



Budget 2023: A Made-in-Canada Plan: Strong Middle Class, Affordable Economy, Healthy Future

Highlights and Analysis

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Overview

On March 28, 2023, Canada's Deputy Prime Minister and Minister of Finance, the Honourable Chrystia Freeland, tabled [*Budget 2023: A Made-in-Canada Plan: Strong Middle Class, Affordable Economy, Healthy Future*](#). The budget places three key areas at the forefront, including health and dental care, affordability, and the clean economy. It aims to make life more affordable, encourage green energy investments, improve health care services, and advance the next phase of the federal dental care program. Budget 2023 also includes targeted funding in education, workforce development, science, and national defence. Significant funding commitments include:

- \$13 billion over five years to implement a dental care plan for families earning less than \$90,000 annually.
- Doubling of GST rebate extended for lower income Canadians, up to \$467 per family.
- \$20 billion over six years for tax credits to promote investment in green technologies.
- \$4 billion over seven years for an Indigenous housing strategy.
- \$359 million over five years for programs addressing the opioid crisis.
- \$158 million over three years for a suicide prevention hotline, launching on November 30.
- Creation of a new agency to combat foreign interference.

The budget emphasizes fiscal responsibility, aiming to reduce spending by \$15 billion while investing \$67 billion in new spending over five years to address inflation and affordability concerns. It lists \$43 billion of new spending over six years, resulting in an overall deficit of \$40.1 billion in 2023–2024, almost \$10 billion more than forecasted in the government's fall economic update. The federal debt will hit \$1.18 trillion, with the debt-to-GDP ratio expected to rise slightly over the next two years.

Six major headings are used to summarize the main themes of Budget 2023:

- Making life more affordable and supporting the middle class;
- Investing in public health care and affordable dental care;
- Affordable energy, good jobs, and a growing clean economy;
- Advancing reconciliation and building a Canada that works for everyone;
- Canada's leadership in the world; and
- Effective government and a fair tax system.

Engineers Canada welcomes the federal government's commitment to key areas such as infrastructure, natural resources, energy, transportation, climate change, environment, equity, diversity, inclusion, Indigenous people's reconciliation, and strengthening internal trade as outlined in Budget 2023 and looks forward to the opportunity to collaborate with the federal government on these important priorities.

Infrastructure, Natural Resources, Energy, and Transportation

Highlights

Budget 2023 builds on the federal government's strong foundation since 2015 by prioritizing major investments in clean energy, which will enable the creation of a national electrical grid connecting Canadians from coast-to-coast-to-coast. These investments aim to provide individuals and businesses with cleaner and more affordable electricity, while positioning Canada as a reliable supplier of goods and resources for a net-zero world, thereby placing Canadian workers and businesses at the heart of global supply chains. With a strong focus on electrification, clean energy, clean manufacturing, emissions reduction, critical minerals, infrastructure, electric vehicles and batteries, and major projects, Budget 2023 underscores the government's commitment to establishing a clean economy that benefits workers, businesses, the environment, and Canadians.

To achieve these objectives, Budget 2023 outlines the next steps, emphasizing the development of sustainable infrastructure, investment in clean energy and natural resources, and the enhancement of transportation systems. Notable investments include:

- \$10 billion through the Clean Power priority area of the Canada Infrastructure Bank, and at least \$10 billion through its Green Infrastructure priority area.
- \$3 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 off the coasts of Nova Scotia and Newfoundland and Labrador.
- \$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.
- \$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.
- \$119.6 million over five years to Fisheries and Oceans Canada to reinforce the integrity of the Coast Guard helicopter fleet.
- \$1.1 billion over 14 years to the Canadian Space Agency for operations on the International Space Station.

- \$500 million over 10 years to the Strategic Innovation Fund to support the development and application of clean technologies in Canada.

Analysis and opportunities

Budget 2023 reaffirms the federal government's unwavering commitment to investing in infrastructure, with a particular emphasis on natural resources, clean energy, and other green infrastructure projects. We are pleased to note that Engineers Canada's [2023 Pre-Budget Submission to the House of Commons Standing Committee on Finance](#) aligns with these priorities, as we specifically recommended increased infrastructure investments and continued support for green infrastructure projects and natural resources. We are encouraged to see these recommendations reflected in Budget 2023, and we remain committed to working collaboratively with the federal government to ensure that Canada's infrastructure is sustainable, resilient, and able to support economic growth and environmental stewardship.

