



BUDGET HIGHLIGHTS



Deficit

The government will run deficits over the first 4 years of its mandate

2015 – 16: - \$5.4 billion

2016 – 17: -\$29.4 billion

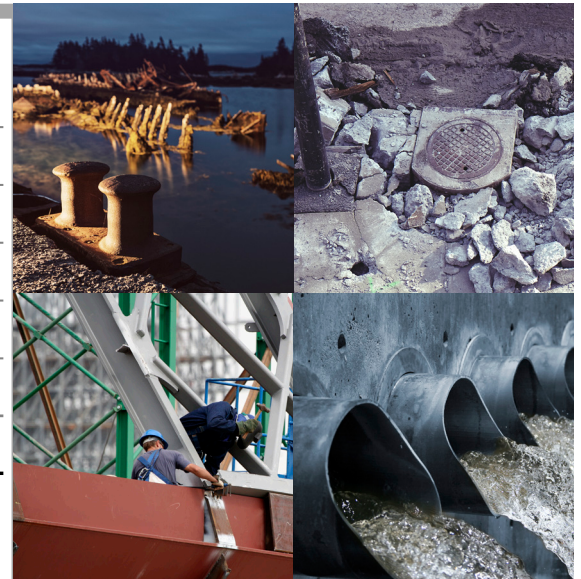
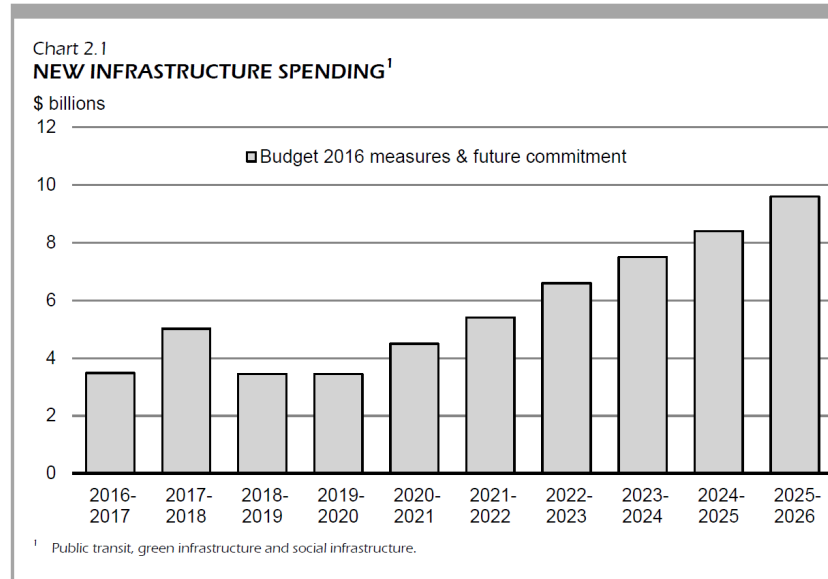
2017 – 18: -\$29.0 billion

2018 – 19: -\$22.8 billion

2019 – 20: -\$17.7 billion

2020 – 21: -\$14.3 billion

Infrastructure



Existing Program

The government is working with provinces and municipalities to expedite the delivery of projects funded under the New Building Canada Plan (NBCP).

Under the NBCP, the government will invest:

- \$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;
- \$102 million in 2016 – 17 and \$160 million 2017 – 18 transferred from previous Building Canada Plan funding to the Gas Tax Fund.
- \$9 billion from the existing Building Canada Fund will be accelerated to get projects with provinces/territories and municipalities underway.

As well, PPP Canada will be transferred from the Department of Finance to the Department of Infrastructure.



New Funding

Phase 1 (focused primarily on the next two years)

The government will commit \$11.9 billion over the next five years in new money to support public transit, green and social infrastructure.

Budget funding tables only cover fiscal years 2016 – 17 and 2017 – 18.

