DAILY COMMERCIAL NEWS
AND CONSTRUCTION RECORD

January 28, 2010

Federation of Canadian Municipalities survey finds support for allocating taxes for infrastructure

VINCE VERSACE

staff writer

Canadian taxpayers are willing to see more of their federal tax dollars go to addressing infrastructure needs and funding, finds a Federation of Canadian Municipalities (FCM) survey.

“Canadians have a clear message for the government: do not balance your books by cutting badly-needed investments in our community infrastructure,” said Basil Stewart, president of FCM and the mayor of Summerside, P.E.I. in a statement.

“Ninety-six per cent of Canadians want the government to maintain or increase its funding for local infrastructure and they are ready to invest more of their tax dollars to make sure it happens.”

The FCM polled 2,168 Canadians during the first week of January and results indicated that 32 per cent of Canadians would support raising the Goods and Services Tax (GST) by one percentage point to pay down the federal deficit, but up to 70 per cent would support an increase dedicated to local infrastructure repairs and upgrades.

Fifty-three per cent of Canadians surveyed feel the federal government must increase funding for municipal infrastructure. Seventy per cent of the respondents believe that additional money required to upgrade local infrastructure should be provided from federal/provincial transfers, rather than higher property taxes or municipal spending cuts.

The Residential and Civil Construction Alliance (RCCAO) would also like to see more consideration given to alternative financing models, like public-private-partnerships, to help address ongoing infrastructure concerns, along with more sustainable and predictable funding. The FCM has proposed a national summit of government leaders in early 2011 to help hammer out a 20-year plan for funding infrastructure improvements.

“We need to start thinking of new angles to this problem. We cannot have programs that spike and decline in nature,” said Andy Manahan, executive director of RCCAO. “The more predictable funding is for municipalities, the more it can help them plan properly for their projects. This also helps the construction industry in its crew availability planning instead of a crisis management approach of responding to a one-and-half-year program.”

Seventy-one per cent of Canadians surveyed expect the federal government will need at least a decade to eliminate its annual deficits. Thirty-seven per cent of respondents found fighting deficits to be a threat to addressing roads, bridges, and water and sewage systems.

The Canadian Construction Association (CCA) is appearing at federal pre-budget consultations this week and plans to state that though governments are facing fiscal pressures and deficits a slashing of capital investments “as a means of balancing books” is not recommended.

CCA recommends that the current $2 billion annual municipal gas tax fund be doubled to $4 billion and indexed to the cost of inflation to help ensure a continued and sustainable attack on the $123 billion municipal infrastructure deficit. Developing a Municipal Infrastructure Bond to create a large pool of capital to fund current and future infrastructure needs should also be considered, according to CCA.