Engineers Canada actively advocates for the need for sound and reliable core public and private infrastructure, as it assures the safety of the public, enables the uninterrupted provision of essential services, and promotes economic development and growth. Our various federal [submissions](#), [testimonies](#), and national positions on the [Role of Engineers in Building a Safe and Resilient Canada](#), [Role of Engineers in Canada's Long-term Economic Recovery, Infrastructure](#), and [Infrastructure on Indigenous Reserves and in Remote Indigenous Communities](#) affirms our commitment to this cause.

Engineers play a crucial role in facilitating Canada's transition toward a clean economy. It is imperative that the federal government consults with the engineering profession in the development and implementation of their clean economy plans. For example, engineers possess specialized knowledge and skills that are vital in designing and implementing innovative solutions that can reduce emissions while maintaining efficiency and cost-effectiveness. Collaborating with the engineering profession can help the federal government ensure that its clean economy plans are grounded in sound engineering principles and that the proposed solutions are technically feasible and effective. This collaboration is vital to achieving net-zero emissions goals and targets while also ensuring that infrastructure, natural resources, transportation, and energy systems remain safe, reliable, and resilient.

Climate Change and the Environment

Highlights

Budget 2023 places a strong emphasis on Canada's commitment to achieving its net-zero emissions goal by 2050. It also recognizes the need to build resilience in the face of natural disasters and includes measures to protect Canadians from the impacts of climate change and extreme weather events. To support these goals, Budget 2023 introduces new measures aimed at making it easier and more affordable for Canadians and Canadian businesses to adopt clean technologies and invests in initiatives that promote environmental protection.

Investments include:

- \$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.
- \$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.
- \$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.
- \$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.

Analysis and opportunities

In our [2023 Pre-Budget Submission to the House of Commons Standing Committee on Finance](#), Engineers Canada emphasized the importance of investing in green infrastructure and fulfilling Canada's climate commitments. We were pleased to see the federal government address our specific request and make significant investments toward climate change adaptation and natural disaster resilience, which will strengthen and safeguard physical infrastructure in Canadian communities.

Engineers Canada has been a longstanding advocate for increasing climate resiliency, adaptation, and mitigation policies at the federal level. Our national positions on [Climate Change and Extreme Weather Events](#) and [Role of Engineers in Building a Safe and Resilient Canada](#), as well as our federal submissions to various departments, highlight our commitment to this important issue. They include:

- [Engineers Canada's comments to Environment and Climate Change Canada regarding the implementation plan for Canada's National Adaptation Strategy](#)
- [Engineers Canada's comments to Environment and Climate Change Canada regarding Canada's National Adaptation Strategy Discussion paper](#)

- [Engineers Canada’s testimony to the Standing Senate Committee on Transport and Communications](#)
- [Engineers Canada’s comments to Environment and Climate Change Canada on the Climate Science 2050 National Climate Change Science Plan](#)
- [Comments to Canada’s Building Code in the Context of Climate Change, Adaption, and Sustainability – White Paper on the urgency of building code modernization and implementation](#)

We strongly believe that it is crucial for the federal government to consult and engage with engineers on federal climate adaptation, mitigation, and rehabilitation projects that require engineering expertise. Engineers have the skills and technical expertise to work collaboratively with the federal government on environmental assessments and regulatory processes and to develop solutions, providing unbiased, innovative, and transparent advice regarding climate change and extreme weather events and their impacts on infrastructure and communities. We look forward to continuing to work with the federal government in addressing this significant issue.

Equity, Diversity, Inclusion, and Indigenous People’s Reconciliation

Highlights

Budget 2023's allocation of new spending toward the federal government's equity, diversity, and inclusion (EDI) and Indigenous Peoples' reconciliation agendas is not as substantial as in previous years. However, the continued spending, in combination with substantial investments in recent budgets, reflect the federal government’s ongoing commitment to these priorities and indicate that they remain top priorities.

