



CTF SUMMARY OF FEDERAL BUDGET 2018

*Research and Professional Learning
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Canadian Teachers' Federation
Fédération canadienne des enseignantes et des enseignants

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CTF Summary of the 2018 Federal Budget

The 2018 budget entitled *Equality Growth - A Strong Middle Class* was released on February 27, 2018. It is being labelled “a plan to deliver more prosperity and growth to Canadians, fueled by greater equality for all Canadians” [p. 17].

The following summary provides selected excerpts from the 2018 Federal Budget pertaining to the following issues: official languages, employment insurance, gender and status of women, violence and harassment, poverty, education and labour, Indigenous peoples, and health and multiculturalism.

Official Languages

Action Plan for Official Languages 2018-2023

The Government proposes to provide \$400 million in new funding over five years, starting in 2018–19, with \$88.4 million per year ongoing, in support of the Action Plan for Official Languages 2018-2023. Key measures will be implemented by Canadian Heritage, Employment and Social Development Canada, Health Canada, the Public Health Agency of Canada, Statistics Canada, and Immigration, Refugees and Citizenship Canada. The Action Plan includes funding for the recruitment and retention of teachers who teach French and English as a second language, as well as \$20 million for a variety of early learning and child care initiatives in minority official language schools.

Enhancing Canadians' Access to Justice

A proposed investment through Budget 2018 that will also enhance Canadians' access to justice includes supporting access to justice in the official language of one's choice with funding for the Access to Justice in Both Official Languages Support Fund (\$10.0 million over five years, starting in 2018–19, and \$2.0 million per year ongoing to the Department of Justice Canada)

Employment Insurance

New Employment Insurance Parental Sharing Benefit

Government proposes to provide \$1.2 billion over five years, starting in 2018–19, and \$344.7 million per year thereafter, to introduce a new Employment Insurance (EI) Parental Sharing Benefit. The Benefit will provide additional weeks of “use it or lose it” [p. 46] EI parental benefits, when both parents agree to share parental leave. This incentive is expected to be available starting June 2019.

The proposed benefit will be available to eligible two-parent families, including adoptive and same-sex couples, to take at any point following the arrival of their child. This benefit would increase the duration of EI parental leave by up to five weeks in cases where a second parent agrees to take a minimum of five weeks of the maximum combined 40 weeks available using the standard parental option of 55 per cent of earnings for 12 months. Either parent may take up to 35 weeks paid at 55% of average weekly earnings. A minimum of 5 weeks will be available for each parent. Parents can share the combined 40 weeks available in various combinations.

Alternatively, where families have opted for extended parental leave at 33 per cent of earnings for 18 months, the second parent would be able to take up to eight weeks of additional parental leave, bringing the total weeks available for both parents combined up to 69 weeks. In cases where the second parent opts not to take the additional weeks of benefits, a standard leave duration of 61 weeks will apply.

The budget reports that: “More equitable parental leave will also help lead to more equitable hiring practices, reducing conscious and unconscious discrimination by employers.” [p. 46]

To implement this change to the EI program, the Government proposes to amend the *Employment Insurance Act*. In addition, the Government proposes to amend the *Canada Labour Code* to ensure that workers in federally regulated industries have the job protection they need while they are receiving EI parental benefits

Predictable Funding for Employment Insurance Service Delivery

The Government proposes to make available up to \$90 million over three years, starting in 2018–19, for EI claims processing and service delivery. Funding will be linked to EI claims volumes and will provide responsiveness to changing economic conditions. This will ensure that EI recipients continue to receive timely and accurate benefit payments.

Employment Insurance Call Centre Accessibility

The Government proposes to provide an additional \$127.7 million over three years, starting in 2018–19, to further improve accessibility and ensure Canadians receive timely and accurate information and assistance with EI benefits.

Legislate the Current Employment Insurance Working While on Claim Pilot Rules and Expand Them to Employment Insurance Maternity and Sickness Benefits

The EI Working While on Claim pilot project allows claimants to keep 50 cents of their EI benefits for every dollar they earn, up to a maximum of 90 per cent of the weekly insurable earnings used to calculate their EI benefit amount. This pilot project is scheduled to expire in August 2018. The Government proposes to introduce amendments to the *Employment Insurance Act* to make the current EI Working While on Claim pilot rules permanent, providing \$351.9 million over five years, starting in 2018–19, and \$80.1 million per year ongoing. The legislation will also include a provision to grandfather claimants who have chosen, under the current pilot project, to revert to more flexible rules of a previous pilot project introduced in 2005. Claimants will be able to continue to do so for up to three years, until August 2021.

