



Emerging Issues Task Force

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Issue Short Heading: Federal Government 2016 Budget Announcement

Issue Category:

- Membership issue
- Government (Provincial)
- Government (Federal)
- PSAB
- Other

Issue Description:

The Federal Government announced highlights of Budget 2016 on March 22, 2016.

Issue commentary/research:

The main themes of Federal Budget 2016 are:

- **“Strengthening the Middle Class”, which focuses on middle class tax breaks, increased benefits and the creation of jobs through investing in infrastructure;**
- **“An Innovative and Clean Economy”, promoting global innovation and protecting the environment;**
- **“An Inclusive and Fair Canada” focusing on enhancing government investment in seniors, indigenous peoples and veterans;**
- **“Canada in the World”, supporting immigration, international aid and security; and,**
- **“Open and Transparent Government”, enhancing tax fairness and investing for long-term growth.**

Although Federal Budget 2016 will have a definite impact on individual Canadian taxpayers, Alberta municipalities may also be impacted by some of the upcoming Federal changes, mostly relating to the Federal Government's investment in infrastructure.

Here are some of the highlights of Canada's new infrastructure plan:

- **\$11.9 billion over 5 years summarized as follows:**
 - **Transit Infrastructure - \$3.4 billion (over 3 years) to upgrade and improve public transit throughout Canada.**
 - **Funding to be provided through the new Public Transit Infrastructure Fund of which Alberta municipalities will be allocated \$347,190,000 (based on ridership).**
 - **Funding will flow through province rather than directly to municipalities.**
 - **Green infrastructure - \$5.0 billion (over 5 years) for investments in water, wastewater and green infrastructure projects, including (but not limited to):**
 - **A new Clean Water and Wastewater Fund - \$2 billion (over 4 years) for urgent provincial, territorial and municipal water and wastewater priorities;**
 - **\$75 million in new funding for local governments to address climate change – distributed through Federation of Canadian Municipalities;**
 - **\$125 million (over 2 years) enhancement of the Green Municipal Fund which is distributed through the Federation of Canadian Municipalities as well; and,**
 - **\$50 million capacity-building fund to support the use of asset management best practices across Canada – delivered through the Federation of Canadian Municipalities.**
 - **Social Infrastructure - \$3.4 billion (over 5 years) for social infrastructure initiatives which include:**

- **\$1.2 billion will be invested in First Nations, Inuit and northern communities;**
 - **\$1.48 billion toward affordable housing of which a significant portion will be allocated to the provinces and territories with the greatest need;**
 - **\$342 million for cultural and recreational initiatives; and,**
 - **\$400 million toward early learning and child care.**
- **Continued support for infrastructure priorities of communities across Canada.**
- **Continue to fund projects through Federal Gas Tax and provide incremental Goods and Services Tax Rebates for Municipalities (approximately \$3 billion/year)**
 - **Working with provincial, territorial and municipal partners to help accelerate spending of funds already available through existing infrastructure programs as well as transferring the remaining uncommitted funds from older infrastructure programs.**

In addition to new funding for infrastructure, the Federal Government previously announced the funding of \$339 million (over 3 years) to the Canada Summer Jobs program which provides funding to not-for-profit organizations, public sector employers and small businesses. This investment is expected to double the number of job opportunities supported under this program.

To view the complete 2016 Federal Budget visit www.budget.gc.ca