

2016 Federal Budget Increases Funding for Environmental and Aboriginal Issues in Canada

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On March 22, 2016, Finance Minister Bill Morneau introduced the Liberal Government's first budget ("2016 Budget") since winning last year's federal election. If passed into legislation as proposed, the 2016 Budget will expand funding on important environmental issues such as the reduction of greenhouse gas emissions and improved green infrastructure. The 2016 Budget will also increase funding to First Nations to address issues such as Missing and Murdered Indigenous Women and Girls, education and reserve water quality.

The 2016 Budget invests in different areas to simultaneously protect the environment and transition the country to a low-carbon economy. These investments include:

- ◆ \$3.4 billion over the next three years to upgrade and improve public transit systems across Canada
- ◆ \$2 billion over two years, starting in 2017–18, to establish the Low Carbon Economy Fund that will support provincial and territorial actions that materially reduce greenhouse gas emissions
- ◆ \$1.13 billion over four years, starting in 2017–18, to support clean technology research, development and demonstration activities
- ◆ \$518 million for municipal climate change mitigation and adaption infrastructure projects
- ◆ \$345.3 million over the next five years to Environment and Climate Change Canada ("ECCC"), Health Canada and the National Research Council to take action to address air pollution in Canada
- ◆ \$217 million for environmental remediation work on federally owned contaminated sites
- ◆ \$109.1 million over the next five years to ECCC to continue to advance the Government's domestic climate change objectives
- ◆ \$197.1 million over the next five years to Fisheries and Oceans Canada to increase ocean and freshwater science, monitoring and research activities and to provide support for the Experimental Lakes Area in Northwestern Ontario, and
- ◆ \$50 million over the next two years to Natural Resources Canada to invest in technologies that will reduce greenhouse gas emissions from the oil and gas sector.

The 2016 Budget allocates \$8.4 billion over the next five years to improve the socio-economic conditions of Aboriginal people and their communities. The money will, in part, be allocated as follows:

- ◆ \$2.6 billion over the next five years towards investments in primary and secondary education on reserves
- ◆ \$2.24 billion over the next five years for water, wastewater and waste management infrastructure for First Nations communities to ensure proper facility operation and maintenance, and to end long-term boil water advisories
- ◆ \$1.2 billion over the next five years in support of social infrastructure in First Nations, Inuit and Northern communities
- ◆ \$969.4 million over the next five years in First Nations education infrastructure on reserves
- ◆ \$96 million over the next five years and \$10 million ongoing to support the capacity of Aboriginal Representative Organizations to engage with the Government on behalf of First Nations
- ◆ \$40 million over the next two years toward the National Inquiry into Missing and Murdered Indigenous Women and Girls
- ◆ \$19 million over the next five years to Indigenous and Northern Affairs Canada (“INAC”) to collaborate with researchers and Inuit communities to gather existing research and traditional knowledge of the Arctic environment and conduct new research where gaps in knowledge exist, and
- ◆ \$10.7 million over the next two years to INAC to implement renewable energy projects in off-grid Indigenous and northern communities that rely on diesel and other fossil fuels to generate heat and power.

The 2016 Budget has met with a generally positive initial reaction from observers who see the 2016 Budget as a positive first step towards meeting the commitments set out in the Liberal Government’s campaign platform. However, as noted above, much of the funding is spread out over five years. Some critics argue that, in the case of Canada’s renewed relationship with its Indigenous peoples, the budget may not go far enough. It remains to be seen if the 2016 Budget’s commitments will be completely met. Critics and others will also be carefully assessing whether the substantial funding results in positive outcomes.

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