

2014 Pre-Budget Submission

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Introduction

Manitoba Regional Chief Bill Traverse, National Assembly of First Nations portfolio holder for First Nations Housing and Infrastructure, is pleased to make the following submission to the Standing Committee on Finance for the 2015 pre-budget consultations. The following document summarizes the actions and investments required by the Federal Government for the 2015 Federal Budget.

First Nations Housing

Housing is a basic human right and First Nations have for far too long suffered inadequate, insufficient and inappropriate housing in First Nations communities across Canada. Most acute in many northern and remote regions, First Nations require immediate relief and support and then the ability to drive sustainable strategies for the future.

The substandard and deplorable housing conditions in First Nations are a persistent and growing challenge. Recent environmental disasters affecting First Nation communities, such as flooding and forest fires, have only exacerbated the issues. While some First Nations have undertaken innovative and successful initiatives, many still rely on federal programs to provide financing options for their members. A recent report identified that between 2010 and 2034 there will be a housing shortfall of 130,197 units, an additional 11,855 units required to replace existing units, and approximately 10,000 units requiring major repairs. This requires an investment of nearly \$1 billion per year over this period.

It is recommended that new programs and funding be provided through another round of stimulus spending specific to the First Nations housing sector. This proposed spending will directly benefit First Nation families and First Nations economies, and indirectly produce economic benefits and sustainable job creation in the construction industry. This new investment will benefit all regions across the country, with the greatest impact to the remote and rural sectors of Canada.

Water in First Nations Communities

Water is life – this is an understanding we share with Indigenous Peoples around the globe. Access to clean drinking water is a universal human right, recently affirmed by the United Nations, and Canada has a responsibility to ensure clean drinking water is accessible to all First Nations communities. However, First Nations water quality continues to be a national concern. The waters in First Nations territories are increasingly being disrespected, misused and polluted by industrial development, agriculture, urbanization and climate change.

The 2011 National Engineering Assessment released by the federal government concludes that 73% of First Nation water systems are at high or medium risk – a dramatic increase from 29% in 2003. As of February 28, 2014, there were 92 First Nations communities across Canada under a Drinking Water Advisory. The Government of Canada must engage with First Nations on a plan to implement the recommendations in this submission and a clear plan of investment for the identified \$4.7 billion in the area of water treatment systems. For example, the Alternative Federal Budget 2013 identified that the funding required to address

the First Nations water crisis (\$1 billion per year) could be overcome by raising the tax rate for Canada's corporations by a mere 0.5% (from 15% to 15.5%).

It is widely understood that improved health outcomes, such as access to clean drinking water, directly improves outcomes in education, employment, gender, environmental health and cultural connectedness, among others.

First Nation Community Infrastructure

Canada's backlog in infrastructure needs is at levels that are of great concern to Canadian cities and municipalities and their ability to protect the assets and address the health and safety of their citizens. The study by the Federation of Canadian Municipalities (FCM), *The Road to Jobs and Growth: Solving Canada's Municipal Infrastructure Challenge*, identified the challenges municipalities face regarding infrastructure funding. The identified needs to replace aging infrastructure was \$171.8 billion. The report forwarded several recommendations such as: long-term and predictable funding; support for alternative financing; innovative infrastructure; improve asset management; and investment in a Core Economic Infrastructure Fund.

The infrastructure backlog and the need for investment in new community infrastructure are much more acute for First Nation communities. Funding for First Nation community infrastructure is completely dependent on federal funding, which has been capped at 2% since 1996.

Economic Action Plan 2013 proposed \$155 million over 10 years for First Nations on-reserve infrastructure from the new Building Canada Fund, in addition to allocations from the Gas Tax Fund. Budget 2013 confirmed approximately \$7 billion over the next 10 years to be invested under existing programming in building, operating and maintaining infrastructure on reserve. The First Nations Infrastructure Fund (resourced from the combination of the Building Canada Fund and the Gas Tax Fund) will amount to approximately \$42 million annually for the next ten years. These combined amounts are simply not enough to meet the infrastructure needs for First Nations basic community infrastructure. Furthermore, the existing programming under the Capital Facilities and Maintenance Program (CFMP), which provides funding of \$700 million annually, has never been sufficient to meet the infrastructure needs of First Nation communities. This CFMP has also been capped at 2% annually and has resulted in constant over-programming by the regional AANDC offices.

The study commissioned by Aboriginal Affairs and Northern Development Canada (AANDC), released in 2006 and titled *Building Futures: A Review of First Nation Infrastructure Requirements and INAC's Capital Facilities and Maintenance Program*, identified a \$15.2B to \$25.6B investment requirement for First Nations major assets typically eligible for AANDC support and housing over the next 5 to 15 years. Clearly, the federal government's level of investment has fallen short of these projections by more than \$500 million annually.

Therefore, it is recommended that an additional \$500 million per year, for the next ten years, be provided to First Nation communities to address the backlog in First Nations community infrastructure.

Emergency Preparedness

First Nations across Canada are facing disastrous emergency events such as flooding and wildfires, which are increasing in both number and frequency across the country and resulting in human suffering and economic cost. Canada's National Emergency Management Plan states "the Minister of AANDC has accepted responsibility for supporting on-reserve First Nations communities in the four pillars of emergency management: mitigation, preparedness, response and recovery." Yet First Nations do not receive the necessary funding for training, building capacity, mitigation and preventative infrastructure and equipment purchase to effectively apply these basic principles of Emergency Management.

As each emergency event is unique in its region, its severity and its duration, it is difficult to derive a dollar value for the required budget. However, annual investments should focus on regional cooperative mitigative and preventative works addressing recurring disasters, their avoidance, and a reduction on their effect. An initial federal investment of \$200 million for the development of emergency preparedness and disaster management and mitigation works is urgently required to ensure that First Nation citizens are accorded the same consideration regarding life safety, protection of property, and enjoyment of environment as any other Canadian. This investment would go beyond the \$200 million identified in the 2014 Federal Budget to support structural mitigation projects for all Canadian municipalities.

During emergency events, lives are disrupted and entire communities are forced to evacuate. Often evacuations can last years and have significant and long-lasting psychosocial and physical effects on individuals. Preparing all First Nations for emergency situations will reduce loss of life, property damage, lost productivity, and improve the well-being, whether on or away from their communities.