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Subject: Federal 2018 Budget Highlights

Greetings Mayor & Council:

Please find below a high-level summary of the [2018 Federal Budget Equality + Growth- A Strong Middle Class](#), which was released today in Ottawa- from a national and Vancouver perspective.

We look forward to continuing to work closely with the federal government in these areas. If you have any questions, please contact Marnie McGregor at 604.873.7039 or Marnie.McGregor@vancouver.ca.

Best,
Sadhu

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Federal Government
[2018 Budget](#) Highlights
February 27, 2018

Overview

The key themes of the 2018 Federal Budget are equality and growth, with a focus on gender-based budgeting and Indigenous reconciliation. This budget includes some significant funding for First Nations and urban Indigenous communities across the country. Many of the urban infrastructure and housing investments were outlined in Budgets 2016 and 2017, and the federal Phase 2 Infrastructure investments for transit, green and social infrastructure will be secured in the coming months.

Indigenous Reconciliation

- The Government is investing an additional \$5 billion over five years to ensure that Indigenous children and families have an equal chance to succeed in life, to build the capacity of Indigenous governments, and to accelerate self-determination and self-government agreements with Indigenous Peoples based on the recognition and implementation of rights.

- Budget 2018 includes investments to help improve the quality of life of Indigenous Peoples and close the gap between Indigenous and non-Indigenous communities in areas such as support for families, health care and job opportunities including:
 - \$1.1 billion over five years, and \$235.7 million per year ongoing, for a First Nations stream
 - \$213.4 million over five years, and \$45.2 million per year ongoing, for an urban/non-affiliated stream.
 These investments will support Indigenous Peoples in developing employment skills and pursuing training for high-quality jobs.
- \$200 million, with \$40 million per year on going, to enhance the delivery of culturally appropriate addictions treatment and prevention services in First Nations communities with high needs.
- Through Budget 2018, the Government provides \$248.6 million over three years, starting in 2018–19, for services, including mental health and emotional supports to survivors and their families for the duration of the Indian Residential School Settlement.
- 2018 provides \$5 million in 2018–19 to support the Gord Downie & Chanie Wenjack Fund to support reconciliation initiatives across Canada.
- Budget 2018 invests \$47.5 million over five years, and \$9.5 million per year ongoing, to expand the use of sport for social development in more than 300 Indigenous communities. This initiative will help to scale up a highly successful model developed by Right To Play that has led nearly 90 per cent of participants to have a more positive attitude toward school and a greater sense of identity. As this initiative is implemented, the Government will look for opportunities to profile excellence among Indigenous youth in sport.
- Budget 2018 invests \$188.6 million over five years, starting in 2018–19, in the following ways:
 - \$127.4 million over two years to directly support First Nations communities in building internal fiscal and administrative capacity. This includes \$87.7 million over two years to ensure that communities under default management are able to move forward on projects that form part of their management action plans, and to support pilot projects in order to strengthen governance and community planning capacity in First Nations.
 - \$50 million over five years, and \$11 million per year ongoing, to strengthen the First Nations Financial Management Board, the First Nations Finance Authority and the First Nations Tax Commission.
 - \$2.5 million over three years to support the First Nations Information Governance Centre’s design of a national data governance strategy and coordination of efforts to establish regional data governance centres.
 - \$8.7 million over two years to continue and broaden work with First Nations leadership, technical experts, researchers and community representatives on the new fiscal relationship. The Government, with First Nations partners, will also undertake a comprehensive and collaborative review of current federal government programs and funding that support First Nations governance.

Green Economy/Climate Change/Resilience

- The Government of Canada is investing \$1.3 billion over five years, one of the most significant investments in nature conservation in Canadian history. This investment will contribute \$500 million from the federal government to create a new \$1 billion Nature Fund in partnership with corporate, not-for profit, provincial, territorial and other partners. In collaboration with partners, the Nature Fund will make it possible to secure private land, support provincial and territorial species protection efforts, and help build Indigenous capacity to conserve land and species, for our benefit and the benefit of future generations. The remaining funding will focus on protecting species at risk.
- Investing \$1 billion over five years to support the proposed new impact assessment system and Canadian Energy Regulator; increase scientific capacity in federal departments and agencies; implement the changes required to protect water, fish and navigation; and increase Indigenous and public participation.

- The Federal Government is investing \$20 million over five years, starting in 2018–19, through Environment and Climate Change Canada to fulfill the Pan-Canadian Framework on Clean Growth and Climate Change Framework’s commitment to engage external experts to assess the effectiveness of its measures and identify best practices.
- Further details regarding the competitively based Low Carbon Economy Challenge will be announced in the near future. The objective of the fund will be to maximize greenhouse gas reductions in 2030, and it will be open to all provinces and territories, municipalities, Indigenous governments and organizations, businesses, and not-for-profit organizations.
- Budget 2018 provides \$40.6 million over 5 years starting in 2018-19 to support emergency management organizations that prepare for and respond to severe weather.

