

Infrastructure Spending Maintained in Federal Budget 2017

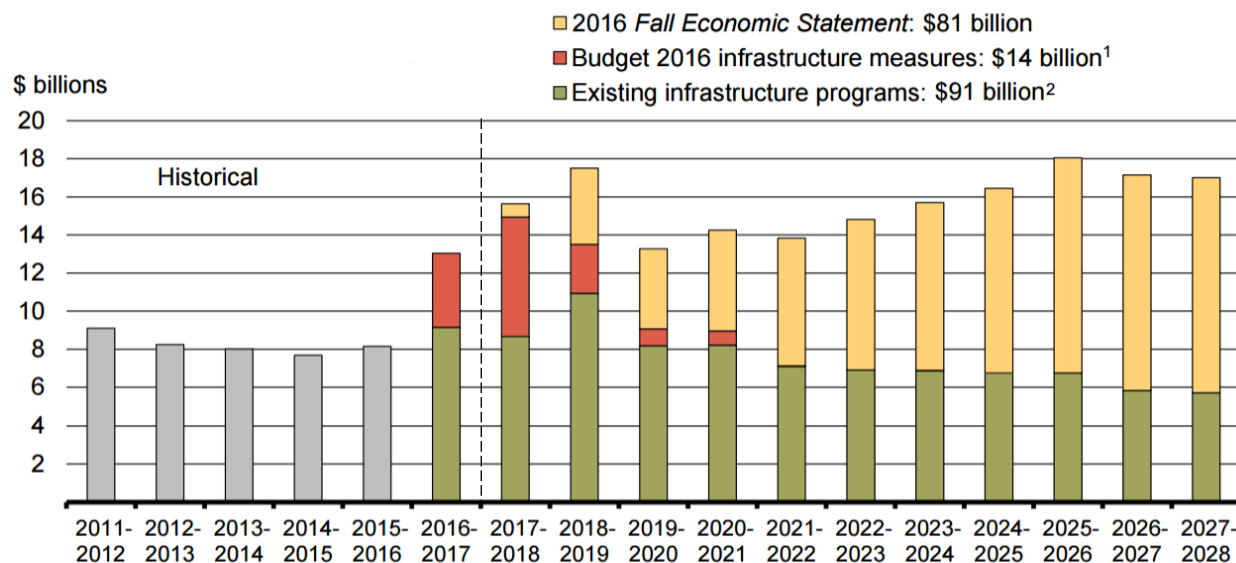
March 22, 2017

The federal budget was released on March 22, 2017. Titled “Building a Strong Middle Class”, the budget reflects a deficit of \$28.5 billion, which is expected to fall to \$18.8 billion through 2021-22. The budget has four themes: skills, innovation, and middle class jobs; communities built for change; tax fairness for the middle class; and a strong Canada at home and in the world.

AUMA’s advocacy was reflected in the 2017 federal budget, as the federal government maintained its commitment to significant investments in infrastructure. Much of the budget provides the details for broad categories of already-announced spending, with only \$1.3 billion in “new spending” this year, out of a total 2017 budget of \$304.7 billion. This is in sharp contrast with Budget 2016, which announced \$26.5 billion in new spending over two years.

Budget 2017 confirmed the announcements made in Phase 1 of Canada’s New Infrastructure Plan, (\$11.9 billion to be invested over five years) and the Fall 2016 Economic Statement (an additional \$81 billion in infrastructure investments). The charts below show the long-term infrastructure plan that was committed to in 2016 and maintained in this budget:

Long-Term Infrastructure Plan



¹ Includes Phase 1 (\$11.9 billion), strategic investments in post-secondary infrastructure (\$2.0 billion) and rural broadband (\$500 million). See Table 2.1 for details.

² Includes Infrastructure Canada programs, Indigenous infrastructure programs and social infrastructure programs.

Source: Government of Canada, Fall Economic Statement 2016

Allocation of Budget 2016 Infrastructure Investments

millions of dollars

	2016– 2017	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	2022– 2023	2023– 2024	Total
<i>Budget 2017 Allocation</i>									
Public Transit	400	1,696	1,304	0	0	0	0	0	3,400
Green Infrastructure	570	1,525	1,455	733	677	84	10	3	5,057
Social Infrastructure	1,643	1,689	53	36	20	0	0	0	3,441
Strategic Investments in Post-Secondary Institutions	749	1,001	250	0	0	0	0	0	2,000
Rural Broadband	6	81	253	108	52	0	0	0	500
Grand Total—Budget 2017 Allocation	3,368	5,992	3,315	877	749	84	10	3	14,398

Source: Government of Canada, Fall Economic Statement 2016

Budget 2017 provides additional details on these previous commitments, allocating:

