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To: Lisa Slomke
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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.

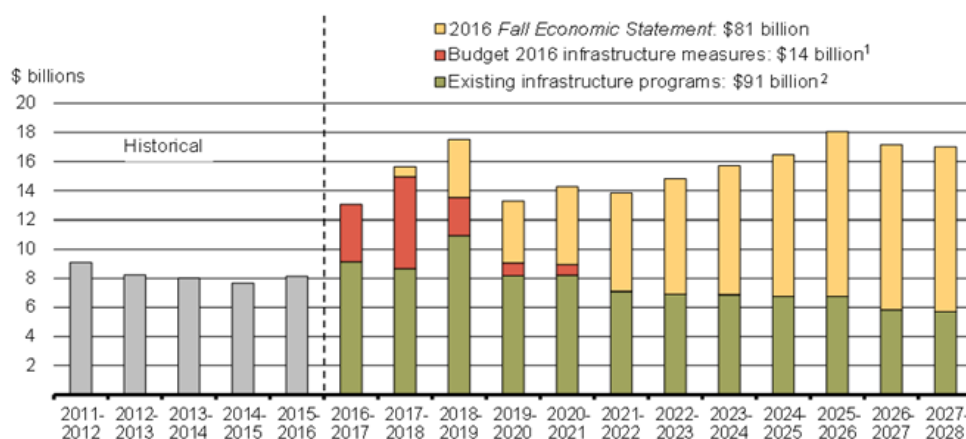
Next steps: Design work for each program area (e.g. eligibility). AMO expects to be involved in this work, just as it was in the design for the Clean Water and Wastewater Fund. AMO is readying its advice including a better alignment with Ontario's municipal asset management and capital plans rather than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

Chart 2.1
Long-Term Infrastructure Plan



¹ Includes Phase 1 (\$11.9 billion), strategic investments in post-secondary infrastructure (\$2.0 billion) and rural broadband (\$500 million). See Table 2.1 for details.

² Includes Infrastructure Canada programs, Indigenous infrastructure programs and social infrastructure programs.

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	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	Total
Fall Economic Statement													
Public Transit	0	300	1,100	1,100	1,500	1,800	2,200	2,500	2,800	4,000	4,000	4,000	25,300
Green Infrastructure	0	0	1,100	1,100	1,400	1,800	2,200	2,500	2,800	3,000	3,000	3,000	21,900
Social Infrastructure	0	0	1,100	1,100	1,400	1,800	2,200	2,500	2,800	3,000	3,000	3,000	21,900
Trade and Transportation	0	400	500	700	800	1,100	1,100	1,100	1,100	1,100	1,100	1,100	10,100
Rural and Northern Communities	0	0	200	200	200	200	200	200	200	200	200	200	2,000
Total—Fall Economic Statement	0	700	4,000	4,200	5,300	6,700	7,900	8,800	9,700	11,300	11,300	11,300	81,200
Canada Infrastructure Bank delivers at least \$15 billion, on accrual basis, of funding above (\$35 billion on cash basis)													
Details on program architecture and specific allocations will be announced in Budget 2017													
Budget 2016													
Public Transit	852	1,696	852	0	0	0	0	0	0	0	0	0	3,400
Green Infrastructure	874	1,562	1,157	746	671	27	1	19	0	0	0	0	5,057

Social Infrastructure	1,653	1,679	53	36	20	0	0	0	0	0	0	0	3,441
Strategic Investments in Post-Secondary Institutions	500	1,250	250	0	0	0	0	0	0	0	0	0	2,000
Rural Broadband	6	81	253	108	52	0	0	0	0	0	0	0	500
Total—Budget 2016	3,885	6,268	2,565	890	743	27	1	19	0	0	0	0	14,398
Existing Infrastructure Programs													
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) ¹	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
Total—Existing Infrastructure Programs	9,149	8,668	10,941	8,183	8,217	7,101	6,906	6,876	6,747	6,745	5,841	5,714	91,090
Total New and Existing Infrastructure Programs	13,034	15,636	17,507	13,273	14,260	13,829	14,807	15,695	16,447	18,045	17,141	17,014	186,688

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.

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