



# MEMBER ADVISORY

## FEDERAL BUDGET 2011

---

**March 23, 2011** – Federal Finance Minister Jim Flaherty introduced the 2011-12 Federal Budget on March 22, 2011.

Leading up to the budget, The Federation of Canadian Municipalities (FCM) was concerned spending cuts and offloading could occur as the government begins the process of balancing its books. Top priorities for municipalities were the protection of core federal commitments to cities and communities, as well as the need to build a long-term plan that meets Canada's future infrastructure needs.

Specifically, FCM asked the Government of Canada for a commitment to develop a new, long-term infrastructure investment strategy that will renew the Building Canada Plan and for a commitment to permanently enshrine the Gas Tax Fund (GTF) in legislation.

FCM has described the budget's response to these priorities is one of "clear and unequivocal support" for its recommendations.

### **Key points:**

Budget 2011 includes:

- ✓ A commitment to develop a long-term plan for public infrastructure that extends beyond the expiry of the Building Canada plan in 2014.
- ✓ A proposal to legislate a permanent annual investment of \$2 billion in municipal infrastructure through the Gas Tax Fund.
- ✓ A tax credit for volunteer firefighters and support for the recruitment and retention of rural doctors, suggesting a broader vision for rural Canada.
- ✓ The renewal of the Clean Air Agenda, including new funding for the expiring ecoEnergy Retrofit program, as well as a number of other initiatives worth more than \$400 million designed to help communities reduce energy use and mitigate and adapt to climate change.

Municipalities have long called for greater certainty in infrastructure funding, and permanently enshrining the Gas Tax Fund in legislation is an important step toward this certainty.

Furthermore, the budget's explicit commitment to work with FCM as a partner alongside federal, provincial and territorial governments is a first, and demonstrates recognition by the federal government of the important role that municipalities play as an order of government.