While these provisions already apply to parental and caregiving benefits, they do not currently apply to maternity and sickness benefits. In these instances, Canadians who wish to stage their return to work after an illness or the birth of a child have limited flexibility to do so without jeopardizing their EI benefits. Extending the Working While on Claim pilot provisions to EI maternity and sickness benefits, so that workers can maintain their connection to the labour force during periods of temporary unemployment, will enable greater flexibility so Canadians can keep more of their EI benefits when they need them most.

Canada Pension Plan

Prior to Budget 2018, in December 2017, federal and provincial Ministers reached a unanimous agreement in principle to take the following actions, beginning in 2019:

- Increase retirement benefits under the Canada Pension Plan (CPP) Enhancement both for parents who take time off work to care for young children, and for persons with severe and prolonged disabilities. For the purposes of calculating the retirement pension, parents and persons with disabilities will be credited with an amount linked to their previous earnings for periods spent out of the workforce, or periods with low earnings;
- Raise survivor's pensions for individuals under age 45 who lose their spouse, by providing a full survivor's pension instead of the current reduced pension that is linked to the age of the widow or widower;
- Provide a top-up disability benefit to retirement pension recipients under the age of 65 who are disabled and meet eligibility requirements;
- Increase the death benefit to its maximum value of \$2,500 for all eligible contributors.

The Government intends to introduce legislation to implement the agreement reached by Ministers, along with technical and consequential amendments. The proposed changes would not result in an increase to contribution rates.

Gender and Status of Women

Pay Equity Legislation in Federally Regulated Sectors to Address the Gender Wage Gap

Budget 2018 will move forward with new proactive pay equity legislation. Requiring equal pay for work of equal value is an effective way to fix this gap. To help address this issue, the Government will bring in a legislated proactive pay equity regime in federally regulated sectors, which would apply to approximately 1.2 million employed individuals.

Symposium on Women and the Workplace

The Government will also host a major symposium on women and the workplace in the spring of 2019. The Government will provide \$1.5 million over 2018–19 and 2019–20 for this symposium.

Gender Results Framework

Budget 2018 goes further, integrating considerations of gender impacts at each step of the budgeting process, and introducing a new Gender Results Framework. This Framework includes goals and indicators that will guide the Government's decisions and measure Canada's progress in achieving greater gender equality. In Budget 2018, no budget decision was taken without being informed by Gender-based Analysis Plus (GBA+).

GBA+ is a tool used to assess how diverse groups of women, men and gender-diverse people may experience policies, programs and initiatives. The "plus" in the gender-based analysis is an acknowledgment that we need to go beyond sex and gender differences as we have multiple identity factors that intersect and inform who we are, including race, ethnicity, sexuality, religion, age and mental or physical ability.

To ensure that gender remains a key consideration for future governments, the Government will introduce new GBA+ legislation to make gender budgeting a permanent part of the federal budget-making process. The Gender Results Framework has informed the investments made in Budget 2018.

Initiatives that advance objectives of Canada's new Gender Results Framework:

- Improving access to the Canada Child Benefit and other benefits in Indigenous communities;
- Addressing the gender wage gap by supporting equal pay for equal work in federally regulated workplaces and implementing pay transparency;
- Promoting more equal parenting roles with a new Employment Insurance Parental Sharing Benefit;
- Helping women enter and succeed in the trades.

Evidence-Based Policy

The Government of Canada intends to address gaps in gathering data and to better use data related to gender and diversity. This includes proposing \$6.7 million over five years, starting in 2018–19, and \$0.6 million per year ongoing, for Statistics Canada to create a new Centre for Gender, Diversity and Inclusion Statistics.

The Government is also proposing to provide \$1.5 million over five years, starting in 2018–19, and \$0.2 million per year ongoing, to the Department of Finance Canada to work with Statistics Canada and Status of Women to develop a broader set of indicators and statistics to measure and track Canada's progress on achieving shared growth and gender equality objectives.

