



**ASSEMBLY OF FIRST NATIONS
2019 PRE-BUDGET SUBMISSION
TO THE HOUSE OF COMMONS
STANDING COMMITTEE ON FINANCE
August 3, 2018**

Recommendations

On behalf of the Assembly of First Nations (AFN), it is recommended that the Government of Canada invest in the following First Nations programs and services:

<i>\$ in millions</i>				
Investment Areas	2019-20	2020-21	2021-22	Total
Indigenous Languages (Adult/Lifelong)	\$90.0	\$187.0	\$238.0	\$515.0
Band Support Funding	\$1,713.5	\$301.2	\$325.0	\$2,339.7
Infrastructure	\$5,662.0	\$4,312.0	\$4,312.0	\$14,286.0
Elementary-Secondary Education	\$870.8	\$1,170.8	\$1,292.6	\$3,334.2
Post-secondary Education	\$342.6	\$487.1	\$809.2	\$1,638.9
Economic Development	\$1,009.2	\$1,009.2	\$1,109.2	\$3,127.6
Treaties, Rights and Claims	\$240.0	\$240.0	\$240.0	\$720.0
Climate Change and Environment	\$2,300.0	\$2,300.0	\$2,300.0	\$6,900.0
Health	\$1,179.7	\$1,167.8	\$1,167.8	\$3,515.3
Social Development	\$558.8	\$640.0	\$670.8	\$1,869.6
Fisheries	\$88.5	\$88.5	\$88.5	\$265.5
Policing	\$300.0	\$300.0	\$300.0	\$900.0
TOTAL	\$14,355.1	\$12,203.6	\$12,853.1	\$39,411.8

Introduction

The wealth of this land has not been shared equitably. By most measures the quality of life enjoyed by the average Canadian is significantly better than that available to the average First Nation citizen. An enormous socio-economic gap is evident in health, education, employment and other outcome data. This situation has deep, historic roots in actions taken by the Government of Canada.

However, the fiscal relationship between First Nations and Canada is evolving. Significant investments in the last three federal budgets are part of that evolution. This progress must be maintained and amplified both to redress past wrongs and to build a stronger Canada.

For example, a priority for this pre-budget submission is the implementation of legislation on First Nations languages, a step toward addressing the legacy of Canada's residential schools policy that provides a foundation to rebuild strong First Nations.

Other investments are needed to "catch-up" against the accumulated effect of underfunding over time and to "keep up" with growth in the future. This means measures should be ongoing, rather than one-time or short-term; they should be targeted at empowering First Nation governments and institutions rather than perpetuating colonial structures; and they will need to enhance fundamentals such as governance and infrastructure while supporting adaptive measures aimed at issues such as climate change and economic development.

In this way, Canada can support First Nations in reducing ongoing social and lost opportunity costs while contributing to economic growth. The investments enumerated in this submission can help to rectify some of these past injustices while sharing the wealth of this land more fairly.

Indigenous Languages

Preliminary estimates to begin implementing legislation for the preservation and revitalization of Indigenous languages include a three-year investment of \$1.157 billion. This minimum estimate includes \$642 million to be allocated for Kindergarten to Grade 12 education (attributed in the appropriate section below), with the remainder of \$515 million allocated to lifelong language learning. Annual costs, to be confirmed with additional data, are expected to stabilize around \$897 million annually in ten years. A longer funding horizon should be considered to facilitate the success of this initiative.

Band Support Funding

The Band Support Funding program supports the essential functions of First Nation governments. Annual increases below 2% for over 20 years have led to a significant loss in purchasing power. This has meant an extremely challenging environment for the development of governance capacity. To make other investments in First Nations programs and services more effective, there must be a one-time catch up of \$1.7 billion in core governance capacity funding, with keep-up investments over \$300 million per year going forward and appropriate escalators. Other governance programs will be the subject of future budget submissions.

Infrastructure

The AFN is facilitating a data gathering exercise to inform the 10 Year First Nations National Housing and Related Infrastructure Strategy which will provide precision to the overall need. Pending its conclusion, Indigenous Services Canada has identified minimum needs in some areas, including \$800 million annually for housing and \$950 million for operations and maintenance of all core infrastructure, consisting of \$542 million for operations and \$408 million for maintenance and minor repair.

Addressing long-term drinking water advisories on-reserve by 2021, as Canada has committed, is a first step toward providing water and wastewater infrastructure comparable to that enjoyed by other people in Canada. The AFN estimates that \$2.433 billion is needed in 2019-20 to make First Nations water and wastewater infrastructure compliant with existing ISC Safety Protocols and comparable with the rest of Canada. This would address compounding costs for the future and appropriate maintenance, thus extending the life of the infrastructure, and provide strong evidence of Canada's commitments to achieving the United Nations Sustainable Development Goals on water and wastewater.