Public Transit Infrastructure (2.6 billion over 2 years)

- \$852 million in 2016 – 17
- \$1.696 billion in 2017 – 18

Green Infrastructure (\$1.8 billion over two years)

- \$75 million in 2016 – 17 for building capacity in municipalities to address climate change.
- \$125 million in 2017 – 18 for Innovative Green Municipal Projects.
- \$50 million in 2016 – 17 for Developing Community Capacity for Asset Management Best Practices.
- \$24 million in 2016 – 17 and \$70 million in 2017 – 18 for Adaptation and Climate Resilient Infrastructure.
- \$501 million in 2016 – 17 and \$959 million in 2017 – 18 for Sustaining Healthy Communities through a New Clean Water and Wastewater Fund.

Social Infrastructure (\$2.3 billion over two years)

- \$262 million in 2016 – 17 and \$243 million in 2018 – 19 for Investments in Affordable Housing.
- \$100 million in 2016 – 17 and 2017 – 18 to increase affordable housing for seniors.
- \$500 million in 2016 – 17 and \$74 million in 2017 – 18 for Energy and Water Efficiency Retrofits and Renovations to existing Social Housing.
- \$15 million in both 2016 – 17 and 2017 – 18 for Federally Administered Social Housing.
- \$60 million in 2016 – 17 and \$30 million in 2017 – 18 for Shelters for Victims of Violence.
- \$58 million in 2016 – 17 and \$54 million in 2017 – 18 for Homelessness.
- \$400 million in 2017 – 18 for Early Learning and Child Care.
- \$159 million in both 2016 – 17 and 2017 – 18 for Cultural and Recreational Infrastructure.
- \$2 million in both 2016 – 17 and 2017 – 18 for Community Accessibility.
- \$10 million in both 2016 – 17 and 2017 – 18 for National Historic Sites.

Phase two will be announced in a subsequent budget and provide details regarding the remaining eight years of the government's long-term infrastructure plan.



Infrastructure Cost-sharing Funding Formula

Although no changes are being made to the funding formula for projects under the New Building Canada Plan (previous program), the federal government will increase its contribution to 50% of eligible costs for projects funded under the three new infrastructure components. Provincial/territorial and municipal contributions under these new funds are still subject to negotiation with the provinces/territories.

Federal Infrastructure Assets

In addition to the new funds, the federal government will also be investing \$3.4 billion over the next five years, on a cash basis, to maintain and upgrade federal infrastructure assets such as national parks, small craft harbours, federal airports and border infrastructure.

Asset Management

The government is also proposing a new \$50 million capacity-building fund to support the use of asset management best practices across Canada. This funding will be delivered through the Federation of Canadian Municipalities.

Post-Secondary Infrastructure Investments

Building on the previous Knowledge Infrastructure Program, the government will make available \$2 billion over three years through the new Post-Secondary Institutions Strategic Investment Fund. This initiative will support up to 50% of eligible costs for infrastructure projects at post-secondary institutions and affiliated research and commercialization organizations, in collaboration with provinces and territories.

Training for the Unemployed

The government is reducing the waiting period for new EI claimants from 2 weeks to 1 week.

Under Labour Market Development Agreements, the government provides provinces with \$1.95 billion each year in EI funds to support training and retraining for EI eligible unemployed. In 2016 – 17, it will increase funding by a further \$125 million.

Under the Canada Job Fund Agreements, a further \$500 million is provided to provinces annually to support training and retraining of EI ineligible unemployed. In 2016 – 17, it will increase this funding by \$50 million.

Both initiatives are seen as a first step in the modernization of government funded training/retaining.

Broad-based consultations will occur with provinces and stakeholders throughout 2016 – 17 to develop further reforms to both these programs.

Small Business Tax Rate

The small business tax rate was to decline to 9%. Budget 2016 – 17 deferred future rate reductions maintaining the current 10.5% for the next several years.

Labour Market Information

No specific funding details, but the government commits to working with “provinces and territories to provide information that will equip Canadians with the tools to access a broad range of job opportunities”.

Apprenticeship

Union-based apprenticeship training

- \$85.4 million over five years to support union-based training providers.
- \$10 million in each of the first two years.

