

**From:** AMO Communications [<mailto:communicate@amo.on.ca>]

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**To:** [clerk@hamilton.ca](mailto:clerk@hamilton.ca)

**Subject:** AMO MEMBERS UPDATE

November 2, 2016

## **Federal Fall Economic Statement Increases National Infrastructure Spend**

The investment by Canada into infrastructure will grow by an additional \$81 billion. The total 12-year plan is \$187 billion, including 2016/17 amount. It also sets out what its annual spend to 2027-28 for public transit, green infrastructure (water, wastewater and stormwater) and social infrastructure (housing and child care), transportation supporting trade and rural and northern communities that require a more targeted approach. The funding plan also includes indigenous communities. Check out two charts from the Statement that follow.

**Next steps:** Design work for each program area (e.g. eligibility). AMO expects to be involved in this work, just as it was in the design for the Clean Water and Wastewater Fund. AMO is readying its advice including a better alignment with Ontario's municipal asset management and capital plans rather than the old incrementality rule and continuing an allocation formula approach.

The government also announced:

- i. Plans for Canada Infrastructure Bank. It will deliver \$35 billion through loans, loan guarantees and equity investments for more complex and revenue generating projects. Its objective is to attract private sector capital, conclude project deals and minimize the amount of governments' support to make a project financially viable.
- ii. a Smart Cities Challenge in 2017 whereby local government, citizens, businesses and civil society would create plans to improve the quality of life for urban residents, through better planning and clean, digitally connected technology such as greener buildings, smart roads and energy systems, and advanced digital connectivity for homes and businesses.

*Details of the Long-term Infrastructure Plan from the Economic Statement are:*

Details of the Spending Plan by Program Area  
 (Shows Yesterdays Added Commitment (FES), 2016 Budget Commitment and Previous Commitments)

Table 2.1

**Investing in Canada—Total Federal Government Spending in Infrastructure**

(millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
<b>Fall Economic Statement</b>													
Public Transit	0	300	1,100	1,100	1,500	1,800	2,200	2,500	2,800	4,000	4,000	4,000	<b>25,300</b>
Green Infrastructure	0	0	1,100	1,100	1,400	1,800	2,200	2,500	2,800	3,000	3,000	3,000	<b>21,900</b>



Secondary Institutions													
Rural Broadband	6	81	253	108	52	0	0	0	0	0	0	0	500
<b>Total— Budget 2016</b>	<b>3,885</b>	<b>6,268</b>	<b>2,565</b>	<b>890</b>	<b>743</b>	<b>27</b>	<b>1</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,398</b>
<b>Existing Infrastructure Programs</b>													
Infrastructure legacy programs	5,765	5,298	7,618	5,285	5,417	4,381	4,326	4,426	4,426	4,526	3,718	3,718	58,905
Social and Green Infrastructure (CMHC, INAC, Public Safety Canada, Health Canada, ESDC, PHAC, Canadian Heritage) <sup>1</sup>	3,384	3,370	3,323	2,898	2,800	2,720	2,580	2,450	2,321	2,219	2,123	1,996	32,186
<b>Total— Existing Infrastructure</b>	<b>9,149</b>	<b>8,668</b>	<b>10,941</b>	<b>8,183</b>	<b>8,217</b>	<b>7,101</b>	<b>6,906</b>	<b>6,876</b>	<b>6,747</b>	<b>6,745</b>	<b>5,841</b>	<b>5,714</b>	<b>91,090</b>

<b>Programs</b>													
<b>Total New and Existing Infrastructure Programs</b>	<b>13,034</b>	<b>15,636</b>	<b>17,507</b>	<b>13,273</b>	<b>14,260</b>	<b>13,829</b>	<b>14,807</b>	<b>15,695</b>	<b>16,447</b>	<b>18,045</b>	<b>17,141</b>	<b>17,014</b>	<b>186,688</b>

1 CMHC: Canada Mortgage and Housing Corporation; INAC: Indigenous and Northern Affairs Canada; ESDC: Employment and Social Development Canada; PHAC: Public Health Agency of Canada.

**Summary:** The additional funds are most welcomed as they begin sooner than later and will help with our \$6 billion annual need if we are to get out of our infrastructure state in the next 12 years. Ontario municipal governments are more advanced than other parts of the country in terms of asset management, capital planning and measuring outcomes. AMO believes this is important to any program design work and needs to be reflected in Canada-Ontario agreements.

**AMO Contact:** Craig Reid, Senior Advisor, [creid@amo.on.ca](mailto:creid@amo.on.ca) or 416-971-9856 Ext. 334.

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