Opioid Crisis

- The Federal Government is investing \$231.4 million over five years, starting in 2018–19, with \$1.9 million in remaining amortization and \$13.5 million per year ongoing, for additional measures to help address the opioid crisis. Key measures include:
 - Providing one-time emergency funding of \$150 million for provinces and territories for multi-year projects that improve access to evidence-based treatment services.
 - Launching a public education campaign to address stigma that creates barriers for those seeking treatment.
 - Improving access to public health data and analysis to better understand the opioid crisis and inform strategies to address it.
 - Equipping border agents with detection and identification tools to intercept fentanyl and other substances at ports of entry.
 - Expanding the Substance Use and Addictions Program to develop innovative approaches to treatment and prevention. In addition, as noted in Chapter 3, Budget 2018 also proposes targeted and specific investments in First Nations communities with high needs to address problematic substance use, including opioids.

Poverty Reduction

- Budget 2018 includes an investment of \$12.1 million over five years, and \$1.5 million per year thereafter, to address key gaps in poverty measurement in Canada. This includes ensuring that poverty data is inclusive of all Canadians, data on various dimensions of poverty are captured, and the data is robust and timely.

Childcare

- The Government of Canada is entering into three-year bilateral agreements with provinces and territories, with the intent to review and adjust these agreements as needed at each period of renewal over the 11-year framework. Nine agreements have been reached so far, including with British Columbia this month. In British Columbia, the province is developing prototype centres to test the introduction of universal child care. Children across the province will have access to low-cost infant and toddler spaces at significantly reduced parent fees, including children from low-income families benefiting from free child care.
- Over the next 11 years, the Federal Government will dedicate \$100 million for early learning and child care innovation, which will support new and innovative practices across the country and help to develop more effective services to improve life outcomes for children and their families, and \$95 million to close data gaps in order to better understand what child care looks like in Canada, supporting strong reporting on progress made in implementing the Multilateral Early Learning and Child Care Framework and the Indigenous Early Learning and Child Care Framework.

Cannabis Legalization

- In December 2017, the federal government reached an agreement with most provincial and territorial governments to keep duties on cannabis low, the higher of \$1 per gram or 10 per cent of a product price, through a federally administrated coordinated framework. This tax room will be shared on a 75/25 basis, with 75 per cent of duties going to provincial and territorial governments and the remaining 25 per cent to the federal government. The federal portion of cannabis excise duty revenue will be capped at \$100 million annually for the first two years after legalization. Any federal revenue in excess of \$100 million will be provided to provinces and territories. As part of this arrangement, it is the federal government's expectation that a substantial portion of the revenues from this tax room provided to provinces and territories will be transferred to municipalities and local communities, who are on the front lines of legalization. The excise duty framework would come fully into effect when cannabis for non-medical purposes becomes accessible for retail sale.

Housing

- To encourage a stable supply of affordable rental housing across the country, the Government is increasing the amount of loans provided by the Rental Construction Financing Initiative from \$2.5 billion to \$3.75 billion over the next three years. This new funding is intended to support projects that address the needs of modest- and middle-income households struggling in expensive housing markets. In total, this measure alone is expected to spur the construction of more than 14,000 new rental units across Canada. The Government is providing \$113.6 million over five years, starting in 2018–19, to Canada Mortgage and Housing Corporation to expand the Rental Construction Financing Initiative.
- The timing of the federal social housing repair funding announced in Budget 2017 remains the same, with the majority of funding flowing in future years.

Economic Development/Innovation

- The Federal Government is reforming business innovation programs to create a suite of programs that is easy to navigate and will respond to the challenges and opportunities facing Canadian businesses today and into the future. Total overall funding for innovation programming will increase, but the reform will see a reduction in the total number of business innovation programs by up to two-thirds.
- The Federal Government is investing an additional \$400 million over five years starting in 2018–19, to the regional development agencies to support the Innovation and Skills Plan across all regions of Canada. Of this amount, \$105 million will support nationally coordinated, regionally tailored support for women entrepreneurs as part of the new Women Entrepreneurship Strategy. \$35 million of the funding will be dedicated to supporting skills development and economic diversification activities to help workers and communities in the West and in the Atlantic region adapt to Canada's transition to a low-carbon economy.
- The new Women Entrepreneurship Strategy will take a comprehensive approach, addressing critical growth stages and other challenges to better support women entrepreneurs, to help them grow their businesses and to remove barriers to their success.
- Budget 2018 proposes a new, modern approach to intellectual property, an ambitious regulatory agenda, and a simpler federal procurement system to make it easier for companies to do business and grow.

Digital/Cyber Security

The Federal Government has committed \$155.2 million over five years, and \$44.5 million per year ongoing, to the Communications Security Establishment to create a new Canadian Centre for Cyber Security.