Noteworthy Budget 2023 investments include:

- \$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.
- \$5 million in 2023–24 to Indigenous Services Canada to support the co-development of an Economic Reconciliation Framework with Indigenous partners that will increase economic opportunities for Indigenous Peoples, communities, and businesses.
- \$8.7 million in 2023–24 to Natural Resources Canada to support deeper engagements with Indigenous partners, including Indigenous rights-holders, toward the development of the National Benefits-Sharing Framework.
- \$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.

- \$6.9 million over two years, starting in 2023–24, to the Treasury Board of Canada Secretariat to advance a restorative engagement program to empower employees who have suffered harassment and discrimination, and to drive cultural change in the public service.
- \$10 million over two years, starting in 2023–24, to Employment and Social Development Canada to help address the unique needs and ongoing barriers faced by persons with disabilities by investing in capacity building and the community-level work of Canada’s disability organizations.

Analysis and opportunities

Engineers Canada welcomes the federal government's commitment to addressing EDI gaps and advancing reconciliation with Indigenous Peoples, as well as its efforts to address workplace harassment, discrimination, and violence. In our [2023 Pre-Budget Submission to the House of Commons Standing Committee on Finance](#), we emphasized the importance of supporting EDI initiatives across Canada, including measures to address discrimination, harassment, and improving EDI in the workplace for women, Indigenous, Black and other racialized people, LGBTQ2S+ persons, and persons with disabilities. We were pleased to see investments of \$6.9 million over two years, starting in 2023–24, to tackle these issues within the federal public service. We also called for funding to support Indigenous Peoples’ access programs to post-secondary engineering education programs across Canada.

As advocates for increased supports for women and Indigenous Peoples within the engineering profession, Engineers Canada has been actively engaged in moving these critical issues forward through various [federal submissions](#), testimonies, our [30 by 30 initiative](#) and national positions on [Diversity, Equity, and Inclusion](#), as well as [Indigenous People’s Access to Post-Secondary Engineering Education](#). We also continue to work through our [Indigenous Advisory Committee](#) to support [Indigenous People’s Access to Post-Secondary Engineering Programs](#).

Strengthening Internal Trade

Highlights

The federal government has been working to reduce barriers to interprovincial and territorial trade and improve labour mobility, which would create opportunities for Canadian businesses to grow, make it easier for Canadians to access medical professionals, and bring down costs through increased competition and consumer choice. The federal government has undertaken efforts to improve labour mobility, including providing funding to expand the Foreign Credential Recognition Program and launching the Labour Mobility Deduction for Tradespeople. Looking ahead, Budget 2023 outlines the federal government's commitment to continue making progress on strengthening internal trade by exploring mutual recognition of regulatory standards through the development of a Federal Framework on Mutual Recognition. This approach will help to coordinate policy efforts with provincial and territorial partners, ultimately promoting engagement and cooperation. By focusing on mutual recognition, the government is seeking to further remove barriers to trade and labour mobility, facilitating the movement of goods and services across the country and supporting economic growth.

Continued investments include:

- Providing \$115 million over five years, with \$30 million ongoing, through Budget 2022 to expand the Foreign Credential Recognition Program, which makes it easier for newcomer workers to have their credentials recognized in Canada. This is expected to help up to 11,000 internationally trained health care professionals per year get their credentials recognized.

Analysis and opportunities

Engineers Canada is pleased to see the federal government's continued commitment to reducing and eliminating barriers to labour mobility, as outlined in Budget 2023. We believe that by improving labour mobility and reducing barriers to trade, the federal government is taking crucial steps towards fostering economic growth and enhancing the well-being of Canadians. To ensure the best outcomes for professional mobility in Canada, it is important that the federal government consult and collaborate with regulated professions, such as engineering. The engineering profession has been recognized for having one of the most advanced internal regimes in Canada, and Engineers Canada has long advocated for engineers licensed in Canada to be able to practice across jurisdictions through our national position on [National and International Labour Mobility](#). We have also provided verbal testimony to the Senate Standing Committee on Banking, Trade and Commerce regarding their study on [inter-provincial and inter-territorial labour mobility](#) for the engineering profession. We look forward to continued collaboration with the federal government to advance labour mobility and reduce barriers to trade in Canada.