Status of Women Canada

The Government proposes to provide \$100 million over five years to Status of Women Canada to enhance the Women's Program. This investment will also ensure better funding for organizations focused on vulnerable women, including groups such as Indigenous women, women with disabilities, members of the LGBTQ2 communities, and newcomer and migrant women.

The Government proposes to provide Status of Women Canada with \$1.3 million in 2018–19 to host a national roundtable on GBA+.

The Government also proposes to provide Status of Women Canada with additional funding of up to \$7.2 million over five years to lead a national conversation on gender equality with young Canadians.

The Government will provide \$1.8 million over two years to Status of Women Canada to develop an engagement strategy for men and boys that promotes equality and pilots innovative, targeted approaches to addressing inequality.

Budget 2018 also proposes to provide \$5 million per year to Status of Women Canada to undertake research and data collection in support of the Government's Gender Results Framework.

Getting into and Staying in the Workforce: Career Pathways for Visible Minority Newcomer Women in Canada

The Government will launch a three-year pilot to support programming for newcomer women who are also members of visible minorities and provide \$31.8 million over three years starting in 2018–19.

Gender Equality in Sport

Through Budget 2018, the Government is setting a target to achieve gender equality in sport at every level by 2035, and proposes to provide an initial \$30 million over three years to support data and research and innovative practices to promote women and girls' participation in sport, and provide support to national sports organizations to promote the greater inclusion of women and girls in all facets of sport.

Violence and Harassment

Violence Against Women

As part of the National Housing Strategy, the National Housing Co-Investment Fund commits to build and renew shelter spaces for survivors fleeing family violence, reducing the wait list for shelter spaces and lowering the number of women who might otherwise risk returning to an unsafe relationship or the street. Government investments in housing will create and repair at least 7,000 shelter spaces for survivors of family violence.

National Human Trafficking Hotline

The Government is committed to putting an end to gender-based violence and proposes to provide \$14.51 million over five years, beginning in 2018–19, and \$2.89 million per year ongoing, to Public Safety Canada to combat human trafficking by establishing a National Human Trafficking Hotline, including an online portal and a referral mechanism to social services and law enforcement.

The Government proposes to provide an additional \$86.0 million over five years, starting in 2018–19, and \$20.0 million per year ongoing, to expand Canada's Strategy to Prevent and Address Gender-Based Violence. This is in addition to the \$101 million over five years going towards Gender-Based Violence that was provided in Budget 2017.

Providing Legal Support to Victims of Sexual Harassment in the Workplace and Increased Awareness

The Government proposes to invest \$50.4 million over five years, starting in 2018–19, to address sexual harassment in the workplace. Of this amount, \$25.4 million over five years will be dedicated to boosting legal aid funding across the country with a focus on supporting victims of sexual harassment in the workplace. The Government will work in partnership with provinces and territories but will not require them to match the proposed funding. In addition, the Government proposes to invest a further \$25.0 million over five years to develop a pan-Canadian outreach program to better inform workers, particularly those most vulnerable, about their rights and how they can access help if they have been harassed in the workplace.

Support for Victims of Family Violence

The Government intends to amend the *Canada Labour Code* to provide five days of paid leave to workers in the federally regulated jurisdiction who are victims of family violence or the parent of a child who is the victim of family violence. This builds on job-protected leave for survivors of violence which was introduced in Budget 2017.

Improving Support for Sexual Assault Crisis Centres on Campuses

The Government proposes to provide up to \$5.5 million over five years, starting in 2018–19, to Status of Women Canada to work with stakeholders, including provinces and territories, towards developing a harmonized national framework to ensure consistent, comprehensive and sustainable approaches in addressing gender-based violence at post-secondary institutions across the country. Starting in 2019, for those universities and college campuses that are not implementing best practices addressing sexual assaults on campus, the Government of Canada will consider withdrawing federal funding.

Taking Action Against Guns and Gangs

The Government proposes to provide \$327.6 million over five years, starting in 2018–19, and \$100 million per year ongoing, to Public Safety Canada, the Royal Canadian Mounted Police and the Canada Border Services Agency.

Poverty

Affordable Housing

To help more Canadians find safe and affordable housing, and to protect those already living in community housing from being displaced, the Government is implementing a comprehensive National Housing Strategy. Investments of more than \$40 billion over the next 10 years will create over 100,000 new housing units and repair 300,000 housing units. This means that 530,000 households are expected to be removed from housing need, and 435,000 households will benefit from the maintenance and expansion of community housing in Canada. Further, the estimated number of chronically homeless shelter users will be reduced by 50 per cent. At least 25 per cent of National Housing Strategy investments will support projects that specifically target the unique needs of women and girls, including senior women who are more likely than senior men to need affordable housing.