- \$20.1 billion over 11 years for public transit (federal contribution to bilateral agreements).
- \$21.9 billion over 11 years for green infrastructure, including initiatives such as clean electricity grid interconnections, electric vehicle charging stations, and projects to safely manage wastewater.
- \$35 billion over 11 years to the new Canada Infrastructure Bank, which will be responsible for investing in large, transformative infrastructure projects using loans, loan guarantees, and equity investments. The Bank will invest at least \$5 billion in public transit systems and \$5 billion in green infrastructure.
- \$6 billion over 10 years for home care and \$5 billion over 10 years for mental health initiatives through individual deals with the provinces and territories.
- \$11.2 billion over 11 years for social housing, including \$5 billion for a National Housing Fund to address critical housing issues and \$225 million for Indigenous Canadians living off-reserve. The housing funding also includes \$3.2 billion for new construction, renovations and rent subsidies, and \$2.1 billion to fight homelessness.
- \$7 billion over 10 years, starting in 2018-19, to support and create more high-quality, affordable child care spaces across the country.
- \$500 million to support the expansion of broadband networks in rural Canada and \$2 billion to support rural infrastructure including roads and bridges, making it easier for Canada's agri-food producers to connect to markets in Canada and internationally.

A more detailed breakdown of infrastructure funding streams is shown in the appendix, and on pages 267-268 of the budget.

Other budget highlights include:

- \$3 billion over the next five years to develop an innovation and skills plan that will target the six sectors the Liberal government sees as good bets for spurring economic growth and creating well-paying jobs: advanced manufacturing, clean technology, the agri-food sector, digital industries, clean resources and health and bio-sciences.
- \$3.4 billion over five years for Indigenous infrastructure, health and education.

- An extension of parental leave and benefits to 18 months which will enable parents to stay at home longer; however, those accessing the benefits will receive a lower Employment Insurance (EI) benefit rate of 33 per cent of their average weekly earnings, instead of the current rate of 55 per cent.
- A one-time payment of \$30 million from the federal government to the provincial government to support Alberta in stimulating economic activity and employment in Alberta's resource sector.
- Supporting innovation by investing up to \$950 million over five years to support a small number of business-led innovation "superclusters" that have the greatest potential to accelerate economic growth.

Based on previous budgets, about 10 per cent of federal budget allocations typically flow to Alberta, when a per capita allocation formula is utilized.

AUMA's news release on the budget is provided [here](#) and FCM's budget analysis is found [here](#). For more information on the budget, visit the [Government of Canada's Budget 2017 website](#).

