

FIRST NATIONS LEADERSHIP COUNCIL

B.C. BUDGET 2018 Summary: IMPACTS TO B.C. FIRST NATIONS

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BACKGROUND

The B.C. budget was tabled February 20, 2018. The budget, titled 'Working for You,' is driven by the government's election campaign pledge to 'make life more affordable,' 'improve the services people count on,' and to 'build a strong, sustainable economy'. These themes are apparent throughout the budget documents and the Minister of Finance has stated that the 2018 budget is about the 'people'.

The Economic Forecast Council (EFC) expects B.C.'s real GDP to grow by 2.5 per cent in 2018 and 2.2 per cent in 2019. B.C.'s economic growth is expected to outperform Canada's in the coming years. Risks on the downside for B.C.'s economic outlook include U.S. Trade Policy uncertainty and ongoing economic challenges in Asia and Europe.

With respect to First Nations, the B.C. Government stated their commitment to working with Indigenous peoples to "carve a path toward reconciliation". The B.C. Government has promised to achieve its reconciliation commitments (including the full implementation of the United Nations *Declaration on the Rights of Indigenous Peoples* (UNDRIP), the Truth and Reconciliation (TRC) Calls to Action, and the historic Tsilhqot'in Supreme Court Decision) in a manner that is both transformative and collaborative. B.C.'s stated core tenet to implementing this vision is ensuring that Indigenous peoples are "deeply and directly involved in all aspects of the development of any strategy, program, policy or legislation that may affect them."

The Throne Speech promised action to reduce the socio-economic gaps between Indigenous and non-Indigenous British Columbians and Budget 2018 takes a first step in this direction with an investment of \$53 million this year for Indigenous housing, culturally-based Indigenous child care, a continuation of the Indigenous Skills Training Program, and support for Indigenous languages and reconciliation work. This will increase to \$97 million next year and is projected to go up to \$81 million in 2020/21.

SUMMARY

The areas of focus for Budget 2018 as it relates to resources for Indigenous peoples are housing, child care, and skills training. Budget 2018 allocates more than \$200 million for these priorities over the fiscal plan (2018/19 – 2020/21):

- includes \$30 million in funding to expand culturally-based Indigenous child care (federal and provincial contribution);
- includes \$158 million for 1,750 new units of supportive housing for Indigenous people (developed in partnership with Indigenous housing societies and First Nations);
- includes \$30 million in investments for the Indigenous Skills Training Development Fund (intended for training and solidifying partnerships between industry and provincial, federal, and First Nation governments);
- Aboriginal Friendship Centres will also receive \$6 million in funding over three years to “improve upon the important education, job training, health and cultural services delivered to urban Indigenous residents in communities across the province;”
- includes \$50 million for Language revitalization/preservation funding which will “flow immediately.”
- contains \$1.37 billion in 2019/20 and \$1.25 billion in 2020/21 in funding available for priority spending initiatives to be developed for future budgets such as Government’s reconciliation commitments to Indigenous peoples, and to accommodate budgetary pressures such as caseload growth and new compensation mandate costs.

Budget 2018 is an improvement from the 2017 Budget and September Budget Update, insofar as a number of significant investments will be of direct and indirect positive benefit to B.C. First Nations. Notwithstanding, a number of items are not specifically referenced in the Budget. Among these items are: funding for the Commitment Document, funding for the Leadership Accord, and revenues stemming from the legalization of recreational cannabis.

More needs to be done to improve the safety of Indigenous women and girls. Poverty and lack of affordable housing are resulting in many Indigenous children being apprehended by child protection authorities and separated from their communities and their roots. Supporting children and families in their communities is a more holistic solution to these problems, and it would be more cost-effective in the long run. Expanding public transportation options and accessibility along the Highway of Tears are long-overdue.

APPENDIX A: BUDGET 2018 MEASURES AFFECTING FIRST NATIONS

LANGUAGES

B.C. will be supporting the revitalization of Indigenous languages across the province through \$50 million in funding from the 2017/18 fiscal year to the First Peoples' Cultural Council. This funding will flow immediately.

