



AMO BREAKING NEWS

March 29, 2012

Federal Budget 2012 Details

Federal Finance Minister Jim Flaherty today delivered the 2012 federal budget. The budget did not contain any significant announcements for municipal governments.

The federal deficit in 2011–12 is projected to be \$8.5 billion lower than it was in 2010–11. It is projected to decrease by an additional \$3.8 billion in 2012–13 and will continue to decline to \$1.3 billion in 2014–15.

Budget details of interest to municipalities across the country are listed below. The exact impact for municipal governments in Ontario is not clear. Those budget details include:

- A commitment to reduce duplication between federal and provincial regulations. This will streamline the review process for major resource development projects according to the following principle: one project, one review, completed in a clearly defined time period while respecting provincial jurisdiction and the highest standards of environmental protection.
- The government will be investing \$387 million over two years to align the calculation of Employment Insurance benefit amounts with local labour market conditions.
- In addition, the government will move to an increasingly fast and flexible immigration system where priority focus will be on meeting Canada's labour market needs.
- \$105 million over two years will be provided to support forestry innovation and market development.
- The budget will offer support for junior mineral exploration by extending the temporary 15-per-cent Mineral Exploration Tax Credit for flow-through share investors for an additional year.
- The government is providing \$27 million over two years to renew the Urban Aboriginal Strategy.
- \$150 million over two years will support a new Community Infrastructure Improvement Fund to support repairs and improvements to existing community facilities.
- In addition, the Government will continue to pursue water quality and ecosystem health improvements in lakes and other bodies of water, such as Lake Winnipeg and Lake Simcoe.

AMO will continue to monitor federal budget developments. More federal budget analysis is available from the [Federation of Canadian Municipalities](#).

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