

Government of Canada releases Budget 2022

From: Department of Finance Canada

News release

April 7, 2022 - Ottawa, Ontario - Department of Finance Canada

Today, the Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance, released *Budget 2022: A Plan to Grow Our Economy and Make Life More Affordable*.

Since the depths of the pandemic recession, the government's focus on jobs—on keeping Canadians employed and on keeping their employers afloat—has ensured Canada's economy has made a rapid and strong recovery. Canada has seen the best jobs recovery in the G7, having recovered 112 per cent of the jobs lost, and with an unemployment rate that sits at just 5.5 per cent—close to the 5.4 per cent low in 2019 that was Canada's best in five decades.

In Budget 2022, the government makes targeted and responsible investments to create jobs and prosperity today, and build a stronger economic future for all Canadians. These include:

1. **Investing in Canadians and Making Life More Affordable:** Canadians are the backbone of a strong and growing economy, and measures that support access to housing and a growing workforce are imperative for economic growth. Budget 2022 housing measures include: Putting Canada on the path to double housing construction over the next decade; helping Canadians save for and buy their first home; banning foreign investment that makes housing less affordable for Canadians; and curbing unfair practices that make housing more expensive for Canadians. Budget 2022 also invests in ensuring Canadian workers have the skills they need for the good-paying jobs of today and tomorrow, and will make it easier for the skilled immigrants that our economy needs to make Canada their home. Budget 2022 makes significant further investments in affordable child care, in reducing the backlogs of surgeries and medical procedures in our public health care system, and in advancing reconciliation with Indigenous peoples.
2. **Investing in Economic Growth and Innovation:** The key to Canada's long-term prosperity is economic growth. Budget 2022 builds off of Budget 2021's historic investments in early learning and child care—which could increase real GDP by as much as 1.2 per cent over the next two decades—and includes further critical investments to make Canada's economy both stronger and more innovative. These investments include a new Canada Growth Fund that will attract tens of billions of dollars in private investment in Canadian industries and Canadian jobs, and a new innovation and investment agency that will help drive productivity and growth across our economy. Budget 2022 also includes up to \$3.8 billion to implement Canada's first Critical Minerals Strategy—one that will create thousands of good jobs and capitalize on a growing need for the minerals used in everything from phones to electric cars. Measures also include steps to build more resilient supply chains, to cut taxes for Canada's growing small businesses, and to drive the creation, and ensure the protection, of Canadian intellectual property.
3. **Investing in a Clean Economy:** Protecting our environment and fighting climate change is the right thing to do for the planet, and it is also the right thing to do for our economy. Through Budget 2022, the government will help Canadians and Canadian businesses benefit from the global transition to a clean economy, including through new incentives for the development of clean technologies and carbon capture, utilization, and storage. In addition to further investments to protect our land, lakes, and oceans, the government will also make it more affordable for Canadians to purchase zero-emission vehicles, build and expand a national network of zero-emission vehicle charging stations, and make new investments in clean energy.

Canada entered the pandemic with the lowest net debt-to-GDP ratio of all G7 countries, an advantage that has since increased relative to other countries. With Budget 2022, Canada will maintain this leading

position, while also seeing the second fastest recovery in the G7 by the end of this year. With the federal government having invested eight out of every ten dollars to support Canadians and the Canadian economy during the pandemic, Budget 2022 represents a fiscally responsible approach to economic growth and builds an economy that works for everyone. Crucially, it upholds the government's fiscal anchor—a declining debt-to-GDP ratio and the unwinding of COVID-19-related deficits, which will ensure that Canada's finances remain sustainable in the long-term.

Quotes

“Budget 2022 is about growing our economy, creating good jobs, and building a Canada where nobody gets left behind. Our plan is responsible and considered, and it is going to mean more homes and good-paying jobs for Canadians; cleaner air and cleaner water for our children; and a stronger and more resilient economy for years to come.”

The Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance

Quick facts

- **Measures in Budget 2022 to make housing more affordable include:**
 - Putting Canada on the path to doubling the construction of new homes in the next decade;
 - Helping Canadians buy their first home, including by introducing the Tax-Free First Home Savings Account and doubling the First-Time Home Buyers' Tax Credit; and
 - Launching a new Housing Accelerator Fund that will target the creation of 100,000 net new housing units in the next five years.
- **Measures in Budget 2022 to fight climate change include:**
 - More than \$3 billion in funding to make zero-emission vehicles more affordable and build a national network of charging stations;
 - Significant new investments to protect our land, lakes, and oceans; and
 - The creation of the Canada Growth Fund to help attract tens of billions of dollars in private capital towards building a net-zero economy by 2050.
- **Further significant measures in Budget 2022 include:**
 - \$5.3 billion over five years to provide dental care for Canadians with family incomes of less than \$90,000 annually, starting with under 12-years-olds in 2022, expanding to under 18-years-olds, seniors, and persons living with a disability in 2023, and with full implementation by 2025. The program would be restricted to families with an income of less than \$90,000 annually, with no co-pays for those under \$70,000 annually in income;
 - Up to \$3.8 billion to implement Canada's first Critical Minerals Strategy;
 - \$11 billion in additional funding to continue to support Indigenous children and their families, and help Indigenous communities continue to grow and shape their futures;
 - More than \$8 billion in new funding to better equip the Canadian Armed Forces, strengthen Canada's contributions to our core alliances like NATO and NORAD, and reinforce Canada's cyber security;
 - Further support for Ukraine and its people in the face of Russia's illegal invasion, including up to \$1 billion in new loan resources to the Ukrainian government through a new Administered Account for Ukraine at the International Monetary Fund (IMF), and an additional \$500 million in military aid;
 - A temporary Canada Recovery Dividend, representing a one-time 15 per cent tax on the 2021 taxable income above \$1 billion of Canada's largest banking and life insurers' groups, to help support Canada's broader recovery; and
 - A permanent 1.5 percentage point increase in the corporate income tax rate of banking and life insurance groups on taxable income above \$100 million.

Contacts

Media may contact

Adrienne Vaupshas
Press Secretary
Office of the Deputy Prime Minister and Minister of Finance
Adrienne.Vaupshas@fin.gc.ca

Media Relations
Department of Finance Canada
mediare@fin.gc.ca
613-369-4000

General enquiries

Phone: 1-833-712-2292
TTY: 613-369-3230
E-mail: financepublic-financepublique@fin.gc.ca

Reproduced with the permission of the Department of Finance, 2022