Evidence-Based Poverty Data

Recognizing the importance of poverty data in evidence-based decision making by all levels of government, the federal government additionally proposes 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.

Building More Rental Housing for Canadian Families

To encourage a stable supply of affordable rental housing across the country, the Government proposes to increase 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 low- 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 further proposes to provide \$113.6 million over five years, starting in 2018–19, to the Canada Mortgage and Housing Corporation to expand the Rental Construction Financing Initiative.

Canada Workers Benefit

Budget 2018 is introducing the Canada Workers Benefit (CWB), a strengthened version of the Working Income Tax Benefit, which is a refundable tax credit that supplements the earnings of low-income workers. In Budget 2018, the Government proposes to strengthen the program by making it more generous, and making the benefit more accessible. This strengthened benefit will be named the Canada Workers Benefit and will take effect in 2019. Using the funding announced in the 2017 Fall Economic Statement, the Government proposes to increase maximum benefits under the CWB by up to \$170 in 2019 and increase the income level at which the benefit is phased out completely. The Government also proposes to increase the maximum benefit provided through the CWB disability supplement by an additional \$160 to offer greater support to Canadians with disabilities who face financial barriers to entering the workforce.

Education and Labour

Canada Summer Jobs 2019-20

The Government proposes to provide an additional \$448.5 million over five years, starting in 2018–19, to the Youth Employment Strategy. This funding will support the continued doubling of the number of job placements funded under the Canada Summer Jobs program in 2019-20 and provide additional resources for a modernized Youth Employment Strategy in the following years, building on the input of the Expert Panel on Youth Employment. A renewed Youth Employment Strategy will be announced over the course of the next year.

Improving the Quality of Career Information and Program Results

The Government proposes to invest up to \$27.5 million over five years, starting in 2018–19, and \$5.5 million per year ongoing, from Employment and Social Development Canada's existing resources, to support an Education and Labour Market Longitudinal Linkage Platform. This secure data platform, which will be housed within Statistics Canada, will help to better track and make available important labour market information.

Improving Access to the Canada Learning Bond

The Canada Learning Bond and Canada Education Savings Grant are contributions that the Government of Canada makes to Registered Education Savings Plans (RESPs) to help Canadians save for a child's post-secondary education. Building on Budget 2017 measures, the Government of Canada is working with the Province of Ontario to integrate RESP referrals into the Ontario online birth registration service. This means more children from low-income families will be able to access the Canada Learning Bond.

Indigenous Peoples

Budget 2018 takes further steps to improve the quality of life of Indigenous Peoples in Canada and supports a new approach to recognizing and implementing Indigenous rights. The Government proposes to invest 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 distinctions-based investments in priority areas identified by First Nations, Inuit and Métis Nation partners. The forthcoming Indigenous Early Learning and Child Care Framework, currently being co-developed with Indigenous partners, will also be supported by dedicated funding to meet the unique needs of First Nations, Inuit and Métis Nation children and families.

Ensuring That Indigenous Children Are Safe and Supported Within Their Communities

Budget 2018 proposes to provide more than \$1.4 billion in new funding over six years, starting in 2017–18, for First Nations Child and Family Services.

Clean and Safe Drinking Water on Reserve

Budget 2018 builds on prior investments and reaffirms the Government's commitment by proposing to provide an additional \$172.6 million over three years, beginning in 2018–19, to improve access to clean and safe drinking water on reserve. This funding will support initiatives to accelerate the pace of construction and renovation of affected water systems, which will result in 25 additional projects being completed by 2020 rather than 2021.

Indigenous Skills and Employment Training Program

To help close the employment and earning gaps between Indigenous and non-Indigenous people, Budget 2018 proposes to invest \$2 billion over five years, and \$408.2 million per year ongoing, to support the creation of a new Indigenous Skills and Employment Training Program, which will replace the Aboriginal Skills and Employment Training Strategy. This includes incremental investments of \$447 million over five years, and \$99.4 million per year ongoing, and a stronger focus on training for higher-quality, better-paying jobs rather than rapid re-employment. This additional funding will assist approximately 15,000 more individuals gain greater skills and find jobs that will support their long-term career success.

