well targeted." • "No big surprises other than a much more risky fiscal framework going forward than a lot of people had hoped for."
<p>Canadian Federation of Independent Business (CFIB)</p>	<ul style="list-style-type: none"> • "The biggest win in the 2023 budget is the deal reached with Visa and Mastercard to reduce credit card fees for small business owners," said Dan Kelly, CFIB president. "A reduction of up to 27% in small business merchant fees is significant, but more details are needed to determine how many small businesses will benefit from this plan." CFIB has been working closely on this file with government and is pleased with the commitment to expand reductions to other cards, such as American Express, and ensure the reductions are passed on to small firms by payment processors. • "We were disappointed by the lack of meaningful debt relief for small businesses in the budget, when more than half are still carrying pandemic-related debt at an average of \$105,000," Kelly said. "An extension to the Canada Emergency Business Account (CEBA) loan repayment deadline of December 31, 2023, is desperately needed and will be a major priority for CFIB in the weeks ahead." • CFIB is disappointed that the government continues to project deficits for the foreseeable future resulting in increasing debt charges that will reach \$50 billion by 2027-2028. "Bringing the budget back to balance remains a priority for small business owners," Kelly added.

	<ul style="list-style-type: none"> • “While CFIB is pleased that the government is capping the hike in excise duties on beer, spirits and wine at 2% for 2023, we will continue to press government to end these automatic tax increases. Sadly, the government missed another opportunity to freeze the upcoming carbon tax hike on April 1, putting further cost pressures on small firms,” Kelly said. The current federal carbon backstop has collected billions in revenues but has returned less than 1% of the funds that were allocated to small businesses in the form of programs and rebates.
<p>Canadian Union of Public Employees (CUPE) -EN</p>	<ul style="list-style-type: none"> • “This budget is another win for the rich, and another tough loss for workers trying to put a roof over their heads and food on the table for their families,” said CUPE National President Mark Hancock. “Corporate greed is pouring gasoline on the fire of the inflation crisis, but the Liberals and Conservatives are happy to let it burn.” • “Measures like dental care and the GST rebate mean at least workers and families aren’t walking away empty-handed, but the Liberals could have done so much more,” said CUPE National Secretary-Treasurer Candace Rennick. “The budget was another missed opportunity to deliver on affordable housing, and long-awaited, long-promised services like pharmacare. It’s regrettable the government has once again failed to deliver on those promises.”
<p>Fédération des travailleurs et travailleuses du Québec (FTQ)</p>	<ul style="list-style-type: none"> • La Fédération des travailleurs et travailleuses du Québec (FTQ) salue la décision du gouvernement fédéral de s’engager à clairement modifier le Code canadien du travail avant la fin de 2023 pour interdire le recours aux briseurs de grève pour les entreprises sous compétence fédérale. • «Aussi, il faut souligner la volonté du gouvernement d’investir dans la transition énergétique et verte et de reporter le retour à l’équilibre budgétaire. La FTQ est par contre déçue du manque d’engagement clair pour mettre en place un véritable régime public et universel d’assurance médicaments»
<p>Canadian Housing and Renewal Association</p>	<ul style="list-style-type: none"> • Budget 2023 featured half measures to address the housing crisis • Half measures have consequences. The lack of housing investment in Budget 2023 means that Canada is ill-equipped to tackle the housing crisis. • While CHRA was pleased to see \$4 billion allocated over seven years to implementing a co-developed urban, rural, and northern (URN) Indigenous Housing Strategy, the amount of funding is woefully insufficient to address current needs. • According to the National Housing Council, which was appointed by the current government, \$56 billion is needed over the next ten years to address the current shortfall in URN Indigenous housing to specifically protect those in greatest need by addressing affordability issues. • Moreover, the intention for Canada Mortgage and Housing Corporation (CMHC) to implement an URN Indigenous Housing Strategy ignores past commitments, including in Minister Hussen’s

