



## Federal Budget Highlights

### Federal Budget 2012

Earlier today, Finance Minister Jim Flaherty tabled the 2012 Budget (Economic Action Plan 2012) in the House of Commons. The following excerpts identify measures of interest to BC local governments.

### General Government Finances

#### Reductions in Departmental Spending

- The results of the Government's review of departmental spending amount to roughly \$5.2 billion in ongoing savings, representing 6.9 per cent of an aggregate review base of \$75.3 billion.

#### Deficit Reduction Plan

- The deficit is projected to fall to \$21.1 billion for 2012 – 20113, with a projected surplus by 2015-16.

### Community Infrastructure

Economic Action Plan 2012 proposes:

- \$150 million over two years for a new Community Infrastructure Improvement Fund to support repairs and improvements to existing community facilities.
- \$27.3 million over two years to support the divestiture of regional ports and the continued operation and maintenance of federally owned ports.
- \$5.2 billion over the next 11 years on a cash basis to renew the Canadian Coast Guard fleet.

- \$101 million over the next five years on a cash basis to restore and modernize the Esquimalt Graving Dock.
- Under the Beyond the Border Action Plan, announced in Fall 2011, the Government will modernize and expand capacity at priority border facilities in Western and Central Canada.

### Changes to Regulatory Frameworks

#### New Provisions for Responsible Energy Development

- Economic Action Plan 2012 proposes \$35.7 million over two years to further strengthen Canada's tanker safety regime and support responsible development.
- Measures include:
  - New regulations which will enhance the existing tanker inspection regime by strengthening vessel inspection requirement
  - Appropriate legislative and regulatory frameworks related to oil spills, and emergency preparedness and response.
  - A review of handling processes for oil products by an independent international panel of tanker safety experts.
  - Improved navigational products, such as updated charts for shipping routes.
  - Research to improve our scientific knowledge and understanding of marine pollution risks, and to manage the impacts on marine resources, habitats and users in the event of a marine pollution incident.

## Strengthening Pipeline Safety

- Economic Action Plan 2012 proposes \$13.5 million over two years to strengthen pipeline safety.

## The Northern Pipeline Agency

- Economic Action Plan 2012 proposes \$47 million over two years to the Northern Pipeline Agency, a single window regulatory body to oversee the planning and construction of a major pipeline—the Alaska Pipeline—to transport natural gas from Alaska through Canada to the lower 48 U.S. states.

## Amending Mining Regulations

- To address an existing regulatory gap and provide greater certainty for the mining industry in Canada, Economic Action Plan 2012 proposes \$1 million over two years to Environment Canada to expand Metal Mining Effluent Regulations to non-metal diamond and coal mines.

## Review Process for Major Economic Projects

- Economic Action Plan 2012 proposes system-wide legislative improvements to the review process for major economic projects to achieve the goal of “one project, one review” in a clearly defined time period for major economic projects.

## Major Projects Management Office Initiative

- Economic Action Plan 2012 proposes \$54 million over two years to renew the Major Projects Management Office initiative.

## Consultation Under the Canadian Environmental Assessment Act

- Economic Action Plan 2012 proposes \$13.6 million over two years to support consultations with Aboriginal peoples.

## Removal of Fossil Fuel Subsidies

- To enhance the neutrality of the tax system, tax preferences for resource industries will be phased out.

## Economic Development

### Trade Agreements

- The Government is working to conclude negotiations toward trade agreements with the European Union (EU) and India.
- The Government will continue to engage with China to explore how to best enhance our growing bilateral trade and economic relations.
- In November 2011, the Prime Minister formally indicated Canada’s interest in joining the Trans-Pacific Partnership (TPP) negotiations.
- The Government is also expanding relations with the Asia-Pacific region and wants to deepen its commercial presence in Africa.

### Support to Fisheries

- \$10.5 million in 2012–13 to support key fisheries science activities.

### Expanding Tax Support for Clean Energy Generation

- Economic Action Plan 2012 proposes to expand the eligibility for the accelerated capital cost allowance for clean energy generation equipment to include a broader range of bioenergy equipment.

### Connecting Canadians With Available Jobs

- Economic Action Plan 2012 proposes \$21 million over two years to connect unemployed Canadians with jobs.

### Investing in First Nations Communities

Economic Action Plan 2012 proposes:

- Announcing the Government’s intent to explore with interested First Nations the option of moving forward with legislation

that would allow private property ownership within current reserve boundaries.

- Providing \$330.8 million over two years to build and renovate on-reserve water infrastructure and support the development of a long-term strategy to improve water quality in First Nations communities.
- Providing \$11.9 million in 2012–13 to support shelter services and violence prevention programming on reserves.

## Hiring Credit for Small Business

- Economic Action Plan 2012 proposes \$205 million to extend the Hiring Credit for Small Business for one year.