The Government has consulted with, and heard from, Indigenous partners on the importance of a distinctions-based approach that recognizes the unique needs of First Nations, Inuit and the Métis Nation. To that end, the new program will provide:

- \$1.1 billion over five years, and \$235.7 million per year ongoing, for a First Nations stream;
- \$325 million over five years, and \$67 million per year ongoing, for a Métis Nation stream;
- \$161.2 million over five years, and \$32.6 million per year ongoing, for an Inuit 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.

Support for Distinctions-Based Housing Strategies

Through investments made in Budget 2017 and Budget 2018, the Government proposes dedicated funding to support the successful implementation of each of the distinctions-based housing strategies, including:

- An additional \$600 million over three years to support housing on reserve as part of a 10-year First Nations Housing Strategy that is being developed with First Nations;
- \$400 million over 10 years to support an Inuit-led housing plan in the Inuit regions of Nunavik, Nunatsiavut and Inuvialuit. This is in addition to the \$240 million over 10 years announced in Budget 2017 to support housing in Nunavut, where additional funding was provided for Inuit housing;
- \$500 million over 10 years to support the Métis Nation's Housing Strategy.

Indigenous Health: Keeping families healthy in their communities

To keep Indigenous families healthy, Budget 2018 proposes to invest \$1.5 billion over five years, starting in 2018–19, and \$149 million per year ongoing, as follows:

- \$498 million, with \$97.6 million per year ongoing, to sustain access to critical medical care and services, including 24/7 nursing services in 79 remote and isolated First Nations communities;
- \$200 million, with \$40 million per year ongoing, to enhance the delivery of culturally appropriate addictions treatment and prevention services in First Nations communities with high needs;
- \$235 million to work with First Nations partners to transform First Nations health systems by expanding successful models of self-determination so that health programs and services are developed, delivered and controlled by and for First Nations. This investment will also support access to quality and First Nations-controlled health care in remote and isolated James Bay communities as part of the Weeneebayko Area Health Integration Framework Agreement;
- \$490 million over two years to preserve access to medically necessary health benefits and services through the Non-Insured Health Benefits Program;
- \$109 million over 10 years, with \$6 million per year ongoing, to respond to high rates of tuberculosis in Inuit communities, and develop a better understanding of the unique health needs of Inuit peoples through the co-creation of a distinct Inuit Health Survey;
- \$6 million over five years to support the Métis Nation in gathering health data and developing a health strategy.

Improving Access to the Canada Child Benefit and Other Benefits

Indigenous Peoples, in particular those living in remote and northern communities, face distinct barriers when it comes to accessing federal benefits such as the Canada Child Benefit. To help Indigenous Peoples access the full range of federal social benefits, the Government will provide \$17.3 million over three years, starting in 2018–19, to expand outreach efforts to Indigenous communities, and to conduct pilot outreach activities for urban Indigenous communities.

Supporting Inuit Priorities

Through Budget 2018, the Government is providing \$509.5 million over 10 years to make progress in the areas identified through the Inuit-Crown Partnership Committee such as health and wellness, skills and training, and housing, including:

- \$27.5 million over five years to eliminate tuberculosis in Inuit Nunangat. Among Inuit, the reported rate of active tuberculosis in 2015 was over 270 times higher than the rate among the Canadian-born, non-Indigenous population. Through Budget 2018, the Government will support Inuit Tapiriit Kanatami's Inuit-specific approach to tuberculosis

elimination, which includes enhanced community-wide prevention, detection, screening, treatment, communications and awareness, and addressing social determinants of health.

- \$82 million over 10 years, with \$6 million per year ongoing, for the co-creation of a permanent Inuit Health Survey. Funding will build capacity in Inuit communities to develop and collect survey information and support Inuit self-determination in setting the research agenda in their regions and communities.
- \$400 million over 10 years for housing in the Inuit regions of Nunavik, Nunatsiavut and Inuvialuit to help address significant overcrowding and repair needs in Inuit communities.

Budget 2018 proposes to invest \$161.2 million over five years in the Inuit stream of the Indigenous Skills and Employment Training Program, which supports employment services, skills development and job training.

