



**2018 PRE-BUDGET SUBMISSION
TO THE HOUSE OF COMMONS
STANDING COMMITTEE ON FINANCE
August 4, 2017**

Introduction

The Assembly of First Nations (AFN) has participated in the annual federal pre-budget exercise since 2000, outlining First Nations' priorities and providing a comprehensive analysis of required investments and structural changes that, if implemented, will work to close the gap in the quality of life and well-being between First Nations and the rest of Canada.

The AFN is working jointly with the Government of Canada to describe a new fiscal relationship that would provide "sufficient, predictable and sustained funding to ensure the overall wellbeing of First Nations." Pending a report on that work by December 31, 2017, this pre-budget submission addresses immediate and interim measures that can be taken toward our shared objective.

While the \$8.4 billion and \$3.4 billion (each over 5 years) identified in Budgets 2016 and 2017 certainly are welcome investments, shortfalls remain. All of the investment items identified in this submission are incremental to existing funding and planned spending from these two federal budgets.

Investing in First Nation Governments

Essential First Nation governments' core programs and services such as Band Support Funding (BSF), operations and maintenance, minor capital, and income assistance administration have not had an annual increase over 2% in the last twenty years. Support for First Nations government administration and financial management capacity is essential to making effective and efficient use of the other investments Canada has made and will make. This shortfall was identified in the Standing Committee report on the Default Prevention and Management Program in June, 2017. Based solely on inflation and population growth, the minimum need is \$12.7 billion over the next three years.

Education

The number of First Nations students funded through INAC's post-secondary program has steadily declined, from 22,938 in 1997 to 18,261 students in 2014-2015. Rates of funding per student have not changed since the 2% cap on annual increases was introduced twenty years ago, despite increases in tuition, cost of living and other school necessities. To fund current students under Post-Secondary Student Support Program (PSSSP) guidelines, the per-student expenditure should increase from \$13,407 to \$17,307. For 18,261 current students and 36,901 eligible students, the total budget increase needed for PSSSP is \$2.1 billion over 3 years. In addition, continuing shortfalls for primary and secondary education total almost \$1.7 billion over the next three years.

Housing and Shelters

First Nations are the fastest growing demographic in Canada and current housing is not meeting needs. INAC's own analysis identified the need for an annual incremental investment of \$800 million per year from 2012 to 2036. Budget 2016 provided \$10 million

for 5 on-reserve shelters. To answer this unmet need an additional investment of \$25 million annually is needed for the next three years.

Water and Wastewater

Additional investments are needed to replace poor or obsolete infrastructure and accommodate growth, including population growth. Based on Indigenous and Northern Affairs own reports, the need is still estimated at over \$320 million per year for urgent water and wastewater infrastructure issues.

Fundamental Community Infrastructure

Based on available information, investment in excess of \$2.7 billion over 3 years is needed for fundamental community infrastructure, including planning, roads, bridges, energy systems, structural mitigation, connectivity, and fire protection.

Emergency Management

Capital investments for community projects related to emergency management are currently funded from INAC core capital funds. It is proposed that \$75 million per year be provided through a dedicated Emergency Management Facilities fund to build mitigation infrastructure to complement non-structural mitigation activities.

All Season Roads

AFN's 2017 pre-budget submission recommended \$2.37 billion over three years to construct all-season roads to remote First Nations in order to mitigate the loss of winter roads, impacts of climate change and ensure food security. The need for this investment has become more urgent.

Specific Claims

Impartiality, fairness and greater transparency are necessary in order to restore the confidence in the integrity and effectiveness of the Specific Claims process. Investments totaling \$85 million over three years are needed to support First Nations with research, negotiations, accessing the Specific Claims Tribunal and judicial reviews.

Comprehensive Claims

A common understanding on the spirit and intent of Treaties is required in order to advance and enforce Treaty implementation and Canada's Comprehensive Claims Policy requires reform to reflect jurisprudence and international law. The associated dialogue to facilitate First Nations participation requires \$70 million over the next three years.

