



## Federal Budget Highlights

*Federal Minister of Finance Ralph Goodale announced that Budget 2005 will deliver on the Government's commitments, while keeping Canada's books balanced. One of those commitments is to communities - the New Deal for Cities and Communities.*

### THE NEW DEAL

*Canada's cities and communities are the places where most Canadians live and work, raise their kids, and want to retire in dignity and security. They are engines of growth, employment and innovation, centres of art, culture and learning.*

*- The Honourable Ralph Goodale, Minister of Finance, 2005 Budget Speech*

In the 2004 federal budget the Government of Canada announced the New Deal for Cities and Communities. On February 1, 2005 Infrastructure and Communities Minister John Godfrey announced the national and provincial allocations for the New Deal based on a sharing of \$5 billion of gas tax revenues over 5 years nationally. Minister Godfrey announced that BC would receive \$635.6 million over the five years with \$254.2 allocated in the final year.

BC expects to receive \$76.2 million in 2005-2006. (See chart below)

The \$5 billion provided to communities is to support environmentally sustainable infrastructure projects such as public transit, water and wastewater treatment, community energy systems and the handling of solid waste.

Year	Canada	BC	cents per litre
2005-06	\$600 m.	\$76.2 m.	1.5
2006-07	\$600 m.	\$76.2 m.	1.5
2007-08	\$800 m.	\$101.6 m.	2
2008-09	\$1 b.	\$127 m.	2.5
2009-10	\$2 b.	\$254 m.	5

#### Infrastructure

In addition to the gas tax revenue sharing, Budget 2005 commits to renewing the **Canada Strategic Infrastructure Fund**, the **Municipal Rural Infrastructure Fund** and the **Border Infrastructure Fund**. Further details on the extension of these programs will be announced in future budgets.

#### Green Municipal Funds

The 2005 budget more than doubles funding for the Green Municipal Funds with new funding of \$300 million. Half of this amount will be targeted to the cleanup of brownfields. These funds which are administered by the FCM provide grants and low-

interest loans and innovative financing to increase investment in infrastructure projects that deliver cleaner air, water and soil, and climate protection.

## Environment

Specific investments in the environment were also announced:

- \$1 billion for an innovative Clean Fund to further stimulate cost-effective action to reduce greenhouse gas emissions in Canada.
- \$225 million to expand the successful EnerGuide for Houses Retrofit Incentive program for Canadians.
- \$200 million over five years and a total of \$920 million over 15 years to further stimulate the use of wind power to generate energy. This delivers on the Government of Canada's commitment to quadruple the Wind Power Production Incentive.
- \$97 million over five years and a total of \$886 million over 15 years to stimulate the development and use of forms of renewable energy other than wind, such as small hydro, biomass and landfill gas.
- \$85 million to fund strategic investments to minimize the risk of invasive alien animal and plant species damaging our environment and economy.
- \$28 million over two years to preserve the health of Canada's oceans.
- \$209 million for the maintenance and acquisition of capital assets in national parks and \$60 million to restore the ecological integrity of parks.

## Other Measures of Interest

- \$5 billion over five years to help fund new strategies to address climate change and protect Canada's natural environment.
- \$735 million over five years to address the urgent needs of First Nations communities
- \$805 million over 5 years to deliver on the Government's commitment to invest in health care in direct federal support to:
  - health human resources
  - healthy living and chronic disease prevention
  - pandemic influenza preparedness
  - drug safety
  - environmental health
- funding for the New Horizons for Seniors program will be increased from \$10 million to \$25 million a year to promote voluntary sector activities by and in support for seniors.
- increased funding of \$800 million for regional economic development agencies in Atlantic Canada, Western Canada, Quebec and Northern Ontario.
- \$1 billion over five years in support of key national security initiatives.
- \$12.8 billion in new spending for the Canadian military, over five years

---

---

***This New Deal is also about recognizing the central role of municipalities in our national life—ensuring that their voice is heard in our national policies. And that is exactly the kind of new relationship this government is building.***

- The Honourable Ralph Goodale, Minister of Finance, 2005 Budget Speech

---

---

**Federal Budget documents may be accessed through the Department of Finance's web site at :  
[www.fin.gc.ca/budtoce/2005/budliste.htm](http://www.fin.gc.ca/budtoce/2005/budliste.htm)**