



Federal Election 2011

MUNICIPAL INFRASTRUCTURE

Canadian cities and towns are facing unprecedented pressure and demand for investment in infrastructure, social services, immigrant settlement, social housing, public transit and child care services. They are limited in their ability to generate revenue and face significant barriers when trying to properly meet these critical needs.

Harper Conservatives' Record

The Harper Conservatives have not provided municipalities with adequate resources to address these growing needs.

The Harper Conservative government's investment in municipal infrastructure began with the introduction of the *Building Canada Infrastructure Plan* in the 2007 Budget. The government claimed this was an "historic" plan that "provided more funding over a longer period of time (from 2007 to 2014) than any previous federal infrastructure initiative".

In fact, the opposite is true. The Harper Conservative plan provided minimal new funding and simply rolled all previously committed infrastructure investments into one plan and then re-committed these funds over a longer period of time.

Corporations found an ally in the Harper Conservative government. One of two sources of new funding included in this plan

was for a *P3 Fund* which provided \$1.25 billion to support the procurement of public infrastructure by provincial, territorial, municipal and First Nations governments as public-private partnerships (P3s). Despite growing proof from around the world that P3s are detrimental to public budgets, a crown corporation called *PPP Canada Inc.* was created to administer the P3 Fund with a mandate to "develop the Canadian market for public-private partnerships for the supply of public infrastructure in the public interest."

In 2008, the government reluctantly committed to stimulus infrastructure funding, introduced under *Canada's Economic Action Plan*. This plan provided cities with some new funding and accelerated the already committed to funding under the Building Canada Fund (BCF). Unfortunately, these stimulus funds are set to decline in October 2011 and BCF funds are nearly fully allocated. Cities are now effectively left without any new public funding for the next three years (with the exception of the Gas Tax fund which became permanent in 2008).

Under the Harper Conservative government, municipalities remain under tremendous pressure to address a growing infrastructure deficit, to fund new environmental regulations, and to provide community members with everything from social housing to immigration support services etc.

The Facts:

- The downloading and under-investment since the 1990s has caused a deterioration of our city infrastructure and made it harder for cities to provide services (social and recreation) without charging or increasing user fees.
- In 2007, our cities and towns were facing a \$123 billion infrastructure deficit, and were in need of a substantial investment in national social housing, early childhood education and care and public transit programs.
- In 2011, the infrastructure deficit is growing and is compounded by population growth, chronic underfunding, and increasing service demands in the wake of the economic crisis.
- Municipalities are also facing the additional \$20 billion dollar cost of upgrading their wastewater facilities to comply with important new federal environmental regulations.
- Infrastructure investment through the Building Canada Fund (BCF) is nearly fully allocated leaving cities with very little public infrastructure funding until 2014 when the fund expires. Social housing agreements will expire soon and Canada is one of the few countries in the world without a public transit strategy.

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Better Choices:

We need a long term public infrastructure plan for the renewal of Canada's crumbling infrastructure that keeps community assets in public hands. Immediate investment is required to bridge the funding gap between now and 2014. We need:

- immediate municipal infrastructure funding equivalent to the revenue from a one per cent GST increase. This initiative will support environmentally sustainable municipal infrastructure and programs;
- an indexed Gas Tax Fund at a rate of three per cent every year to keep up with inflation and population growth;
- funding for a National Clean Water Fund to pay for the infrastructure upgrades, and the worker training and certification necessary to meet the new wastewater regulations. These regulations will require upgrades to one in four municipal water facilities at a cost of \$20 billion;
- funds for social housing that will continue to be directed toward maintaining and upgrading our existing social housing stock;
- PPP Canada Inc. and the PPP Fund to be turned into the Public Assets and Financing Agency and a Public Assets Fund.