In addition, \$2.7 billion over 3 years is needed for fundamental community infrastructure, including planning, bridges, energy systems, structural mitigation, connectivity, and fire protection and \$2.37 billion over three years to construct all-season roads to remote First Nations in order to address the loss of winter roads due to climate change. Shelters on-reserve to help meet the unmet security needs of women, children and other vulnerable First Nations citizens requires \$25 million annually. Finally, \$75 million per year is required for a dedicated emergency management facilities fund to build necessary infrastructure.

Education

Improved education attainment is the foundation for long-term economic improvement. Despite significant investments in Budget 2016, needs remain. In addition to the \$515 million over 3 years identified in the section on languages above, \$642 million over 3 years will be needed for First Nations language and cultural programming in elementary and secondary schools. Additional investments of \$527 million over the next 3 years for adult education and life-long learning will assist First Nations people, particularly women, in completing certifications and participating in the labour force. Addressing special costs for remote and northern schools, as well as the needs of students from those communities attending school elsewhere, requires an additional \$500 million per year, ongoing. Building an estimated 40 new schools over the next 3 years will require a total of \$666 million.

The gap between First Nation citizens and other Canadians in university graduation is over 20 percentage points and has not improved for over twenty years. Funding for the Post-Secondary Student Support Program has been capped at approximately 25,000 students during this time despite an increase in First Nations population and increased high school graduation rates. For First Nations to attain the same education attainment rate as other Canadians, 78,000 additional graduates require \$1.1 billion over 3 years. First Nations post-secondary institutions and a partnership process bring this total to \$1.6 billion over 3 years.

Economic Development

Expanded participation in the economy is essential to closing the socio-economic gap between First Nations and the rest of Canada and will pay for itself over time. Redesign of existing economic programs, services and incentives to enable longer term, sector-based approaches requires investment of \$1.2 billion over three years, while supporting First Nations trade requires a new strategy to build capacity and establish regionally-based First Nations trade commissioner services with an investment of \$650M over the first three years.

The Indigenous Skills and Employment Training Strategy (ISETS) provides skills development, training and job support to Indigenous people across the country to enter and excel in the Canadian workforce. Although First Nations workers are the fastest growing segment of the labour force, ISETS funding remained unchanged from 1999 to 2016-17. During that time, population growth and inflation resulted in a 61.7% decrease in purchasing power. While Budget 2018 announced \$45.8M in new funding for First Nations, an additional \$209.2 million per year is required to close the funding gap.

“Leave no one behind” – a proposal to embark on a strategy to aid First Nations governments to establish programs and services to serve citizenry with disabilities – includes a task force to recommend a national framework, resources for regional capacity building, establishing culturally-safe programs and services, a center of excellence and, potentially, legislative initiatives at a total cost of \$650M over three years.

Climate Change and Environment

Adequate support for First Nation communities to identify, document, and address climate change impacts will require implementation of strategies to monitor and mitigate serious impacts on social, economic, environmental, and cultural wellbeing. As a preliminary estimate, First Nations will require \$60 million annually to identify and document the impacts of climate change, which will then enable the development of strategies for mitigation and adaptation. Developing and implementing those mitigation and adaptation strategies will require significant investments in green infrastructure of \$1.7 billion per year, clean energy at \$350 million per year and adaptation planning at \$70 million per year. An investment of \$70 million per year also needs to be made to reduce the dependence of First Nations remote communities on diesel and carbon-based power generation. Environmental monitoring will also need to take place as part of climate related strategies at a cost of \$50 million per year.

Conclusion

Although the costs identified in this submission are significant, the depth and breadth of the need that has developed over generations of neglect is more significant. Canada became one of the wealthiest countries in the world from the land and resources shared by First Nations. That wealth now must be shared in return, to close the socio-economic gap that exists and to reap the economic benefits of a more inclusive and robust economy for everyone.

Other investments, not described above due to space constraints, are identified in the following chart and may be spoken to at the AFN’s appearance before the Finance Committee later this year.

