



# APEC Forum on the Federal Budget: Urban Implications

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# What kind of budget

- Election Budget?
- No
  - No poison pill
  - No big spending



# What kind of budget

- Election Budget?
- Ontario Budget?
- No
  - No big auto spending
  - No big city spending



# What kind of budget

- Election Budget?
- Ontario Budget?
- Seinfeld Budget?
- No
  - Not the budget about nothing
  - Not that funny



# What kind of budget

- Election Budget?
- Ontario Budget?
- Seinfeld Budget?
- Mother Hubbard Budget?
- Yes
  - Bare cupboard
  - No big expenditures



# The Biggies

- Fiscal Balance
- Infrastructure Deficit
- Environment
  - Transportation
- Halifax
  - Gateway
  - Defence/federal government presence

# Fiscal Balance

- 92% of local revenues from property tax
  - Inflexible, unpredictable
  - Lack fairness
  - Tax review now underway in HRM
- 50% of infrastructure

# Fiscal Balance

- **Want**
  - Predictability of revenue flows
  - 1% of GST, \$5 billion
  - Permanent gas tax transfer (As of B2007 \$9 billion over 9 years)
- **Get (B-)**
  - Permanent gas tax transfer (\$2 billion in 2010)
    - \$10 million HRM 2008, \$20 million in 2009
  - PPP corporation (\$1.25 billion fund in 2007)

# Infrastructure

- Age
  - 40% is 40 years or less
  - 80% of life expectancy used
- Deficit
  - \$60 billion (HRM annual gap of \$50 million)
- Threat to economic growth, productivity
- Retention of People

# Infrastructure

- Want
  - Long term commitment (i.e. Regional Plan)
  - Active cities fund
  - Small cities infrastructure fund
- Get (B-)
  - Build Canada Fund, \$8.8 billion, 7 year, 2007
  - Gas tax

# Infrastructure-Partnerships

- Harbour Solutions Project, \$500 deficit over next 25 years
- Bus Rapid Transit
  - Metro link (400 cars/day)



# Environment

- Want
  - Climate change fund
  - National transportation strategy
  - Help municipalities with energy efficiency
- Get (D)
  - \$66 million for regulatory framework for air emissions
  - \$250 carbon capture demos

# Transportation

- **Want**
  - New Public Transit Fund (\$400 annually in old fund)
  - Public transit, \$21 billion by 2010
  - National Transportation Policy, Transit Plan
  - Halifax (rural transit, more fast busses, fast ferry)
- **Get (C)**
  - 4 year \$1.3 billion for transit in 2006
  - \$500 for capital investment 2008

# Gateway

- Want
  - Investment in Halifax
- Get (D-)
  - \$2.1 billion for gateways and boarder crossings (\$1 billion for BC)
  - Ontario commitments
  - Northern commitments
  - Quebec (\$17million for cruse ships)
  - Atlantic?

# Defence and Federal Government

- **Want**
  - 10,000 DND personnel in Halifax
  - \$750 million impact
  - More, based on our value proposition
- **Get (B)**
  - Canada First Defence Strategy, \$5.5 billion, 5 year (2006)
  - Increase in spending to an automatic 2% a year by 2010.
  - Increased industrial benefits, IMP, GD
  - Coast Guard \$750 million

# The Report Card

- Fiscal Balance B-
- Infrastructure Deficit B-
- Environment D
  - Transportation C
- Halifax
  - Gateway D-
  - Defence B