

FOR IMMEDIATE RELEASE:

March 23, 2016

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CPWA Commends Government's Budget 2016 Infrastructure Spending Plan

OTTAWA, ONTARIO --The Canadian Public Works Association (CPWA) commends the Government of Canada's 2016 Budget and in particular the two-phase infrastructure spending plan announced by Finance Minister Morneau yesterday. Budget 2016 will take advantage of historically low interest rates to invest more than \$120 billion in infrastructure over the next ten years from coast to coast to coast.

"The Government's significant investments in transit, water and wastewater management, and green infrastructure, as well as a cost-sharing funding model for municipalities, are welcome news for local governments," said CPWA President, Kealy Dedman, City of Guelph, ON.

Phase 1 is a short-term plan to immediately invest in the infrastructure Canadians need over the next two years, including investment of nearly \$4 billion in infrastructure spending this year, with an additional \$7 billion in the next fiscal year, for a mix of "green," social and transit projects.

To improve and expand public transit systems across Canada, Budget 2016 proposes to invest up to \$3.4 billion in public transit over three years, starting in 2016–17. Funding will be provided through a new Public Transit Infrastructure Fund and distributed to provinces and territories based on their share of national public transit ridership.

Budget 2016 also proposes:

- \$5 billion over five years for investments in water, wastewater and green infrastructure projects across Canada, including a new Clean Water and Wastewater Fund for provinces, territories and municipalities;
- \$2 billion over four years, starting in 2016–17, for immediate improvements to water distribution and treatment infrastructure;
- \$75 million in new funding to support municipality-led projects to identify and implement greenhouse gas reduction opportunities; and
- \$125 million over the next two years to enhance the Green Municipal Fund.

Funding for water distribution and treatment infrastructure will be delivered to communities this year on an expedited basis and, to get projects moving quickly, the Government will fund up to 50 per cent of eligible costs for projects.

CPWA is especially pleased to note that the Government is also proposing a new \$50 million capacity-building fund, delivered through the Federation of Canadian Municipalities (FCM), to support the use of asset management best practices across Canada. Asset management plans guide how core infrastructure assets are to be built, renewed, operated, maintained and replaced. Smaller communities, in particular, have indicated that they lack capacity to undertake these important planning activities.

CPWA President Dedman commented on the importance of asset management assistance to local communities, “Asset management and sustainable infrastructure have been priorities for CPWA for many years. Strategic, long-term investments and data management systems that enhance the maintenance and longevity of our roads, bridges, water and wastewater facilities, public parks, and other infrastructure assets, are vital to the health and viability of communities across the country.”

In addition to the new funding announced in Budget 2016, the Government will support the infrastructure priorities of communities across Canada through:

- Continuing to make available approximately \$3 billion each year in dedicated funding for municipal infrastructure projects through the Gas Tax Fund and the incremental Goods and Services Tax Rebate for Municipalities;
- Working with provincial, territorial and municipal partners to get projects underway, by accelerating spending from the \$9 billion available under the New Building Canada Fund’s Provincial-Territorial Infrastructure Component and other existing infrastructure programs;
- Transferring remaining uncommitted funds from older federal infrastructure programs to municipalities through the Gas Tax Fund in 2016–17 in order to ensure funds are directed towards municipal infrastructure priorities in the near term; and
- Ensuring that Government institutions are aligned to best support infrastructure innovation, by transferring responsibility for PPP Canada Inc. to the Minister of Infrastructure and Communities.

The Government will engage with its provincial, territorial, municipal and Indigenous partners to deliver on the remaining eight years of the Government’s long-term infrastructure plan. Phase 2, to be announced in the next year, will focus on construction projects that will help Canada transition to a low-carbon economy. CPWA looks forward to collaborating with the Government of Canada as the Phase 2 infrastructure plan rolls out in the coming years.

For more APWA information, contact CPWA and APWA Media Relations and Communications Manager, Laura Bynum, M.A. lbynum@apwa.net, or call 202.218.6736.

About CPWA

The Canadian Public Works Association (CPWA), or Association Canadienne des Travaux Publics, was founded in 1986 to enhance the services of APWA to the Canadian public works community and to improve the quality of public works products and services to Canadian citizens. CPWA’s 2200 members in Canada, plan, build, operate, maintain and sustain the public works and infrastructure that improve our quality of community life.

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