	<p>Mandate Letter, to deliver this funding through a national Indigenous-led housing centre.</p> <ul style="list-style-type: none"> • A dedicated URN Indigenous housing strategy remains an outstanding and overdue promise since the launch of the National Housing Strategy in 2017. Prime Minister Trudeau committed to address this gap by supporting an URN Indigenous housing strategy in the run-up to both the 2019 and 2021 federal elections. Budget 2022 provided a \$300 million funding commitment, representing a mere 0.54 percent of the amount required. To this date, none of that money has provided affordable housing for a single Indigenous person.
<p>Canadian Chamber of Commerce</p>	<ul style="list-style-type: none"> • “Today was an opportunity to lay out a clear plan for growth. While there are some positives, we still lack a coordinated strategy to generate that economic growth over the long term,” says Perrin Beatty, President and CEO of the Canadian Chamber of Commerce. “Businesses across the country are feeling the impact of anemic growth coupled with labour shortages and rising costs for doing business. For future generations to enjoy the opportunities and prosperity we have been so fortunate to inherit, we must unleash the potential of private industry by building a 21st Century workforce, investing in trade-enabling infrastructure and fixing our broken regulatory system.” • The Canadian Chamber is pleased to see the government commit to work with business to establish a National Supply Chain Strategy. However, this was also a missed opportunity for the government to introduce measures to encourage private sector investment by fixing a broken regulatory system and stepping up efforts to get the provinces to eliminate barriers to interprovincial trade. • Although the Canadian Chamber is pleased to see a number of new measures introduced which will ensure our domestic clean technology players can remain competitive in the face of the U.S. Inflation Reduction Act, significant details are still missing from the Budget, including the scope of some of the tax credits and when the Canada Growth Fund will begin disbursing funds.
<p>Public Service Alliance of Canada</p>	<ul style="list-style-type: none"> • The government’s plan to cut nearly \$15 billion in programs and services over the next four years is a major step backwards when they should be focused on building a strong social safety net when Canadians need it most. • The government plans to find \$8.6 billion in cuts across federal departments, Crown corporations and agencies, and also plans to save an additional \$6.4 billion by delaying or cancelling previously announced programs. • “The last time we saw blanket reductions across the board, it meant major cuts to public services and the workers who deliver them,” said Chris Aylward, Public Service Alliance of Canada (PSAC) National President. “You can’t have it both ways. You can’t find \$15 billion in cuts without slashing the vital services that Canadians depend on.”

	<ul style="list-style-type: none"> • The promise to cut back on outsourcing and management consulting is a positive step forward, but doesn't go far enough to end the contracting out of frontline public services. • "Dollar for dollar, history shows that the public service delivers better bang for your buck than over-priced, external management consultants," said Aylward. "The government is right to crack down on the 'shadow-public service,' but the devil is in the details. Canadians need to see the government's plan to reduce spending on corporate advisors." • It's encouraging to see the government make a real investment in Black public service workers by increasing funding for a mental health fund and career development program, however the work needs to be transparent and informed by Black workers. Budget commitments to pass anti-scab legislation and legislation to better protect gig workers are welcome but still require real action. • Budget 2023 also leaves unanswered questions for the 165,000 PSAC federal public service workers who have been working without a contract for nearly two years. • "Everyday costs have become unaffordable for Canadians, and workers are falling behind," said Aylward. "As strike votes wrap up in the coming weeks, the real test will be whether this government is prepared to walk the talk by delivering a decent contract for workers that keeps up with the rising cost of living."
Canadian Taxpayers Federation	<ul style="list-style-type: none"> • "This budget is giving taxpayers big deficits, more money wasted on interest charges and higher taxes," said Franco Terrazzano, Federal Director of the CTF. "This government doesn't care about fiscal prudence or helping taxpayers." • "Giving a few families back some of their GST money is really just an admission there's a problem without looking for a serious solution," Terrazzano said. "Taxpayers need real tax relief."

Media

Media	Reactions
La Presse (1)	<ul style="list-style-type: none"> • Avec ce budget, le gouvernement libéral maintient l'illusion du contrôle. Il réagit autant qu'il planifie. Et quand on additionne ses réactions, ça coûte cher. • Si le contexte était imprévisible, la réaction des libéraux n'a pas surpris. Ils ont suivi leur instinct : sortir le chéquier. • Vu de Québec, le budget contient du bon et du mauvais. Mesure surprise, Ottawa rembourserait jusqu'à 15 % des coûts de la production d'électricité propre. Et ce, jusqu'en 2034, grâce à un programme normé, donc sans devoir négocier à la pièce. Un cadeau qui pourrait devenir empoisonné si les États-Unis y voient