\$ in millions

Indigenous Services Canada	2019-20	2020-21	2021-22	Total
Indian Government Support	\$1,713.5	\$301.2	\$325.0	\$2,339.7
Band Support Funding	\$1,713.5	\$301.2	\$325.0	\$2,339.7
Infrastructure	\$5,662.0	\$4,312.0	\$4,312.0	\$14,286.0
Housing and Shelters	\$825.0	\$825.0	\$825.0	\$2,475.0
Water and Wastewater	\$2,433.0	\$1,083.0	\$1,083.0	\$4,599.0
Fundamental Community Infrastructure	\$950.0	\$950.0	\$950.0	\$2,850.0
Emergency Management	\$75.0	\$75.0	\$75.0	\$225.0
All Season Roads	\$790.0	\$790.0	\$790.0	\$2,370.0
Operations and Maintenance	\$589.0	\$589.0	\$589.0	\$1,767.0
Elementary-Secondary Education	\$870.8	\$1,170.8	\$1,292.6	\$3,334.2
Language and Culture (FN Schools)	\$110.0	\$229.0	\$303.0	\$642.0
Adult Education	\$127.7	\$175.6	\$223.4	\$526.7
Remote and Northern Students	\$500.0	\$500.0	\$500.0	\$1,500.0
Infrastructure - new school construction	\$133.1	\$266.2	\$266.2	\$665.5
Post-secondary Education	\$342.6	\$487.1	\$809.2	\$1,638.9
Post-Secondary Student Support	\$174.1	\$322.1	\$644.2	\$1,140.4
Indigenous Institutes	\$161.0	\$161.0	\$161.0	\$483.0
Partnership Process- Changes to PSE	\$7.5	\$4.0	\$4.0	\$15.5
Treaties, Rights and Claims	\$240.0	\$240.0	\$240.0	\$720.0
Specific Claims	\$120.0	\$120.0	\$120.0	\$360.0
Comprehensive Claims	\$100.0	\$100.0	\$100.0	\$300.0
Additions to Reserves	\$20.0	\$20.0	\$20.0	\$60.0
Health	\$1,179.7	\$1,167.8	\$1,167.8	\$3,515.3
First Nations Mental Health Continuum	\$357.3	\$353.7	\$353.7	\$1,064.7
Support for First Nations Health Transformation	\$465.1	\$460.4	\$460.4	\$1,385.9
Health Infrastructure	\$357.3	\$353.7	\$353.7	\$1,064.7
Social Development	\$558.8	\$640.0	\$670.8	\$1,869.6
Jordan's Principle	\$439.7	\$439.7	\$439.7	\$1,319.1
First Nations Family Violence Prevention	\$45.0	\$45.0	\$45.0	\$135.0
On-Reserve Income Assistance	\$34.1	\$35.3	\$36.1	\$105.5
Pre-employment Supports	\$40.0	\$120.0	\$150.0	\$310.0
Indigenous Services Canada Total	\$10,567.4	\$8,318.9	\$8,817.4	\$27,703.7

\$ in millions

Other Government Departments	2019-20	2020-21	2021-22	Total
Heritage Canada	\$90.0	\$187.0	\$238.0	\$515.0
First Nation Languages	\$90.0	\$187.0	\$238.0	\$515.0
Employment and Social Development Canada	\$1,009.2	\$1,009.2	\$1,109.2	\$3,127.6
Indigenous Skills and Employment Training	\$209.2	\$209.2	\$209.2	\$627.6
FNs Trade Relations and Economic Incentives	\$400.0	\$400.0	\$400.0	\$1,200.0
Regional trade commissions	\$200.0	\$200.0	\$250.0	\$650.0
Disabilities and Accessibility	\$200.0	\$200.0	\$250.0	\$650.0
Environment Canada	\$2,300.0	\$2,300.0	\$2,300.0	\$6,900.0
Documenting Impacts of Climate Change	\$60.0	\$60.0	\$60.0	\$180.0
Investing in Green Infrastructure	\$1,700.0	\$1,700.0	\$1,700.0	\$5,100.0
Investing in Clean Energy	\$350.0	\$350.0	\$350.0	\$1,050.0
Planning Adaptation	\$70.0	\$70.0	\$70.0	\$210.0
Reducing Reliance On Diesel, Carbon-based Fuels	\$70.0	\$70.0	\$70.0	\$210.0
First Nations Environmental Monitoring	\$50.0	\$50.0	\$50.0	\$150.0
Fisheries and Oceans	\$88.5	\$88.5	\$88.5	\$265.5
Evaluation, implementation of Supreme Court decisions	\$33.5	\$33.5	\$33.5	\$100.5
First Nations Food Fisheries Rebuilding (plus)	\$55.0	\$55.0	\$55.0	\$165.0
Public Safety	\$300.0	\$300.0	\$300.0	\$900.0
First Nations Policing	\$300.0	\$300.0	\$300.0	\$900.0
Other Federal Investments Total	\$3,787.7	\$3,884.7	\$4,035.7	\$11,708.1
Total Required Investment	\$14,355.1	\$12,203.6	\$12,853.1	\$39,411.8