Supporting Métis Nation Priorities

Budget 2018 proposes to invest \$516 million over 10 years, including \$500 million over 10 years to support a Métis Nation housing strategy, \$10 million in 2018–19 to support Métis Nation post-secondary education, and \$6 million over five years to support the Métis Nation in gathering health data and developing a health strategy. Furthermore, Budget 2018 proposes to invest \$325 million in the Métis Nation stream of the Indigenous Skills and Employment Training Program, which supports employment services, skills development and job training.

Increased Health Supports for Survivors of Indian Residential Schools and Their Families

The Indian Residential School Settlement was intended to redress harm caused to students of residential schools and their families. Implementation began in September 2007 and is expected to wind down over the next few years. In Budget 2018, the Government proposes to provide \$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.

Supporting the Gord Downie and Chanie Wenjack Fund

The [Gord Downie and Chanie Wenjack Fund](#) is part of Gord Downie's legacy and that of his family, for improving the lives of Indigenous Peoples. To support these reconciliation initiatives across Canada, Budget 2018 proposes to provide \$5 million in 2018–19 to support the Gord Downie & Chanie Wenjack Fund.

Creating a More Responsive Income Assistance Program That Addresses the Needs of First Nations Communities

The Government proposes to invest \$8.5 million over two years to work with First Nations to understand how to make the on-reserve Income Assistance program more responsive to the needs of individuals and families on reserve and to identify the supports required to help individuals better transition from income assistance to employment and education.

While this work is being done, the Government proposes to provide \$78.4 million over two years for case management services to help individuals transition from income assistance to employment and education

Indigenous Sport

Through Budget 2018, the Government proposes to invest \$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.

Supporting the Recognition and Implementation of Rights and Self-Determination

Budget 2018 outlines new steps the Government will take to increase the number of modern treaties and self-determination agreements in a manner that reflects a recognition of rights approach. These changes, along with the new approach brought forward through the Recognition of Indigenous Rights and Self-Determination negotiation process, will shorten the time it takes to reach new treaties and agreements, at a lower cost to all parties.

As part of this new approach, the Government of Canada will be moving away from the use of loans to fund Indigenous participation in the negotiation of modern treaties. Starting in 2018–19, Indigenous participation in modern treaty negotiations will be funded through non-repayable contributions.

The Government will engage with affected Indigenous groups on how best to address past and present negotiation loans, including forgiveness of loans. Through Budget 2018, the Government also proposes to invest \$51.4 million over the next two years to continue its support for federal and Indigenous participation in the Recognition of Indigenous Rights and Self-Determination discussion tables.

Helping Indigenous Nations Reconstitute

Through Budget 2018, the Government proposes to provide \$101.5 million over five years, starting in 2018–19, to support capacity development for Indigenous Peoples. Funding would be made available to Indigenous groups to support activities that would facilitate their own path to reconstituting their nations.

Permanent Bilateral Mechanisms

In December 2016, the Prime Minister announced that the Government would establish Permanent Bilateral Mechanisms with First Nations, Inuit and the Métis Nation to identify each community's distinct priorities and help the Government and Indigenous Peoples work together to develop solutions. Budget 2018 proposes to invest \$74.9 million over five years, with \$15.5 million per year ongoing, to provide ongoing support to these policy co-development forums.

New Fiscal Relationship: Strengthening First Nations Institutions and Community Capacity

Budget 2018 proposes to invest \$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.

New Fiscal Relationship: Collaborating with Self-Governing Indigenous Governments

Through Budget 2018, the Government proposes to provide \$189.2 million in 2018–19 to begin the implementation of new fiscal policy reforms that have been co-developed with self-governing Indigenous Peoples in Canada. This funding will support key priorities, including the closing of socio-economic gaps, infrastructure, data collection and governance.

Strengthening Indigenous Data and Research Capability

Budget 2018 proposes to provide \$3.8 million over five years, starting in 2018–19, and \$0.4 million per year ongoing, to Statistics Canada to create the Indigenous Statistical Capacity Development Initiative. This initiative will enable the Government to undertake engagement and outreach with Indigenous Peoples and organizations to better understand their statistical, data governance and information management needs, and to provide technical support services such as statistical training, courses and tools grounded in the needs of First Nations, Inuit and Métis peoples. It will help Indigenous leadership, communities and governments build their own data and research capacities, and provide greater support to Indigenous institutions and organizations.