ABORIGINAL FRIENDSHIP CENTRES

A total of \$6 million over the fiscal plan period is provided to the Ministry of Indigenous Relations and Reconciliation to increase funding to Aboriginal Friendship Centres. There are 25 of these facilities in the province that are members of the BC Association of Aboriginal Friendship Centres. This funding will allow these organizations to improve upon the important education, job training, health and cultural services delivered to urban Indigenous residents in communities across the province.

JUSTICE

Government is committed to building a justice system that works and supports fair access to justice for all British Columbians. Budget 2018 provides \$51 million over three years to improve access to justice as follows:

- \$26 million to the Legal Services Society for the expansion of legal aid service delivery, including Indigenous, family law and duty counsel services;
- \$15 million to increase the number of court sheriffs and increase staffing of the Court Services Branch to address court delays; and
- \$10 million for Ministry of Attorney General initiatives related to family dispute resolution services and increasing digital access to justice services, especially for people living in rural and remote communities.

Previous NDP commitment: 2017 BC Aboriginal Justice Council strategy MOU \$400,000 over two years to jointly support the Council's strategy.

CHILD WELFARE AND CHILD CARE

Approximately \$11 million of the \$26 million in funding provided to the Legal Services Society (see 'Justice') will support the expansion of the Parents Legal Centre to additional communities, consistent with the recommendations from the Grand Chief Ed John Report on Indigenous Child Welfare. The Parents Legal Centre, currently in Vancouver and

launching soon in Surrey, helps parents resolve child protection matters earlier through legal information and advice as well as through access to collaborative processes such as mediation.

The Province and the Government of Canada have agreed to a new Early Learning and Child Care (ELCC) funding agreement. Under the agreement, the federal government will provide BC with an additional \$153 million over three years beginning in 2017/18 to support a three-year action plan that is complementary to the Government's vision for a universal child care system. ELCC includes \$30 million (\$10 million 2017/18; \$10 million 2018/19; \$10 million 2019/20) allocated to expand culturally-based Indigenous child care.

GAMING

The Budget makes specific reference to gaming revenue sharing as it relates to Indigenous people, citing the Mandate Letters of Min. James and Min. Fraser; however, a specific number is not included. There is a reference that \$252 million (or 20% of distribution paid to Government by BC Lottery Corp (BCLC)) of gaming income will be shared with "charities and local governments." It is unclear whether the sharing of revenues with First Nations will come out of this 20% of revenues.

HOUSING

Budget 2018 represents the beginning of the most significant provincial investment ever made in housing. Government will invest more than \$1.6 billion in operating and capital funding over three years to build and maintain affordable rental housing, introduce a new student housing program for public post-secondary institutions, increase rental assistance supports to low income seniors and working families who rent in the private market, and provide supportive housing for at-risk and vulnerable British Columbians.

Of this total investment:

- Over the next three years (2018/19 to 2020/21), Government is investing \$155 million towards the construction of 1,750 new units of supportive housing for Indigenous peoples. This housing will be developed in partnership with Indigenous housing societies and First Nations;
- As housing projects complete, additional funding will be provided for ongoing operating costs and support services. This funding will increase significantly over ten years as more housing units are built. \$24 million over three years will support the initial ongoing operating costs for affordable rental housing, housing for Indigenous peoples and the additional 4,000 new capital-funded supportive

housing units described below. In addition, \$8 million over three years will help enhance local government capacity to assess and respond to community housing needs (assuming \$3 million related to housing for Indigenous people will be added under “additional funding”, totaling to \$158 million).

These housing investments will be monitored and reviewed to evaluate progress in order to consider additional measures and funding that may be required to meet Government’s commitment to help build 114,000 units of affordable market rental, non-profit, co-op, supportive and owner-purchased housing in partnership with local governments, the federal government, Indigenous peoples, the non-profit and for-profit sectors, and faith groups.

LAND USE PLANNING

Budget 2018 allocates \$16 million to Forests, Lands, Natural Resource Operations & Rural Development and other ministries (not specified) to modernize land use planning through engagement and collaboration with Indigenous peoples, governments, communities, stakeholders, and industry.

