



February 28, 2018

2018 Federal Budget Update

Yesterday Finance Minister Bill Morneau tabled the 2018 federal budget. The federal government's 2018 spending plan is full of commitments to improve gender equality and the lives of indigenous Canadians, while boosting Canada's spending on science, technology, skills development and cybersecurity. In many ways the focus of this year's budget can be found in one paragraph on page 11: "Experts agree that our future prosperity depends on greater equality between Canadian women and men. Equality is not just an important value for women and their families, it benefits all Canadians."

After two budgets that contained significant investments in infrastructure, transit, and housing, budget 2018 has considerably less for local governments, and the reception from the municipal sector was mixed. While new commitments to funding opioid treatment and ensuring that municipalities have the financial tools they need to safely implement the legalization of recreation cannabis were well received, FCM noted that the budget missed an opportunity to kick-start the National Housing Strategy by expediting repairs to existing housing stock.

There are a number of measures in the budget that will be of interest to the municipal sector, in Ontario and across the country. While AMCTO will continue to review the budget in greater depth over the coming days and weeks, below is a brief summary of some of the highlights of the budget for the municipal sector.

Cannabis Legalization:

- \$62.5 million over five years, starting in 2018-19 for public education programming that will support community-based organizations that educate their communities about the risks associated with cannabis use.
- \$10 million over five years for the Mental Health Commission of Canada to assess the impact of cannabis use on mental health.
- \$10 million over five years for the Canadian Centre on Substance Use and Addiction to support research on cannabis use.

Opioid Crisis:

- \$231.4 over five years, starting in 2018-19 for a range of measures to help address the opioid crisis, including:
 - One-time emergency funding of \$150 million for provinces and territories for multi-year projects that improve access to evidence-based treatment services;
 - A public education campaign to address the stigmas of treatment;
 - Improving access to public health data and analysis;
 - Equipping border agents with detection and identification tools to stop fentanyl at Canadian ports of entry; and,
 - Expanding substance use and addictions program.

Rural Broadband:

- \$100 million over five years for the Strategic Innovation Fund, which will focus on improving rural broadband access.
- The government's rural broadband strategy is structured around the use of low earth orbit (LEO) satellites, which the government believes have the potential to provide Canadians living in rural and remote areas with better Internet access at more affordable prices. LEO satellites are situated closer to the earth's surface and can receive and transmit data at a faster rate, which the government believes will allow them to provide Internet across "challenging landscapes" at lower costs than fibre-optic technology.

Building More Rental Housing

- Spurring the construction of more than 14,000 new rental units across the country by increasing the amount of loans provided by the Rental Construction Financing Initiative from \$2.5 billion to \$3.75 billion over the next three years.
- Providing \$113.4 million over five years, starting in 2018-19 to the Canada Mortgage and Housing Corporation (CMHC) to expand the Rental Construction Financing Initiative.

New Economic Development Funding for Southern Ontario

- Allocating \$920 million over six years, beginning in 2018-19, to the Federal Economic Development Agency for Southern Ontario (FedDev)

Mineral Exploration:

- Extending the Mineral Exploration Tax Credit, which helps junior exploration companies raise capital for “grassroots” mineral exploration, by one year.

Securing Critical Infrastructure:

- \$1.4 million for 2018-19 to support assessments of critical infrastructure facilities such as energy grids, information and communication technology networks and hospitals.

Cyber Security:

- \$507.7 million over five years, and \$108.8 million per year after that period to fund a new National Cyber Security Strategy.

First Nations Housing and Infrastructure:

- Dedicating \$600 million over the next year to support a 10-year First Nations Housing Strategy, being developed in consultation with First Nations.
- \$172.6 million over the next three years to improve access to clean and safe drinking water on First Nations reserves.

Carbon Pricing:

- Developing a federal carbon pollution pricing system that would apply to provinces and territories that have not created their own carbon pricing system that meets the federal standard by the end of 2018.

Local Journalism:

- Providing \$50 million over five years, starting in June 2018-19 to independent non-government organizations that support local journalism in underserved communities.

Regulatory Reform:

- \$11.5 over three years, starting in 2018-19 to pursue a regulatory reform agenda to make the Canadian regulatory system more agile, transparent, and responsive. While this proposal is primarily geared to improving the regulatory environment for the private sector, there is a linkage to the work AMCTO has been doing on municipal reporting and regulatory modernization.

For more:

[AMCTO 2017 Federal Budget Update](#)

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