Allocation of Investing in Canada—The Long-Term Infrastructure Plan

millions of dollars

	2017– 2018	2018– 2019	2019– 2020	2020– 2021	2021– 2022	5-Year Total	2022– 2023	2023– 2024	2024– 2025	2025– 2026	2026– 2027	2027– 2028	Total
Total Amount Provisioned	700	4,000	4,200	5,300	6,700	20,900	7,900	8,800	9,700	11,300	11,300	11,300	81,200
Public Transit Provision	300	1,100	1,100	1,500	1,800	5,800	2,200	2,500	2,800	4,000	4,000	4,000	25,300
Public Transit Bilateral Agreements	0	950	851	977	1,150	3,924	2,003	2,227	2,551	3,068	3,150	3,200	20,125
Canada Infrastructure Bank	149	123	230	188	231	921	499	575	620	828	828	878	5,000
Smart Cities Challenge	5	15	2	18	2	42	18	2	18	2	18	0	100
Superclusters	10	13	18	18	18	75	0	0	0	0	0	0	75
Subtotal	164	1,100	1,100	1,200	1,400	4,964	2,520	2,804	3,189	3,748	3,996	4,078	25,300
Reprofile of Public Transit Allocation	-134	0	0	-300	-400	-834	320	304	389	-252	-4	78	0
Rural and Northern Provision	0	200	200	200	200	800	200	200	200	200	200	200	2,000
Rural and Northern Communities Bilateral Agreements	0	150	150	150	200	650	200	200	200	250	250	250	2,000
Subtotal	0	150	150	150	200	650	200	200	200	250	250	250	2,000
Reprofile of Rural and Northern Allocation	0	-50	-50	-50	0	-150	0	0	0	50	50	50	0
Green Infrastructure Provision	0	1,100	1,100	1,400	1,800	5,400	2,200	2,500	2,800	3,000	3,000	3,000	21,900
Green Infrastructure Bilateral Agreements	0	361	393	392	450	1,596	840	1,075	1,280	1,450	1,480	1,500	9,222
Canada Infrastructure Bank	0	138	245	353	446	1,182	514	590	635	693	693	693	5,000
Smart Cities Challenge	0	20	2	18	2	42	18	2	18	2	18	0	100
Disaster Mitigation and Adaptation	0	45	100	100	200	445	200	250	250	255	300	300	2,000
Climate Adaptation and Resilience	21	33	35	35	34	157	21	21	21	21	21	21	281
Smart Grid and Clean Electricity	0	25	25	25	25	100	0	0	0	0	0	0	100
Emerging Renewable Energy Technologies	0	25	50	50	50	175	25	0	0	0	0	0	200
Reducing Reliance on Diesel South of 60th parallel	0	40	40	40	40	160	40	20	0	0	0	0	220
Electric Vehicles and Alternative Fuels	0	30	30	30	30	120	0	0	0	0	0	0	120
Energy Efficient Building Codes	0	20	22	24	22	87	26	25	25	20	0	0	182
Improving Indigenous Communities	0	200	200	200	200	800	200	200	200	200	200	200	2,000
Arctic Energy Fund	0	40	40	40	40	160	40	40	40	40	40	40	400
Superclusters	0	23	18	18	18	75	0	0	0	0	0	0	75
Reserved Green Funding	0	0	0	76	176	252	276	276	325	320	276	276	2,000
Subtotal	21	999	1,199	1,400	1,731	5,351	2,200	2,498	2,794	3,000	3,028	3,030	21,900
Reprofile of Green Infrastructure Allocation	21	-101	99	0	-69	-49	0	-2	-4	0	-28	30	0
Trade and Transportation Provision	400	500	700	800	1,100	3,500	1,100	1,100	1,100	1,100	1,100	1,100	10,100
Modernizing Transportation	11	16	16	17	17	76	1	0	0	0	0	0	77
Connecting Communities by Rail and Water	300	309	324	87	100	1,120	104	87	100	96	82	89	1,925 ¹
National Trade Corridors Fund	31	78	156	169	184	618	230	230	230	230	230	230	2,000
Climate Risk Assessments	3	3	3	3	3	14	0	0	0	0	0	0	14
Canada Infrastructure Bank	0	0	0	310	431	741	588	664	708	767	767	767	5,000
Information System	5	5	5	5	5	23	5	5	5	5	5	5	50
Oceans Protection Plan	152	246	236	230	203	1,067	9	9	9	9	9	9	1,325 ¹
Heavy-Duty Vehicle and Off-Road Regulations	1	2	2	2	2	8	1	1	1	1	1	1	16
Less: Funds in the fiscal framework and other revenues	-42	-42	-42	-22	-61	-208	-17	-17	-17	-17	-17	-17	-309
Subtotal	461	617	700	800	884	3,462	920	978	1,036	1,091	1,077	1,083	10,100 ¹
Reprofile of Trade and Transportation Allocation	61	117	0	0	-214	-38	-180	-122	-44	-9	-23	-17	0¹
Social Infrastructure Provision	0	1,100	1,100	1,400	1,800	5,400	2,200	2,500	2,800	3,000	3,000	3,000	21,900
Early Learning and Child Care	0	540	545	550	550	2,185	725	775	775	800	870	870	7,000
Canada Cultural Spaces Fund	0	30	30	30	30	120	30	30	30	30	30	30	300
Enabling Accessibility Fund	0	8	8	8	8	31	8	8	8	8	8	8	77
Cultural and Recreational Bilateral Agreements	0	50	50	50	50	200	67	130	195	225	250	280	1,347
Community Educational Infrastructure	0	4	4	4	8	20	8	8	8	12	12	12	80
Home Care Infrastructure	0	200	250	250	300	1,000	0	0	0	0	0	0	1,000
Smart Cities Challenge	0	20	2	18	2	42	18	2	18	2	18	0	100
Improving Indigenous Communities	0	75	75	100	100	350	200	290	290	290	290	290	2,000
Federal-Provincial-Territorial Partnership in Housing	0	0	255	255	255	765	305	355	380	455	455	455	3,170
Support for Northern Housing	0	30	30	30	30	120	30	30	30	30	30	30	300
National Housing Fund	10	141	246	338	428	1,184	443	597	707	701	688	682	5,000
Housing for Indigenous Peoples Not On-Reserve	0	25	25	25	25	100	25	25	25	25	25	0	225
Housing Research	0	27	29	28	27	111	26	26	26	26	26	0	241
Federal Lands for Affordable Housing	2	20	20	20	20	82	20	20	20	20	20	20	202
Tackling Homelessness	0	54	203	213	237	707	237	237	237	237	237	237	2,129
Less: Funds in the fiscal framework and other revenues	-13	-41	-103	-69	-102	-328	-70	-127	-204	-217	-178	-147	-1,271
Subtotal	-7	1,183	1,688	1,850	1,968	6,688	2,072	2,405	2,545	2,643	2,781	2,766	21,900
Reprofile of Social Infrastructure Allocation	-1	83	588	450	168	1,288	-128	-95	-255	-357	-219	-234	0
Grand Total—Budget 2017 Allocation	645	4,049	4,838	5,400	6,183	21,115	7,911	8,885	9,744	10,733	11,132	11,207	81,200¹
Total Reprofile of the Allocation	-55	49	638	100	-517	215	11	85	64	-567	-168	-93	0¹

¹ Connecting Communities by Rail and Water and the Oceans Protection Plan include funding to support capital projects where costs are amortized over the useful life of the asset. The 11-year totals include the remaining amortization amounts beyond 2027–28.

Source: Government of Canada, Budget 2017, page 266–267