In addition, Budget 2018 proposes to provide the Social Sciences and Humanities Research Council with \$3.8 million in 2018–19 to develop a strategic plan that identifies new ways of doing research with Indigenous communities, including strategies to grow the capacity of Indigenous communities to conduct research and partner with the broader research community.

Health

Addressing the Opioid Crisis

The Government proposes to provide \$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. This allocation includes one-time emergency funding of \$150 million for provinces and territories for multi-year projects that improve access to evidence-based treatment services.

Advisory Council on the Implementation of National Pharmacare

As part of Budget 2018, the Government is announcing the creation of an Advisory Council on the Implementation of National Pharmacare.

Cannabis Public Education

The Government has committed to legalize Cannabis in 2018. The Government proposes to provide \$62.5 million over five years, starting in 2018–19, for public education initiatives. The Government also proposes to provide \$10 million over five years for the Mental Health Commission of Canada to help assess the impact of cannabis use on the mental health of Canadians, and \$10 million over five years to the Canadian Centre on Substance Use and Addiction to support research on cannabis use in Canada.

Support for Canadians Impacted by Autism Spectrum Disorder

In Budget 2018, the Government proposes to provide \$20 million over five years for two new initiatives to better support the needs of Canadians experiencing autism spectrum disorder and their families. This will include the creation of an **Autism-Intellectual-Developmental Disabilities National Resource and Exchange Network (AIDE)** to develop online resources, an inventory of services, employment opportunities and local programming for families across the country, based on their specific needs.

Health and Welfare Trusts

Budget 2018 reports the following under an annexed Tax Measures: Supplementary Information.

A Health and Welfare Trust is a trust established by an employer for the purpose of providing health and welfare benefits to its employees. The tax treatment of such a trust is not explicitly set out in the *Income Tax Act*. Since 1966, the Canada Revenue Agency (CRA) has published administrative positions regarding the requirements for qualifying as a Health and Welfare Trust along with rules relating to contributions to, and the computation of taxable income of, such a trust. The tax treatment of health benefits paid to employees is set out in the *Income Tax Act*.

The Employee Life and Health Trust rules were added to the *Income Tax Act* in 2010. These trusts also provide health benefits for employees – specifically, group sickness or accident insurance plans, private health services plans and group term life insurance policies. The Employee Life and Health Trust rules in the *Income Tax Act* are very similar to the CRA's administrative positions for Health and Welfare Trusts. However, the Employee Life and Health Trust legislation explicitly deals with certain issues (e.g., the treatment of surplus income and pre-funding of benefits) that are not dealt with in the administrative Health and Welfare Trust regime.

Budget 2018 proposes that only one set of rules apply to these arrangements. As such, the CRA will no longer apply their administrative positions with respect to Health and Welfare Trusts after the end of 2020. To facilitate the conversion of existing Health and Welfare Trusts to Employee Life and Health Trusts, transitional rules will be added to the *Income Tax Act*. Trusts that do not convert (or wind up) to an Employee Life and Health Trust will be subject to the normal income tax rules for trusts. In addition, the CRA will not apply its administrative positions with respect to Health and Welfare Trusts to trusts established after Budget Day and will announce transitional administrative guidance relating to winding up existing Health and Welfare Trusts.

Stakeholders are invited to submit comments on transitional issues, both administrative and legislative, to facilitate the discontinuation of the Health and Welfare Trust regime. Following the consultation, the Government intends to release draft legislative proposals and transitional administrative guidance. Issues currently under consideration include:

- whether a Health and Welfare Trust can continue as an Employee Life and Health Trust without the creation of a new trust;
- whether, and under what conditions, a rollover of assets to a new trust will be permitted; and
- the tax implications for a Health and Welfare Trust that does not satisfy the conditions to become an Employee Life and Health Trust, or where the trustees of a Health and Welfare Trust choose not to convert.

Multiculturalism

The Government proposes to provide \$23 million over two years, starting in 2018–19, to increase funding for the Multiculturalism Program administered by Canadian Heritage. This funding would support cross-country consultations on a new national anti-racism approach, would bring together experts, community organizations, citizens and interfaith leaders to find new ways to collaborate and combat discrimination, and would dedicate increased funds to address racism and discrimination targeted against Indigenous Peoples and women and girls.

The Government also proposes to provide \$19 million over five years that will be targeted to enhance local community supports for youth at risk and to develop research in support of more culturally focused mental health programs in the Black Canadian community.