Additions to Reserves

Canada's new Additions to Reserves Lands (ATR) policy directive proposes to streamline processes, establish transparency, and provide adequate capacity and resourcing. Transitioning towards the implementation of the new ATR Policy will require a \$15 million investment over the next three years.

Climate Change

First Nations are among the lowest contributors to climate change, but are the most affected. First Nations require \$600 million over three years for green energy and infrastructure, including a reduction in the dependency of our remote communities on diesel and carbon-based power generation and planning the mitigation of and adaptation to climate change.

Child Welfare

In 2016, the Canadian Human Rights Tribunal (CHRT) found that the federal government discriminates against Indigenous children by underfunding child welfare programs on reserve and ordered the federal government to completely overhaul its on-reserve child welfare program. The House of Commons then voted unanimously to invest \$155 million in the on-reserve child welfare program.

The AFN has advocated consistently that needs must be met fully and immediately. Budget 2018 must increase current investment by \$84 million, reflecting the \$200 million original requirement identified by AFN, less the \$116 million that was earmarked in Budget 2016 for fiscal year 2018-19. Over 3 years, the investment should be \$257.4 million. The work underway to overhaul the child welfare program and support the reassertion of First Nation jurisdiction may identify additional funding requirements.

Legislative and Policy Review

As identified in the Memorandum of Understanding signed by the Prime Minister of Canada and National Chief of the AFN in June, 2017, fiscal resources are needed to conduct meaningful engagement with First Nations, as rights holders, and their representative bodies at the regional and national level. The estimated need is \$15 million in each of the next three years.

Health

The AFN is calling for \$3.96 billion over the next three years to achieve three key tasks: 1) address the underfunding of First Nations and Inuit Health Branch (FNIHB) programming; 2) support First Nations health systems capacity development; and, 3) support First Nations in transforming their own health systems to reflect their priorities and needs. Ultimately, the objective of new federal investments must be to close the health outcomes gap for First Nations individuals, communities and nations, and strengthen First Nations self-determination on health.

Fisheries

Investments of \$15 million per year are needed to enhance the Aboriginal Fisheries Strategy, Aboriginal Aquatic Resource and Oceans Management Program and Aboriginal Fund for Species at Risk. \$25 million per year is needed for habitat protection and \$10 million per year is needed for a review of the Freshwater Fish Marketing Corporation including engagement on direct market access.

Employment and Skills Training

Participation in the labour market is critical to the poverty reduction and wellbeing of First Nations. A distinct ten-year strategy for First Nations peoples can be expected to enhance the effectiveness of skill development leading to meaningful employment, allow for institutional capacity, and move toward cooperation, partnership and comparable government-to-government relations and shared responsibility for outcomes. Investing \$865.4 million over the initial three years reflects the cost of implementing a new, effective strategy. First Nations have a unique set of constitutional, demographic, socio-economic and governance conditions that require Canada's approach to be renewed.

Languages

In 2018-19, as part of the legislative initiative between the National Indigenous Organizations and the Government, work will be focused on estimating long term financial investments to implement the legislative measures set out in a new Indigenous Languages Act and to ensure the preservation and revitalization of Indigenous languages centred on the principle of Indigenous control. In the interim, an investment of \$124 million over each of the next three years is a preliminary estimate of minimum need.

Policing

The underfunding of the First Nations Policing Program jeopardizes the safety of First Nations. While non-native police forces in Canada are considered as an essential public service, First Nations policing is discretionary. To address the immediate needs of Indigenous police forces, First Nation police forces require \$375 million over the next three years.

Restorative Justice Practices

Reducing the overrepresentation of Indigenous peoples in the criminal justice system is a priority. Funding for community-based restorative justice programs as an alternative to the mainstream justice system and corrections is required. The AFN recommends that the annual budget be increased by \$14 million per year.

New Judges

One of the greatest investments Canada can make to reduce the overrepresentation of Indigenous peoples in jail is the appointment and funding of 20 new First Nation superior court judgeships at \$10 million per year.

Court Worker Program

Aboriginal court workers explain legal rights and obligations to their clients. They assist in securing legal counsel, finding interpreters if they are needed, assist with pre-sentence reports, bail hearings, and referrals. Canada currently funds the program and nationally over 180 Court workers provide services to approximately 60,000 Indigenous clients in over 450 communities each year. The program needs \$210 million over the next three years.