MENTAL HEALTH AND ADDICTIONS

Federal: as described in Budget 2017 Update, the Government of Canada and the Province agreed to new targeted federal funding for investments in home and community care, and mental health and addictions services funding. This was added to the Ministry of Health budget in Budget 2017 Update, and sums to \$171 million over the next three years. It will be directed towards strengthening mental health and addictions services capacity in primary care, schools, vulnerable populations, and Indigenous communities.

SKILLS TRAINING/POST-SECONDARY EDUCATION

The Ministry of Advanced Education will engage and collaborate with Indigenous communities and partners on ways to ensure post-secondary education and training is responsive to the needs of Indigenous communities and learners. Part of these efforts will include determining appropriate measures and baselines to assess progress toward this objective.

The Indigenous Skills Training Development Fund (intended for training and solidifying partnerships between industry and provincial, federal, and First Nation governments) will receive \$30 million over three years. Projects will be led by Indigenous communities who identify labour market opportunities and work with accredited training providers to deliver appropriate training.

Budget 2018 further allocates \$2 million for the creation of an Indigenous Law Program at the University of Victoria.

EMERGENCY MANAGEMENT

Budget 2018 allocates \$50 million over three years for wildfire preparation and response. A further \$22 million over three years “to assist rural and Indigenous communities to repair natural resource values in response to the wildfire events of 2017.”

CLIMATE CHANGE AND ENVIRONMENTAL ASSESSMENT

One of the key priorities of the Minister of Environment and Climate Change Strategy is to pursue “collaborative opportunities with First Nations on existing projects and broader policy or legislative means to revitalize the EA process.” The budget for the BC EAO marginally increased this fiscal year to \$11,902,000 from \$11,870,000. Interestingly, the budget plan for 2019/20 and 2020/21 sees a decrease in resources for the BC EAO to \$11,831,000.

The BC Carbon Tax will increase by \$5/tonne, increasing each year until it reaches \$50/tonne, in line with the federal regulation. The Carbon Tax will no longer be revenue neutral and will rather be invested in efforts to support climate change mitigation.

The Ministry of Environment and Climate Change has passed the first phase of regulations to increase spill preparedness, response and accountability for transporters of liquid petroleum products in B.C. According to Budget 2018 documents, discussions will be starting soon with First Nations, local governments, federal partners, industry and stakeholders on the second phase of spill regulation enhancements.

Budget 2018 allocates \$14 million for a new Provincial Wildlife Management Strategy to be done “in collaboration with Indigenous peoples, stakeholders and communities.”

FISHERIES AND AQUACULTURE

The new *Water Sustainability Act* continues to be brought into force and new standards around fish processing discharges will strengthen protection of B.C.'s wild salmon stocks. No specific reference was made regarding resources for fisheries and aquaculture.

NEW TAX MEASURES

As a means to target housing speculation, the B.C. Government is bringing in a 'speculation tax' (effective Fall 2018) and is increasing of foreign buyers tax to 20% from 15%. The latter, which applied only to Metro Vancouver, will be expanded to other urban regions including the Fraser Valley, Victoria and Nanaimo, and the Okanagan).

Resulting from the elimination of the Medical Services Premium (MSP), the B.C. Government has created an 'Employer Health Tax' which will come into effect Jan 2019, and essentially shifts the onus of MSP or health premiums from employee to employer, with specific rules (i.e. Employers with a payroll under \$1.5 million will not be required to pay the full Employer Health Tax, and employers with a payroll under \$500,000 will pay no tax at all).

APPENDIX B: MIRR BUDGET AND ANALYSIS

The Ministry of Indigenous Relations and Reconciliation (MIRR) overall budget will increase to \$99.5 million for 2018/19, \$101.2 for 2019/20 and \$101.3 for 2020/21. Current 2017/18 spending is forecasted to be \$91.0 million.

TREATIES AND OTHER AGREEMENTS

- \$5 million to MIRR over three years to support "enhanced" reconciliation mandate and implementation of UNDRIP and TRC, as well as "treaty transformation".
- "Treaty and other agreements" budget increased to \$46.4 million for 2018/19 from \$41 million in 2017/18.