



Federal Budget 2009: Water

What is in the budget?

The only new funding specifically earmarked for water and wastewater infrastructure is \$165 million for the completion of drinking water and wastewater infrastructure projects in 18 First Nations communities across the country. Another \$515 million over two years is dedicated to *critical infrastructure* projects including drinking water, in First Nations communities.

There is no other new funding earmarked for water and wastewater infrastructure and services, specifically.

A \$4-billion Infrastructure Stimulus Fund over two years for provincial, territorial and municipal infrastructure may be used for municipal water and wastewater projects, but this money has some restrictions on its use. It must be matched by provinces or municipalities and is time sensitive. Projects must begin before 2010 in order for communities to access the federal fund.

The details of how and on what a new \$1-billion Green Infrastructure Fund will be spent (over 5 years), have not been determined, but it is possible that water projects might qualify.

The budget continues to funnel most resources for municipal infrastructure through the 7-year, \$33 billion Building Canada Fund announced in Budget 2007. The fund provides incentives to pursue public-private partnerships (P3s) for larger projects. Water and sewer upgrades across Quebec are among the examples of projects mentioned in the budget that would be funded through the Building Canada Fund.

In order to accelerate project approvals, the Conservative government is planning to amend the Navigable Waters Protection Act (NWPA) to reflect recommendations made in June 2008 by the Standing Committee on Transport, Infrastructure and Communities. It will also make administrative changes to the Fisheries Act to streamline its application, in addition to looking for efficiencies in the Canadian Environmental Assessment Act (for example, requiring only one approval process instead of one at each of provincial and federal levels).

What does it mean?

Of the estimated \$123 billion municipal infrastructure needs, \$31 billion alone are required for water and wastewater infrastructure. This budget will not deliver the significant investment that communities need from the federal government to protect and improve public drinking water and wastewater systems.

Communities may have difficulty accessing the funds given their requirement to be cost-shared, when most municipalities have already established their capital budgets for 2009.

The current financial crisis has clearly demonstrated the dangers and high cost of relying on private corporations and markets to manage risks and provide public services. P3s are more expensive, risky, time consuming and less accountable than traditional forms of public infrastructure investment.

The implications of amendments to the NWPA, Fisheries Act and Canadian Environmental Assessment Act are not known and may well put freshwater and source waters at risk.

What are better choices?

Budget 2009 represents a missed opportunity to stimulate the economy while addressing water infrastructure needs. The Federation of Canadian Municipalities has prepared a list of thousands of ready to go projects across the country. They have either completed their environmental assessments or do not require them since they are not expanding any environmental footprints. Among them are 386 water and wastewater projects projected to create more than 30,000 jobs.

A national public water and wastewater infrastructure fund of \$3.7 billion per year for 10 years would meaningfully address the water and wastewater infrastructure needs of communities across Canada.

Significant additional funding is required to upgrade and develop water systems in Aboriginal communities in keeping with the terms of the Kelowna accord.

Water is one of many priorities for funding in First Nations communities. These competing demands and range of needs means that the

\$515 million for First Nations infrastructure will be spread thin.

Investments at the local level are required for water operator training and certification in the public sector and water conservation programs. Federal investments are also required for research into the impact of climate change on Canadian watersheds and water infrastructure and for monitoring water quality and quantity.

Addressing Canada's water infrastructure crisis requires a long term plan with sustained and reliable public funding. Investments should be targeted toward local industry and public or private sector workers in local communities so that the skills and economic benefits remain in local economies.

Instead of promoting P3s, making public financing affordable and easy for local governments to access would help communities to retain public control of water assets. Public control allows for better quality monitoring, financial efficiency and environmental excellence, all of which are critical elements of modern water and wastewater treatment infrastructure.

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