



## Federal Budget 2007 and Infrastructure

### *What's in the budget?*

- \$2 billion transfer to municipalities per year by extending the Gas Tax Fund transfer for a total of \$8 billion
- \$6 billion for the new Building Canada Fund for investments in gateways and border crossings, and the national fund for public-private partnerships
- \$25 million for each province and territory, for a total of \$2.3 billion over the next seven years, to support trade-related infrastructure investments
- \$1 billion for the Asia-Pacific Gateway and Corridor Initiative
- \$25 million over the next five years for a new federal office to identify and implement public-private partnerships in infrastructure
- \$1.26 billion for the national fund for public-private partnerships
- total of \$16 billion over seven years in addition to 2006 budget funding

### *What does it mean for Canadians?*

The Gas Tax Transfer is a short-term measure that does not address the

\$60 billion municipal infrastructure gap identified by several reputable sources including the Federation of Canadian Municipalities and the Conference Board of Canada. There is a pressing need to long term, sustainable funding to meet the needs of Canadian communities who have been starved of funds and given more and more responsibilities through continued downloading of responsibilities by other levels of government, particularly provinces.

The most recent census confirms that municipalities are undergoing rapid demographic transformation. The need for stronger and safer infrastructure and excellent public services has reached critical levels. The needs of growing communities cannot be met with short term measures like temporary gas tax transfers.

This budget champions the privatization of municipal infrastructure projects. Despite the overwhelming evidence that public-private partnerships are more expensive, less effective, and unaccountable the federal budget institutionalizes privatization as the preferred route for public investments in infrastructure.

***What won't this budget deliver?***

This budget does not provide the long term, sustainable funding needed to address the most pressing fiscal imbalance in Canada, the municipal infrastructure gap. After a decade of downloading and underfunding, Canadian municipalities are starved for dependable and assured investments to protect and build strong public services, public transit, childcare, and clean utilities. This budget takes municipal infrastructure down the wrong path. Experience in

Canada, in the United Kingdom, and Australia show that public-private partnerships are wasteful, inadequate and unaccountable. This federal budget pushes municipalities into a failed model for infrastructure investment.

Canadian municipalities need access to a permanent and growing source of revenue to eliminate the municipal infrastructure deficit and reduce their reliance on property taxes.

For more information, visit [www.cupe.ca/budget](http://www.cupe.ca/budget)

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