House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(•) **an organization** **Organization name:** The Alberta Urban Municipalities Association

or

( ) **an individual** **Name:** _____

Topic: Infrastructure

*Recommendation 1: Please provide a short summary of your recommendation.

National Infrastructure Funding
There are numerous details left to be considered to ensure the successful implementation of this program. These include ensuring:
* The program is flexible allowing municipalities to set priorities.
* Funds under the Building Canada Fund be used for municipal infrastructure.
* Allocations reflect pressures associated with economic growth.
* Ensuring Municipalities have a seat at the table in negotiating the allocation of funding under the new LTNIP.
• Reconsidering the $1,000,000 threshold for indexing the Gas Tax Fund.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

unknown

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Funding under the National Infrastructure Plan should flow direct to municipalities.
Federal funding should be reallocated from lower priority programs.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Local infrastructure supports Alberta's energy economy which in turn contributes financially to Canada's economy and the wellbeing of communities, citizens and business across Canada.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Infrastructure is at the heart of Canada's economic growth. It ensures access to markets, enables the mobility of goods and services, supports the safety of our citizens, increases productivity, and ensures healthy vibrant communities. Some statistics include:
-Each $1 billion invested in new infrastructure creates11,000 jobs.
-created over half of the 220,000 jobs created in the Federal Economic Action Plan.
-AEDA estimated that traffic congestion alone costs Alberta approximately $7 billion per year.
-Addresses significant municipal infrastructure deficit ($24 billion).

Topic: Trade and investment

Recommendation 2: Please provide a short summary of your recommendation.

Market Access
The federal government should take a leadership role in securing market access for Alberta's resources including supporting the development of pipelines and other infrastructure. Greater participation in the development of the Canadian Energy Strategy is essential to achieve this goal.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

unknown

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Funding for this should come from the general operating budgets of the ministries involved. However, most of the required changes to address market access issues can be resolved through policy and regulatory changes rather than direct federal financial contributions.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Alberta's energy economy contributes financially to Canada's economy and the wellbeing of communities, citizens and business across Canada.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Alberta's energy resources are not only fundamental to the economic growth of Alberta, but also provide a significant opportunity for all of Canada. According to the Canadian Energy Research Institute, the Oil Sands will increase GDP by $2,106 billion over the period from 2010 to 2035 and will increase employment by 830,000 jobs by 2035. And the benefits are not just in Alberta. It is estimated that the oil sands industry will purchase roughly $117 billion in supplies and services from Canadian provinces outside Alberta over the next 25 years – about $5 billion/year.

Topic: Infrastructure

Recommendation 3: Please provide a short summary of your recommendation.

Increase support for affordable housing by:
i. Providing greater market choices in housing options, while ensuring home care for those who need it would be very beneficial, especially in Alberta's rural areas.
ii. Working to ensure housing needs in high growth communities associated with the energy sector are addressed.
iii. Working with cities and communities to lower investment barriers to building new rental housing.
iv. Extending the affordable housing programs by an additional 5 years and indexing them to recognize cost growth.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$1 billion or more

5 or more years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Federal funding should be reallocated from lower priority programs.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

*Lower income Canadians across Canada.
*Supports urbanization of Aboriginals and First Nations.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Providing affordable housing ensures that the health and safety needs of lower income Canadians can be met, but also has the side benefits of:
- Creating employment in construction/design/engineering/etc fields.
- Promoting labor mobility and therefore productivity.
- Reducing crime.
- Improving childhood development and education.

Please use this page if you wish to provide more explanation about your recommendation(s).

When some individuals look at Alberta, they often assume that our growth is centered around the oil sands region. This is an inaccurate picture of the growth that is occurring throughout the entire province. On average Alberta's GDP grew by 3.4% from 1991 to 2011 far outpacing the national average of 2.6% and our closest competitor BC at 2.7%. This growth is not just confined to the oil sands region. In reality, growth is happening throughout the entire province. Since the last census Calgary's population is up 12.6% and Edmonton's 12.1%, the highest growth for major cities in Canada. By comparison the greater Toronto Area grew by only 5.1%. 10 of the 15 fastest growing census agglomeration regions occur in Alberta (Okotoks 42.9%, Wood Buffalo 27.1%, High River 20.6%, Strathmore 19.7%, Sylvan Lake 19.2%, Grande Prairie 16.8%, Cold Lake 15.4%, Lloydminster 14%, Lethbridge 11.3%, Camrose 10.6%).

Municipalities are responsible for providing core critical infrastructure like sidewalks, roads, bridges, water systems, recreational centers, fire and police halls, and waste management facilities.

Alberta's municipalities have had to address significant infrastructure pressures resulting from rapid energy driven growth. Infrastructure challenges include aging water and waste water management systems; transportation systems to connect Alberta's natural resource products to markets; and community infrastructure to attract and retain citizens and enable a quality of living that they expect.

Both the federal and provincial government receives significant wealth from Alberta's resource industry. The Canadian Association of Petroleum Producers estimates that the federal government will receive $311 billion in tax revenue from Alberta's resource sector from 2010 to 2035. Unlike the federal and provincial governments, municipalities have very few tax options and directly collect only 10% of the tax revenue in Alberta, and therefore are forced to rely on the generosity of other levels of government to benefit from the resource wealth generated in Alberta. Consequently, municipalities have been either taking on debt (see below) to address the shortfall or allowing the infrastructure backlog to grow – both of which are short term solutions. It should also be noted that, deferring maintenance (or not performing repairs at all) leads to much higher rates of deterioration and repair bills that can equal the cost of the original asset.

To ensure the continued prosperity of Alberta and Canada it is critical that the Federal Government support Alberta Municipalities by:
-Ensuring funding under the long term national infrastructure plan is dedicated to municipal infrastructure.
-Ensuring market access for Alberta's resources.
- Supporting affordable housing and the associated labour mobility.

*Please note that at least one recommendation must be provided