Summary of Required Federal Investments - Budget 2018				
(\$ millions)				
INAC Investment Areas	2018-19	2019-20	2020-21	Total
Investing in First Nation Governments				
BSF and Indian Government Support	\$1,713.5	\$277.8	\$301.2	\$2,292.5
Income Assistance Administration	\$2,190.9	\$39.5	\$40.9	\$2,271.3
Operations and Maintenance/Minor Capital	\$5,148.4	\$1,468.3	\$1,522.0	\$8,138.7
Sub-total	\$9,052.8	\$1,785.6	\$1,864.1	\$12,702.5
Education				
K-12 Immediate	\$321.9	\$264.7	\$207.0	\$793.6
K-12 National Process	\$5.0	\$5.0	\$5.0	\$15.0
Systems Implementation	\$28.8	\$28.9	\$30.0	\$87.7
Language Immersion	\$254.0	\$263.3	\$272.0	\$789.3
Post-Secondary Education - students	\$650.0	\$695.0	\$695.0	\$2,040.0
Post-Secondary Education - institutions	\$23.5	\$24.0	\$24.5	\$72.0
Sub-total	\$1,283.2	\$1,280.9	\$1,233.5	\$3,797.6
Infrastructure				
Housing and Shelters	\$825.0	\$825.0	\$825.0	\$2,475.0
Water and Wastewater	\$320.0	\$320.0	\$320.0	\$960.0
Fundamental Community Infrastructure	\$900.0	\$900.0	\$900.0	\$2,700.0
Emergency Management	\$75.0	\$75.0	\$75.0	\$225.0
All Season Roads	\$790.0	\$790.0	\$790.0	\$2,370.0
Sub-total	\$2,910.0	\$2,910.0	\$2,910.0	\$8,730.0
Treaties, Rights and Claims				
Specific Claims	\$28.0	\$28.0	\$29.0	\$85.0
Comprehensive Claims	\$23.0	\$23.0	\$24.0	\$70.0
Additions to Reserves	\$5.0	\$5.0	\$5.0	\$15.0
Sub-total	\$56.0	\$56.0	\$58.0	\$170.0
Climate Change	\$180.0	\$200.0	\$220.0	\$600.0
Child Welfare	\$84.0	\$86.7	\$86.7	\$257.4
Legislative and Policy Review	\$15.0	\$15.0	\$15.0	\$45.0
INAC Total	\$13,581.0	\$6,334.2	\$6,387.3	\$26,302.5
Other Federal Investments				
Health Canada				
Underfunding of FNIHB Programming	\$855.1	\$774.8	\$762.9	\$2,392.8
FNs' Health Systems Capacity Development	\$385.9	\$35.9	\$35.9	\$457.7
Transformation of FNs' Health Systems	\$369.0	\$369.0	\$369.0	\$1,107.0
Health Canada Total	\$1,610.0	\$1,179.7	\$1,167.8	\$3,957.5

Fisheries and Oceans				
Indigenous Strategies and Governance	\$15.0	\$15.0	\$15.0	\$45.0
Sustainable Indigenous Habitat Protection	\$25.0	\$25.0	\$25.0	\$75.0
Indigenous Commercial and Inland Fisheries	\$10.0	\$10.0	\$10.0	\$30.0
Fisheries and Oceans Total	\$50.0	\$50.0	\$50.0	\$150.0
ESDC ASETS (Employment and Skills Training)	\$272.6	\$288.9	\$303.9	\$865.4
Heritage - Languages	\$124.0	\$124.0	\$124.0	\$372.0
Public Safety - Policing	\$125.0	\$125.0	\$125.0	\$375.0
Justice – Restorative Justice, New Judges, Court Worker Program	\$94.0	\$94.0	\$94.0	\$282.0
Other Federal Investments Total	\$2,275.6	\$1,861.6	\$1,864.7	\$6,001.9
Grand Total	\$15,856.6	\$8,195.8	\$8,252.0	\$32,304.4
