

GAS TAX FUNDING FOR NORTHWEST TERRITORIES COMMUNITIES THROUGH CANADA'S NEW DEAL FOR CITIES AND COMMUNITIES

BACKGROUND

- The Government of Canada's Budget 2005 delivered long-term, stable and predictable funding as part of the New Deal for Cities and Communities. Over the next five years, \$5 billion in federal gas tax funding will be shared with Canadian cities and communities, both small and large.
- These funds, which will be invested in environmentally sustainable municipal infrastructure, will result in significant environmental benefits, such as cleaner air, cleaner water and reduced greenhouse gas emissions.
- Northwest Territories' share of the \$5 billion over five years of federal gas tax funding will be \$37.5 million. When fully ramped up in year 5, NWT communities can expect to receive more than \$15 million, continuing at that rate thereafter.

Fiscal year	Investments in NWT
2005-2006	\$4.5 million
2006-2007	\$4.5 million
2007-2008	\$6.0 million
2008-2009	\$7.5 million
2009-2010	\$15.0 million
TOTAL	\$37.5 million

- The Government of Northwest Territories will administer the distribution of the federal funds to communities following a distribution formula developed through consultation with key community government stakeholders.
- An Oversight Committee in Northwest Territories will monitor the program and develop new directions and initiatives. The committee will have representatives from the territorial and federal governments. The Northwest Territories Association of Communities holds observer status on the committee and can choose to participate in any subcommittees.
- Funds for eligible projects are allocated according to a formula based on four funding areas. From the total funds, 2% is available to help build a stronger capacity for sustainability planning, and 1% for administration. The Territory has also committed to covering any cost overruns on the administration of the agreement. From the remaining net allocation, the 33 communities will each receive a base allocation of 1%, while 67% will be distributed on a per capita basis. Communities can carry over gas tax funds to future fiscal years.
- Community and regional sustainability planning is crucial in Northwest Territories. The gas tax agreement will build on territorial and local initiatives that encourage environmental, economic, social and cultural sustainability and the collaboration of all governments to strengthen community capacity. Over the life of the Agreement, Integrated Community Sustainability Plans will be

developed and implemented at the community level, and will guide all community infrastructure investments in the Northwest Territories once adopted.

- The governments of Canada and the Northwest Territories will collaborate with communities to enhance sustainability, and to encourage cooperation in infrastructure projects among communities and between communities.
- Gas tax funding builds on other Government of Canada infrastructure funding, including the Municipal Rural Infrastructure Fund (MRIF), the Canada Strategic Infrastructure Fund (CSIF), the Border Infrastructure Fund (BIF), and the Infrastructure Canada Program (ICP). The Federal Budget 2004 gave municipalities the Goods and Services Tax (GST) rebate worth \$7 billion over 10 years for their areas of greatest need. In addition, the Federal Budget 2005 committed \$800 million in new transit funding over the next two years. Budget 2005 also committed to the future renewal of CSIF, BIF and MRIF.
- As of today, nine gas tax agreements have been signed, including Yukon, British Columbia, Alberta, Saskatchewan, Nunavut, Ontario, Quebec, Nova Scotia, and Northwest Territories. The Government of Canada expects to sign agreements with remaining jurisdictions in the coming weeks and months.

Examples of Eligible Projects

Water Infrastructure:

- Drinking water supply systems, purification, treatment and distribution systems, and water metering systems

Wastewater Infrastructure:

- Sanitary sewer systems and storm water systems, trucked collection and wastewater treatment/disposal systems

Solid Waste Infrastructure:

- Waste diversion, material recovery facilities, organics management, collection depots, waste disposal landfills, thermal treatment, and landfill gas recuperation

Community Energy Systems:

- Cogeneration or combined heat and power projects (where heat and power are produced through a single process)
- District heating and cooling projects where heat or cooling is distributed to more than one building.
- Use of proven technology to incorporate “alternative” energy sources (wind, geothermal, biomass, sun, tide, waste heat recovery, etc.) for community public infrastructure, recognizing that only the energy efficient components of such projects are eligible.

Active Transportation Infrastructure:

- Bike lanes and walking trails
- Public transit
- The creation and rehabilitation of local roads and bridges that reduces vehicular traffic
- Dust control of unpaved local roads

Capacity Building:

- Collaboration: building partnerships, strategic alliances, participation, consultation and outreach
- Knowledge: use of new technology, research, monitoring and evaluation
- Integration: planning, policy development and implementation, such as environmental management systems and life cycle assessment