



2023 Proposed Federal Budget

On March 28, 2023, the Canadian Federal government proposed their 2023 budget. A significant portion of the budget further funds already established tools and programs to move towards a green economy. Read the full 2023 Federal Budget [HERE](#)

The proposed budget includes a 'Made in Canada' plan that sets out to "build Canada's clean economy, create middle class careers and help usher in economic prosperity". The 'Made in Canada' plan is centered on three tiers of financial incentives to attract new investments, create jobs and build a clean economy and includes tax credits, strategic financing and investments and programming.

The priorities within Canada's plan for a clean economy include electrification, clean energy, clean manufacturing, critical minerals and electrical vehicles and batteries. The Federal government has proposed investments in the Strategic Innovation Fund, Smart Renewables and Electrification Pathways program, the Clean Fuel Fund and the Low Carbon Economy Fund. In addition to increasing financial investments in programming, the Federal government has also proposed investment tax credits such as Clean Tech Adoption, Clean Tech Manufacturing and Clean Electricity.

To strengthen trade, the 2023 budget proposes strategic trade corridor investments in the National Supply Chain Strategy, preferred trade access to the G7 countries and 2/3 of global consumers through the new NAFTA, CETA and Progressive Agreement for the Trans-Pacific partnership.

The Federal government also proposes to increase innovation and productivity by increasing business research and development through the creation of the Canada Innovation Corporation (CIC) for new and established industries. The CIC mandate is to "increase Canadian business expenditure on research and development across all sectors and regions of Canada". Announced in February 2023, the CIC will provide funding and advising services to encourage more research and development in Canada. The budget also proposes supports for innovation and invention through global innovation clusters, intellectual properties and funding for advanced research, AI, quantum, genomics, and life sciences.

The 2023 budget also proposes \$500 million, over 10 years, for clean-tech investing through the Strategic Innovation Fund (SIF) and modernizing advanced research infrastructure through investments in facilities at the National Research Council, universities and colleges.

To support workers and businesses, the budget proposes \$5.4 million, over 3 years, to Employment and Social Development Canada to ensure work sharing programs continue to provide support and \$197.7 million in 2024-25 towards the Student Work Placement Program to continue work integrated learning to ensure students gain needed skills and real world experience.

Also proposed, a 30% investment tax credit for Clean Technology Manufacturing to help Canadian manufacturers transition to net zero production. These credits apply to the cost of investing in new machinery and equipment used to manufacture or process clean technologies and to extract, process or recycle important critical minerals. The tax credit totals \$4.5 billion over five years and an additional \$6.6 billion from 2028-35. A voluntary clean energy credit registry will provide businesses with the tools to meet environmental and sustainability goals while demonstrating the use of electricity sourced from clean resources.

Funding has also been proposed to improve immigration backlogs. \$10 million, over 5 years, has been proposed to expedite 5.2 million applications for permanent residency, temporary residency, and citizenship; as well as, to increase available online services.

The Federal government has also committed to reviewing the Scientific Research and Experimental Development (SR&ED) tax incentive program.

CAMM and Automate Canada will continue to update our members as information develops and as funding and programming becomes available.

*What do you think about the proposed 2023 Federal budget?
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