	<p>une subvention et poursuivent Hydro-Québec en vertu de notre traité de libre-échange.</p>
<p>La Presse (2)</p>	<ul style="list-style-type: none"> • Le gouvernement n'avait pas le choix, il devait absolument répondre à l'offensive majeure des Américains pour prendre le virage de l'économie verte, offensive qui se trouve dans le mal nommé <i>Inflation Reduction Act</i> (IRA) américain. • En somme, Ottawa devait assurément avoir un plan vert ambitieux, mais il oublie l'équilibre budgétaire pour plusieurs années. Par chance, le Canada a un endettement encore fort respectable, bien qu'à un sommet depuis 20 ans (43,5 % du PIB pour le fédéral au 31 mars 2024), ce qui reste bien moindre que dans les autres pays du G7. • En quelque sorte, ce sont les Américains qui écrivent nos déficits des prochaines années, et les entreprises qui s'en frottent les mains...
<p>Le Journal de Québec/Montréal</p>	<ul style="list-style-type: none"> • Le jour allait toujours arriver où les dépenses pharaoniques du gouvernement Trudeau allait le rattraper. Au moment où il en aurait le plus besoin, ses choix seraient sévèrement limités. • La morale de l'histoire: le gouvernement Trudeau est toujours aux prises avec son problème de panier percé. Or, c'est la prospérité économique future du Canada qui risque d'en faire les frais.
<p>National Post</p>	<ul style="list-style-type: none"> • Finance Minister Chrystia Freeland has abandoned the Liberal government's pledge to return the federal budget to balance, instead committing to years of further deficits as she made bigger spending plans to transform the economy to use less carbon.
<p>CBC</p>	<ul style="list-style-type: none"> • The budget contains no new details on money to pay for transit infrastructure for municipalities, but promises information by this fall on the big-ticket permanent fund worth \$3 billion a year that's to start in 2026-27, which was announced a couple years ago. • The budget makes no mention of funding to help municipalities operate their transit systems. The City of Ottawa has relied on pandemic-era funding for OC Transpo, and its current budget is based on receiving an extra \$39 million from upper levels of government.
<p>Calgary Herald</p>	<ul style="list-style-type: none"> • But the Calgary Chamber of Commerce said the budget shows fiscal restraint while reducing red tape and promising supports for clean technology, the supply chain and internal trade. • Even so, the federal blueprint missed an opportunity to tackle affordability issues for business and shortcomings in the labour force's size and skills, said Chamber president Deborah Yedlin. • "Today's budget reflects the cautious optimism felt by businesses by avoiding unnecessary spending to manage the inflationary environment," Yedlin said in a statement.

APPENDIX 1: PRINCIPLES UNDERLYING FEDERAL GOVERNMENT INITIATIVES REGARDING MUNICIPALITIES

**Provincial and Territorial Meeting of Ministers responsible for Local Government, Quebec City-
July 6-7 2016**


Respect for provincial and territorial fields of jurisdiction

Federal government initiatives must respect provincial and territorial jurisdiction over municipal matters and their legislative authority in this realm. In this spirit:

- Programs stemming from federal initiatives in respect of the municipalities must be covered by federal and provincial-territorial agreements that should:
 - respect provincial and territorial priorities;
 - ensure that the projects and programs stemming from the federal government initiative are subject to the approval of the provinces and territories concerned.
- It is incumbent upon the provinces and territories to determine individually the appropriate type of consultation with their municipalities.
- Agreements and fiscal arrangements between the federal government and the provinces and territories in respect of federal initiatives and programs must be transparent as regards all of the provinces and territories.
- Federal initiatives must recognize the different needs of and specific conditions in each province and territory and be flexible and adaptable.
- Federal government initiatives and programs likely to concern the municipalities should be elaborated and planned following consultation and in agreement with the provinces and territories.

Funding

- Any federal funding likely to concern the municipalities must be stable, on-going and thus reflect a commitment to achieving long-term solutions.
- Provinces/territories and municipalities will not be expected to sustain federal initiatives over the long term without federal funding.
- Federal initiatives will not pressure provinces/territories to divert financial resources from current priorities or allocate their resources to areas that are not priorities of provinces/territories.
- Federal initiatives will not create expectation of new revenues from provinces/territories to municipalities.

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- Federal initiatives and program relating to municipalities will be available to all provinces and territories.
 - Federal funding to maintain recognition of challenges in delivering infrastructure in jurisdictions with smaller populations with the "Base-Plus" per capita funding model.

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