



2009 Federal Budget and Infrastructure Investment

Objective

To suggest that designers and constructors immediately consider visiting, writing or emailing their federal Member of Parliament to lobby for infrastructure investment in the federal budget on January 27, 2009.

Consider

- the federal budget will come down on January 27, 2009
- it's now acknowledged that Canada has slipped into recession
- economic stimulus is being promised by the federal government although many economists and some in the media, including the current issue of Maclean's, continue to argue against it
- it appears that this federal budget will include infrastructure investment
 - Prime Minister Harper, Finance Minister Flaherty and John Baird, Minister of Transport, Infrastructure and Communities have all stated that despite this government's normal reluctance to intervene in the economy, they see value in targeted infrastructure investment particularly in "shovel-ready" projects
- but recently there is also increasing talk of tax cuts as an alternative to infrastructure investment
 - media reports have suggested that the Finance Minister is being pressed to cut taxes by the advisory panel he established
 - the Fraser Institute just came out in favour of tax cuts, recommending against infrastructure investment
- Prime Minister Harper and Finance Minister Flaherty are sending mixed messages about how much of the stimulus will be in the form of infrastructure investment
- Opposition leader Michael Ignatieff has signalled his party's support for both tax cuts and infrastructure investment
- Statistics Canada reported on January 9, 2009 that the construction industry lost 44,000 jobs in December following two months of little growth
 - though construction employment is still up about 4% for the year, this is clearly not a healthy trend for our industry
- infrastructure investment is imperative to help the design and construction sector weather this recession
 - many, including BILD's Stephen Dupuis in the January 17th Toronto Star, argue that infrastructure investment should only support roads, bridges and sewers – not buildings, etc.

To Do

- seek a meeting with your MP in his or her constituency office
 - if you are successful in obtaining a meeting send a brief email or note after the meeting summarizing the key points of your discussion and clearly restating your ASK
- if you can't obtain a meeting, send your MP a letter or email
- if you'd like a model letter that you can personalize, email brian@strategies4impact.com

Strategy

- if your MP sits in the government caucus ASK her/him to press the Prime Minister, the Finance Minister and the Transport, Infrastructure and Communities Minister to make significant infrastructure investment a key component of the economic stimulus in this budget
 - this should include BOTH delivery on previous announcements AND new investment
- if your MP sits in opposition ASK him/her to press party leaders to support infrastructure investment
- even if you are NOT in the public works/buildings market this is important to you; if that public market shrinks you could suddenly find yourself with new competitors in YOUR markets

Points to consider making in support of the ASK

- at roughly 12% of the GDP, the construction industry is the largest sector of Canada's economy and is critical to Canada's economic health in both the short and the long term
 - the construction industry is particularly important given the huge decline, some of it likely permanent, in the manufacturing sector in Canada
- recent studies show that there is a \$1.50 return on every \$1.00 invested in infrastructure
 - studies show the return on investment for tax cuts is more like 10 to 20 cents on the dollar
- focus your ASK to support YOUR markets e.g. water treatment, buildings, transportation, etc.
- tell him/her about any "shovel-ready" projects you are involved in
- link infrastructure investment to the urgent need to begin a strategic shift from a grey to a green economy, and do it in a way that reflects YOUR specific markets, *for example*
 - if your market is buildings, point out that over 40% of greenhouse gases are produced by buildings, so clearly investment in sustainably designed NEW buildings is imperative
 - but we must also invest heavily in the massive stock of existing buildings through retrofit, envelope and equipment upgrades, re-cladding, cogeneration, etc.
 - if your market is transportation you can talk about public transit in addition to the need to repair and maintain roads and bridges
 - if you are in water and wastewater management link that to the environment perhaps by thinking of a *local example* of infrastructure that is in critical need of investment, e.g.
 - Toronto recently discovered that a major sewer which is buried beneath the Don Valley is cracked – it serves Scarborough, Don Mills, Downsview and North Toronto and if it were to fail would overflow the Don River with raw sewage that would then track into the harbour and Lake Ontario
- emphasize that this is the perfect time to aggressively tackle the "infrastructure deficit" in Canada which has been estimated at over \$200 Billion and increasing every day
- and lastly, but most importantly, tell YOUR story
 - what will a sustained recession do to YOU, YOUR family, YOUR colleagues/co-workers?
 - if you are an owner talk about the impact on YOUR business, YOUR employees
 - if you experienced the last recession in the early 90's (which I've always called a *depression* for our industry) talk about how that prolonged slowdown affected YOU

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